



This Open Meeting of the Board of Trustees is authorized in accordance with the Texas Government Code, §§551.001 through 551.146. Verification of Notice of Meeting and Agenda are on file in the Office of Board Relations. Per Texas Government Code §551.1282, this meeting is being broadcast over the Internet in the manner prescribed by Texas Government Code, §551.128. In accordance with Texas Government Code §551.127 one or more members of the Board of Trustees may participate in the meeting via videoconference in accordance with the provisions thereof.

## **NOTICE OF A FINANCE COMMITTEE MEETING OF THE BOARD OF TRUSTEES FOR DALLAS COLLEGE AND RICHLAND COLLEGIATE HIGH SCHOOL**

**Tuesday, December 5, 2023 | 11:00 AM**

**Administrative Office**

**1601 Botham Jean Blvd., Room #036, Dallas, Texas 75215**

**[www.dallascollege.edu/boardmeetingslive](http://www.dallascollege.edu/boardmeetingslive)**

*Persons who address the Board are reminded that the Board may not take formal action on matters that are not part of the meeting agenda and may not discuss or deliberate on any topic that is not specifically named in the agenda. For any non-agenda topic introduced during this meeting, there are three (3) permissible responses: 1) to provide a factual answer to a question; 2) to cite specific Board Policy relevant to a topic; or 3) the topic may, at a later date, be placed on a Board Agenda for a subsequent meeting.*

*Speakers shall direct their presentations to the Board Chair, or the Board, as a whole..*

### **Finance Committee Meeting Agenda**

- 1. Roll Call - Announcement of a Quorum**
- 2. Certification of Notice Posted for the Meeting**

### **3. Citizens Desiring to Address the Board**


### **4. Committee Presentations**

- 4.1. Compensation Study Review  
Presenter: Louis Burrell

### **5. Overview of Regular Meeting Agenda Items**

- 5.1. Finance Item
  - a. Approval of the Endowment Agreement Between Dallas College and the Dallas College Foundation, Inc. 4 - 8  
[5.1.a. Endowment-Agreement\\_packet\\_final.pdf](#) 

### **6. Items for Review**

- 6.1. Committee Notes
  - a. Finance Committee Notes for October 3, 2023 9 - 11  
[6.1.a. 2023OCT3\\_FinanceCommittee\\_Notes\\_final.pdf](#) 

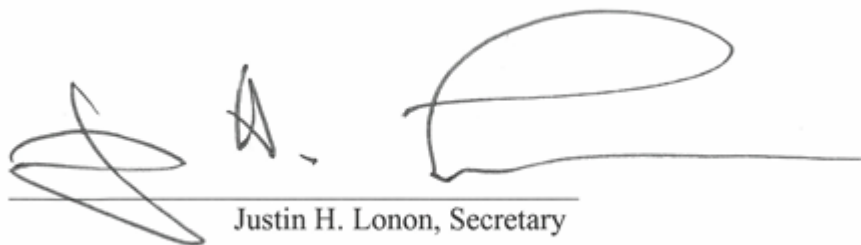
### **7. Executive Session**

- 7.1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071
- 7.2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignments, Duties, Discipline, or Dismissal of Officers or Employees- Section 551.074
- 7.3. Deliberate Regarding Real Property Since Open Deliberation would have a Detrimental Effect Upon Negotiations with a Third Person - Section 551.072
- 7.4. Deliberate Regarding Security Devices or Security Audits Sections 551.076 and 551.089

### **8. Adjournment**

*CERTIFICATION OF NOTICE POSTED FOR THE DECEMBER 5, 2023 FINANCE COMMITTEE MEETING OF  
DALLAS COLLEGE AND RICHLAND COLLEGIATE HIGH SCHOOL BOARD OF TRUSTEES*

I, Justin H. Lonon, Secretary of the Board of Trustees of Dallas College, do certify that a copy of the notice for this meeting was posted on the 1st day of December 2023 in compliance with the applicable provisions of the Texas Open Meetings Act.



Justin H. Lonon, Secretary

## FINANCE ITEM NO. 5.1.a.

### Approval of the Endowment Agreement Between Dallas College and the Dallas College Foundation, Inc.

The Chancellor recommends that authorization be given to approve Dallas College's establishment of a \$36 million endowment fund with the Dallas College Foundation.

#### Background

This Agreement will initiate the establishment of Dallas College's \$36 million endowment fund at the Dallas College Foundation.

Dallas College recently realized \$36 million from the sale of long-term assets. Dallas College now seeks to optimize the use of these funds to advance its mission by using the funds to establish a \$36 million endowment at the Dallas College Foundation.

The Dallas College Foundation intends to prudently and expertly invest these funds to maximize their long-term return, as well as to leverage the funds to garner additional private donations going forward and engage the philanthropic community regarding Dallas College's mission and impact in our region.

The Dallas College Foundation is a Texas non-profit corporation which has been in existence for 50 years. It has been approved by the Internal Revenue Service as a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. The Dallas College is an affiliated foundation and exists solely for the purpose of supporting the mission and priorities of Dallas. The relationship of Dallas College and the Dallas College Foundation is defined by an Operating Agreement between the parties which defines the affiliated nature of the relationship and provides that the primary purpose of the Dallas College Foundation is to generate, receive, hold, invest, manage and allocate funds for the benefit and advancement of Dallas College. This arrangement helps ensure the alignment of the Foundation's philanthropic programs to the priorities and needs of Dallas College as they evolve over time, from a strategic and a programmatic perspective.

By using the funds to establish an endowment at Dallas College Foundation, the College is seizing a once-in-a-generation opportunity to engage the community around Dallas College's critical mission and create sustainable resources for the benefit of future generations of Dallas College students.

#### Resource Contact

Josh Skolnick, Executive Director, Dallas College Foundation  
Rob Wendland, General Counsel

**Endowment Agreement**  
**between**  
**Dallas College**  
**and**  
**Dallas College Foundation, Inc.**

This Endowment Agreement (“Agreement”) made to be effective as of the 5<sup>th</sup> day of December 2023, sets forth the entire understanding between Dallas College, a Texas political subdivision of higher education (the “College”), and Dallas College Foundation, Inc., a Texas nonprofit corporation (the “Foundation”), with respect to the contribution of funds by the College to the Foundation for the establishment of the Dallas College 2023 Endowment Fund (the “Fund”) at the Foundation. The Fund shall consist of one or more funds administered by the Foundation in the manner and for the purposes set forth in this Agreement.

**WHEREAS** the Foundation was incorporated in 1973 for the purpose of stimulating voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of the College; and

**WHEREAS** the Foundation exists to raise and manage private resources supporting the mission and priorities of the College and provide opportunities for students and a margin of institutional excellence unavailable with state and other local funds; and

**WHEREAS** the Foundation is dedicated to assisting the College in the building of an endowment and in addressing, through financial support, the long-term academic and other priorities of the College; and

**WHEREAS** the College and the Foundation have agreed that working jointly to raise and expend funds best serves the educational and service missions of their respective organizations and serves the mutual public service mission of each party; and

**WHEREAS** the College has the confidence and the expectation that the Foundation will utilize the establishment and existence of the Fund to generate additional resources for the Foundation, endowment and otherwise;

**WHEREAS** as stated in its Articles of Incorporation, the Foundation is a separately incorporated nonprofit corporation exempt from federal income tax pursuant to Internal Revenue Code Section 501(c)(3) and is responsible for identifying, cultivating, and maintaining relationships with potential donors and other friends of the College soliciting cash, securities, real and intellectual property, and other private resources for the support of the College; and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities; and

**WHEREAS** Section 130.007 of the Texas Education Code authorizes the College to establish an endowment fund in a depository selected by its Board of Trustees; and

**WHEREAS** the College and its Board of Trustees has determined that the Foundation makes investments with funds entrusted to it in a manner which, in all respects, meets the obligations of the College with respect to funds invested under Section 130.007 of the Education Code; and

**WHEREAS** the College and the Foundation have entered into a mutually agreeable Operating Agreement which

sets forth the rights and obligations of each entity to the other in recognition of the fact that the Foundation is an affiliated foundation of the College; and

**WHEREAS** the College has identified funds with which it wishes to establish an endowment fund with the Foundation pursuant to Section 130.007 of the Texas Education Code; and

**WHEREAS** the College desires to restrict the Fund to specific uses as set forth therein, namely for student support, academic excellence, innovation, and to support the College's commitment to a robust emergency aid fund for its students.

**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

1. **Establishment, Management and Purpose of the Fund:** Concurrently with the execution of this Agreement, the College hereby contributes funds in the amount of Thirty-Six Million and NO/100 Dollars (\$36,000,000.00) (the "Grant Funds") to the Foundation to establish the Fund as an endowment fund pursuant to Section 130.007 of the Texas Education Code to support the mission and strategic priorities of the College in meeting the needs of the students and community it serves on the terms set forth in this Agreement. The Foundation shall manage the Fund in accordance with the terms set forth herein. The College designates this contribution to be used for the specific purposes set forth in Section 2 of this Agreement.
2. **Apportionment of Monies in the Fund:** The Fund will be established with an initial contribution from the College to be apportioned among the following funds established, or to be established, by the Foundation:
  - Ten Million and No/100 Dollars (\$10,000,000.00) shall be invested in a fund established, or to be established, known generally as the Student Support and Progression Fund. Appropriations of income from the Student Support and Progression Fund may be expended annually by the Foundation in support of initiatives that address non-academic barriers to student success. Notwithstanding the endowed nature of the Fund, immediately upon execution and approval of this Agreement, the College authorizes the Foundation to expend up to Five Hundred Thousand and No/100 Dollars (\$500,000.00) to support Dallas College initiatives supporting students and their progress toward a degree or credential;
  - Ten Million and No/100 Dollars (\$10,000,000.00) shall be invested in a fund established, or to be established, known generally as the Academic & Credentialing Excellence Fund to provide support for new academic, instructional, and credentialing initiatives of Dallas College. Appropriations of income from the Academic & Credentialing Excellence Fund may be expended annually by the Foundation in support of projects undertaken by Dallas College that result in new or expanded new academic, instructional, and credentialing initiatives. Notwithstanding the endowed nature of the Fund, immediately upon execution and approval of this Agreement, the College authorizes the Foundation to expend up to Five Hundred Thousand and No/100 Dollars (\$500,000.00) to support new academic, instructional, and credentialing initiatives at Dallas College;
  - Ten Million and No/100 Dollars (\$10,000,000.00) shall be invested in a fund established, or to be established, known generally as the Innovation Fund to provide support as Dallas College designs and launches a system-wide innovation initiatives that engage collaboration with community and employer stakeholders. Appropriations of income from the Innovation Fund may be expended annually by the Foundation in support of projects undertaken by Dallas College to design and launch a system-wide innovation support structure. Notwithstanding the endowed nature of the Fund, immediately upon execution and approval of this Agreement, the College authorizes the Foundation

to expend up to Five Hundred Thousand and No/100 Dollars (\$500,000.00) to support Dallas College projects associated with the design and launching of system-wide innovation initiatives; and

- Six Million and No/100 Dollars (\$6,000,000.00) shall be invested into an Emergency Aid Endowment Fund to support Dallas College's commitment to providing emergency aid to students. Appropriations of income from the Emergency Aid Endowment Fund may be expended annually by the Foundation in support of emergency aid for students.

3. **Administration of the Fund:** The Fund will be held, managed, invested, administered and distributed by the Foundation, acting in accordance with the laws applicable to investment and management of funds invested for the benefit of a Texas institution of higher education endowment fund under Section 130.007 of the Texas Education Code, including, without limitation, in accordance with the Texas Uniform Prudent Management of Institutional Funds Act (Chapter 163 of the Texas Property Code) ("UPMIFA"). The Foundation may delegate to an external agent the management and investment functions. All distributions from the Fund, including any annual expenditures of income from the Fund as described in Paragraph 2, will be made by the Foundation consistent with UPMIFA and the spending and distribution policies adopted by the Foundation from time to time and shall not, without the prior written consent of the Chancellor of the College, exceed in any year five percent (5%) of the fair market value of the Fund. If unforeseen circumstances alter or remove the subject area or the purpose of this Fund from the College's mission or priorities, or if the purposes for which the Fund is established become unlawful, impracticable, impossible to achieve, or wasteful, then the Foundation will consult with the College to designate an alternative use for the Fund in accordance with applicable state law to further the objectives of the College in a manner that resembles the College's intent as closely as possible.
4. **Use of Funds:** Neither the Fund endowment nor income from the Fund endowment may be used to cover any administrative or operating expenses of the Foundation, including salaries of Foundation staff.
5. **Duration of the Fund:** The College intends for the Fund, including all realized and unrealized capital appreciation and depreciation generated by the Fund, to exist in perpetuity, except for distributions consistent with the purposes outlined in Paragraph 2.
6. **Investment Authority:** The Fund shall be invested in accordance with the investment policies of the Foundation as established from time to time by the Foundation's Board of Directors. For purposes of investment only, the monies of this Fund may be pooled/commingled with other endowment funds held by the Foundation. At all times, the Fund shall be separately accounted for in the Foundation's books and records.
7. **Announcement of the Fund:** Announcement of the Fund, including amount, descriptions of contributions and pertinent details, may be made in any College or Foundation publication with consultation from the College's Department of Marketing & Communications.
8. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and all obligations hereunder are performable in Dallas County, Texas. Venue of any dispute arising hereunder shall lie exclusively in the courts of Dallas County, Texas.
9. **Modification of Agreement:** The terms and conditions of this Agreement may not be orally amended, modified, except in writing signed by the College and the Foundation.
10. **Multiple Counterparts:** This Agreement may be signed in multiple counterparts, which may be signed by

the parties separately, but together shall constitute a single agreement.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2023.

**DALLAS COLLEGE**

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Ms. Monica Lira Bravo  
Chair, Board of Trustees

ATTEST:

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Dr. Justin H. Lonon  
Chancellor, Dallas College

**DALLAS COLLEGE FOUNDATION, INC.**

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Mr. Clint McDonnough  
Chair, Board of Directors

ATTEST:

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Josh Skolnick, Executive Director



## ITEMS FOR REVIEW NO. 6.1.a.

### Finance Committee Notes for October 3, 2023

The Finance Committee Meeting of the Board of Trustees of Dallas College was held Tuesday, October 3, 2023, beginning at 3:20 p.m. at the administrative office in room 036 and was broadcasted via the streaming link [www.dallascollege.edu/boardmeetingslive](http://www.dallascollege.edu/boardmeetingslive). This meeting was convened by Committee Chair Cliff Boyd.

#### Board Members and Officers Present

- \* Mr. Cliff Boyd (committee chair)
- \* Mrs. Monica Lira Bravo  
Ms. Charletta Rogers Compton  
Ms. Diana Flores
- \* Dr. Catalina E. Garcia  
Dr. Justin H. Lonon (secretary and chancellor)  
Mr. Paul Mayer  
Mr. Philip J. Ritter
  
- \* *Denotes a committee member*

#### Members Absent

None.

1. **Roll Call - Announcement of a Quorum** confirmed by Committee Chair Boyd.
2. **Certification of Notice Posted for the Meeting** confirmed by Chancellor Lonon.
3. **Citizens Desiring to Address the Board**  
None.
4. **Committee Presentations**
  - 4.1. Financial Aid for Swift Transfer (FAST)  
Presenter: Tiffany Kirksey

Tiffany Kirksey, Shawnda Floyd, and Tricia Horatio presented an overview of the Financial Aid for Swift Transfer (FAST) program. Educational Partnerships, under the direction of Vice-Provost Kirksey, will take the lead on this program for Dallas College.

Dallas College has been a leader and innovator in the state for dual credit education, removing financial barriers and providing students accessible education. Dallas ISD provides dual credit courses at no cost to students in-district and significant discounts tuition for students out of district. ISDs work directly with Follett to cover the cost of learning materials. Dallas College will align internal processes to meet the FAST standard for operationally efficient management of student records and submission to the Texas Higher Education Coordinating Board (THECB).

The FAST program, like our current dual credit program, provides funding to participating public institutions of higher education to offer dual credit courses to educationally disadvantaged students at no cost to the students. The FAST program allotment of funding is equal to the FAST tuition rate for each semester credit hour of dual credit coursework taken by an eligible student. The FAST tuition rate would be set annually by the THECB. The tuition rate adopted by THECB for FY 2024 is \$55 per semester credit hour. The FAST program allotment would provide Dallas College with a new revenue source, which would aid in offsetting the dual credit tuition waivers. FAST funding projections were not yet available. Additionally, the college would also receive HB8 course completion funding even for dual credit students.

Eligible students must be enrolled in dual credit courses through a public or charter school, had qualified for free or reduced-price lunch in any of the four school years prior to the academic year in which they enroll in dual credit, and be enrolled in courses offered through an institutional agreement from an institution that has opted to participate in FAST. The FAST program does not include home school or private school students.

Committee Chair Boyd asked if this would include ISDs in outlying areas.

Tiffany Kirksey responded that out-of-county rates would be waived for FAST eligible students so that the college would be able to serve more students. This would not apply to out-of-state students.

Vice Chair Ritter spoke about a possible tuition increase in the future.

Shawnda Floyd noted that the FAST program was modeled after the Dallas College dual credit program.

Trustee Flores asked about contact hours reimbursement. Tiska Thomas responded that THECB shifted funding from contact hours to success points and now transitioned to performance metrics.

Committee Chair Boyd acknowledged his gratitude for the college staff and the work done by the college.

**5. Overview of a Regular Agenda Item**

**5.1. Finance Item**

- a. Approval of Authorization to Use of Forfeited Funds

**6. Items for Review**

**6.1. Committee Notes**

- a. Finance Committee Notes for September 12, 2023  
No comments or edits were made.

**7. Executive Session** was not required.

**8. Adjournment** was at 4:05 p.m.

*Captioned video and transcripts for Dallas College Board Meetings are available at our website, [www.dallascollege.edu/boardmeetingslive](http://www.dallascollege.edu/boardmeetingslive), under the Archived Videos section.*