

Jackson College Board of Trustees Meeting

Regular Meeting

May 08, 2023 06:30 PM



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(*) Indicates a roll-call item

Jackson College COVID-19 Protocol – 8.8.22



Campus Arrival:

- Emmons Road Entrance has been reopened

Testing, Vaccinations & Illness:

- Continue to test 3-5 days after travel or large gatherings (note: The Health Clinic has the Pfizer booster available, appointment needed)

Classrooms & Campus Spaces

- Masks are encouraged in larger spaces (e.g., fieldhouse, community rooms, Music Hall etc.).
- Masks may be required in certain areas such as Health Clinic, specific work spaces and full capacity classrooms. *Signs will be posted.*
- *We also highly encourage you to keep a mask on you at all times, should the spaces you visit necessitate the usage of one*

As a matter of College Policy, at all times, all students, employees and visitors are required to remain off campus if they are exhibiting any level of illness, whether or not they believe it to be COVID-19.

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
5:45pm Board Dinner [No Board discussion/decisions] <u>BOARD POLICY:</u> Open Meetings Act – Act 267 of 1976
Description:
<p>In accordance with the Michigan's Open Meetings Act (OMA), 1976 PA 267, MCL 15.261 et seq, all public bodies are required to hold their gatherings in public, if a quorum of the board is present.</p> <p>As further clarified in the Open Meetings Act Handbook, prepared by Michigan Department of Attorney General's Office, while the OMA "does not apply to a meeting which is a social or chance gathering or conference not designed to avoid this act,"²⁸ a meeting of a public body must be open to the public. Though no board discussion or decisions are undertaken during the Board's dinner, the Jackson College Board has broadly interpreted this gathering to be a 'meeting of a public body' and, as such, is open to the public, though there is no opportunity for the public's input during this dinner gathering.</p>
Resource Impact:
None
Requested Board Action:
Board members partake in a purely social dinner gathering, prior to the regular Board meeting.
Action Taken:



Roberts Rule of Order for Small Assemblies

Board of Trustees
Jackson College, MI

Parliamentary procedure is a set of rules for conducting orderly meetings of the Board of Trustees that accomplish goals fairly. Excerpts from Robert's Rules of Order Newly Revised – 12th Ed. (RONR), includes provisions for small assemblies (i.e., a grouping of 12 or fewer members). These rules apply to the Board committees as well.

I. General Principles:

RONR provides that Board of Trustees meetings are not to be conducted with the formality of a large assembly, but some general principles apply. Namely:

1. A quorum must be present for business to be conducted.
2. All Trustees have equal rights, privileges and obligations.
3. No person should speak until recognized by the chairperson.
4. Personal remarks or sidebar discussions during debate are out of order.
5. Only one question at a time may be considered.
6. Only one person may have the floor at any one time.
7. Trustees have a right to know what the pending question is and to have it restated prior to a vote being taken.
8. Full and free discussion of every main motion is a basic right.
9. A majority decides a question except when basic rights of members are involved or a rule provides otherwise.
10. Silence gives consent. Those who do not vote allow the decision to be made by those who do vote.
11. The chair should always remain impartial.

II. Unique Components to Small Assemblies:

These rules/exceptions are called the *Rules of Order for Small Assemblies*. However, the following RONR modifications to the Rules for small assemblies are notable and must be adhered to:

1. Members are not required to obtain the floor before speaking or making a motion, which can be done while seated. The chairperson merely recognizes the person.
2. Motions need not be seconded, although the chair should repeat the motion so that the meeting knows what is being talked about and before there is a vote, the proposed resolution should be repeated by the chair unless the resolution is clear. (A long motion should be in writing to assist the chair.)

3. There is no limit on the number of times that a person can speak, although in boards and committees it is not proper for a member to speak if a person who has not spoken wishes to be recognized. It is never proper to interrupt.
4. Informal discussion on a topic is permitted, even though no motion is pending. (It is required, however, to stick to the agenda.)
5. When a proposal is perfectly clear to the assembly, a vote can be taken without a motion having been made, but the chair is responsible for expressing the resolution before it is put to a vote.
6. The chair need not rise while putting questions to a vote.
7. The chair can participate in the discussion and unless there is a rule or custom of the board or committee to the contrary, can make motions and vote.
8. In order to have the benefit of the committee's or board's matured judgment, no motions to close or limit debate (such as "calling the question") are permitted.

III. Amendments:

A "motion to amend" can accomplish one or more of the following: 1) Inserting new language; 2) Striking language; and 3) Striking language in favor of adding new language.

Any motion can be amended by a subsequent motion. If the person who made the original motion consent to the amendment, the amendment is then deemed to be "friendly" amendment and it does not require additional support from another person; additionally, the matter is not subject to debate. If an amendment is not deemed friendly, it does require a person to second the amendment. Such a motion must then be debated and voted upon, before the debate resumes on the original motion.

A person wishing to make an amendment cannot interrupt another speaker. The chair should allow full discussion of the amendment (being careful to restrict debate to the amendment, not the original motion) and should then have a vote taken on the amendment only, making sure the board members know they are voting on the amendment, but not on the original motion.

If the amendment is defeated, another amendment may be proposed, or discussion will proceed on the original motion.

If the amendment carries, the meeting does not necessarily vote immediately on the "motion as amended." Because the discussion of the principle of the original motion was not permitted during debate on the amendment, there may be members who want to speak now on the issue raised in the original motion.

BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
1.0 Call to Order & Pledge of Allegiance of the United States <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-13 Special Rules of Order
Description:
Board Chairperson Crist will call all Trustees to Order in preparation for the Board Meeting, followed by a recitation of the Pledge of Allegiance: The Pledge: "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all".
Resource Impact:
None
Requested Board Action:
Come to order, stand, and recite the Pledge of Allegiance to the United States.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
2.0 Adoption of Minutes 2.1 Board Spring Planning Session of 04.07.23 2.2 Regular Board Meeting of 04.10.23 <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-01 Governing Style
Description:
Attached are the minutes of the most recent meeting of the Board for your review and consideration for placement into the formal record of the Jackson College Board of Trustees. [NOTE] A preliminary draft of these minutes is posted within 8 days of each Board Meeting, as required by law, and are subsequently finalized as a permanent record upon Board approval at this board meeting.
Resource Impact:
None
Requested Board Action:
Consideration of the minutes for approval to the formal record of the Board.
Action Taken:



SPRING PLANNING SESSION OF THE BOARD OF TRUSTEES

Jackson College

Central Campus, Bert Walker Hall, Community Rooms

144/145

04.07.23

[DRAFT & UNOFFICIAL]

The Spring Planning Session of the Board of Trustees of Jackson College was held on Friday, 04.07.23, 8:00am, at the Central Campus of Jackson College, Bert Walker Hall, Community Room 144/145.

Board Members Present: Chairman John Crist, Vice-Chairwoman Sheila Patterson, Trustee Donna Lake, Trustee Sam Barnes, Trustee Matt Heins, Trustee Philip Hoffman, and Trustee Christopher Simpson

Board Member Excused Absence: None

Others Present Include: Dr. Daniel Phelan, Ms. Cindy Allen, Mr. Jeremy Frew, Mr. Doug Yenor, Ms. Kelly Crum, Ms. Ashley Van Heest, Mr. Keith Everett Book, Ms. Heather Ruttkofsky, and Dr. Todd Butler.

Chairperson John Crist called the meeting to order at 8:00AM Eastern Standard Time.

DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest expressed by Trustees for items appearing on the agenda for the meeting.

CAREHOLDER LINKAGE

PUBLIC COMMENTS:

None

BOARD COMMENTS:

Vice-Chairperson Patterson and Trustee Lake shared a positive experience attending the ACCT GLI Conference in New Orleans. Trustee Simpson expressed his appreciation for the Mental Health panel held at Jackson College, noting that it was well executed and attended. President Phelan reminded the Board of the Easter Egg Hunt on Saturday, April 8th on the Central Campus of Jackson College.

FY'24 CONTEXT SETTING DISCUSSION

ENVIRONMENTAL INDICATORS:

CEO Phelan presented his assessment of current and future conditions that are most likely to affect higher education, community colleges nationally, and Jackson College in particular, as the Board considers planning and attendant resources needed to achieve the College's mission enabling and Board ENDS policy requirements.

Topics in the presentation included:

How long are employees staying with organizations?

Multi-Gen workplace – Communications, reactions and behaviors are unique to each of the 5 generations that are working at our organization.

Artificial Intelligence (AI) has an increasing ecosystem of applications for higher education and beyond. Trustee Barnes shared his positive experience with AI in the development of job descriptions and assessing resumes. Vice-Chairperson Patterson shared the usefulness of Chatbot for speeches. CEO Phelan noted that draft examinations and presentations are being explored at Jackson College.

There are many institutions engaged in the same work as the College:

- Coursera
- Udemy
- EdX
- LinkedIn Learning
- Khan Academy
- Arizona State University

Community College enrollments nationally are trending down, with a particular cliff (drop off) predicted in 2025, not to possibly recover until 2032.

Robert Gordon's Paradoxical Economy: characterized by slow economic growth despite technological advances.

Employees feeling stressed out is a common theme in conversations across community colleges, which could be attributed to the desocialization endured during the pandemic.

Implications for higher education going forward:

- The effective use of data to be competitive;
- Wage and benefit escalation will continue to stress employment/retention;
- Talent availability and workday flexibility requests;
- Unbelievable competition from all corners;
- Fungibility of instruction requires a new level of institutional distinctiveness; and
- Mental health and stress among students, staff, and guests.

Trustee Hoffman mentioned that the charge of Jackson College is high quality education, without compromise, which has lasting value.

More implications:

- Undifferentiated outcomes
- Competency-Based Education Politics
- Mergers
- Acquisitions and Closures
- Value Proposition of College
- Relevant Education
- Virtual learning environment
- Continuous learning
- All things AI
- Coffee Shop Campus
- Just Learners
- Faculty Roles

Social / Cultural / Financial Stresses include:

- Social Media
- Falling enrollments and resources
- Mental health
- Political divisiveness

Present Context:

- Congress is broken.
- Pell grant increase.
- Ukraine implications.
- Inflationary pressures remain high.
- Increasing social stratification.
- Recession: Central Bank continues to try and get a handle on the economy.
- Mental Health
- MI State Government
- University enrollment
- Safety & security
- Social & Economic Mobility
- Demographic Shifts

How do we best position Jackson College:

- A strategic focus, incorporating the above factors and others.

STRATEGIC AGENDA:

CEO Phelan shared Jackson College's evergreen, 18-month, strategic agenda, which will be reviewed quarterly by the Leadership Council, and subsequently extended for another 3 months.

This document has been poured into by the whole of the institution since Fall 2022. It started with the Board's Carholdership-Linkage feedback, ENDS Policy, and proceeded from there. The Leadership Council subsequently generated 8 Big Ideals/galvanizing ideas/goals for the College to consider going forward. Over 175 employees participated in an input survey, extensive meetings were held with the Leadership Council, Coordinating Council, Administrative Council, as well as in all departments of the College. This work was distilled down to the 3 main goals and their related strategies.

The three vital goals of the Strategic Agenda include: Student, Talent, and Workforce Development.

The final step in this quarter's strategic agenda process is determination of measurable and specific tactics that will operationalize the strategies, which are expected by May 1st.

BUDGET DISCUSSION

FY '23 PERFORMANCE:

CEO Phelan began with an overview of the current (i.e., FY '23) financial experience, referencing the December 2022 Financial Report, the Board approved budget, and fiscal experience to-date. This included a look at the projected actual budget with a 6-month actual performance indication.

CASH CONTROL UPDATE / CYBERSECURITY UPDATE

CEO Phelan provided an update of the current cash control and cybersecurity precautions that have been deployed in response to auditor recommendations.

Additionally, CEO Phelan discussed a number of current, as well as proposed strategies to address threat actors. Focus areas are respond and recover, detect, protect, and governance. Trustee Hoffman noted that employees and vendors can be the most difficult challenge to cyber protection.

PROPOSED FY '24 BUDGET TARGETS

CEO Phelan reviewed the internal and external influences on the budget, the improved budget process using an online platform and inclusive process for expansive input and perspectives, as well as the projected BCH for FY'24. He then reviewed the major revenue assumptions including proposed FY'24 tuition and fees by billing type, BCH, state appropriations, property tax and major expense assumptions including wages and merit pay, retirement and benefits, plant and facilities, electronic and institutional equipment, services/staffing agency, transfers, and transfer-debt service.

Chairperson Crist reminded the Board of the new competition that may present itself when the eligibility for Corrections Education Programs expands to all higher learning institutions on June 30th. CEO Phelan explained the challenges presented by CEP in which Jackson College is well-versed, which could be unsurmountable hurdles for other

institutions. CEO Phelan explained to Trustee Heins that the budget is built around a robust CEP program, but conservative with levers that can be moved should there be any fluctuation, though unexpected, in enrollment.

Trustee Barnes and CEO Phelan discussed the use of open education resources (OER). Dr. Butler and Ms. Ruttkofsky described the race to OER over the years, some of the successes that are able to be realized with OER in some areas, and areas where publishers are currently still out-flanking OER.

CEO Phelan described the reduction of previous year revenues due to the 3rd, and final, phased elimination of online course fees, for the benefit of the student and institutional competitiveness. He also shared that housing rates proposed for FY '24 are unchanged, with a slight proposed increase in meal plan prices and methods to assist in keeping students committed to addressing their hunger needs. CEO Phelan and Trustee Barnes discussed the commitment to continued maintenance on campus housing.

Ms. Crum described for Chairperson Crist that the current usage of campus housing is at 181 students, with a capacity of nearly 400, but the FY'24 housing applications are promising for getting closer to full capacity.

CEO Phelan described the FY '24 property tax revenue calculation, which each year has an approximate loss in excess of \$1M a year due to the Headlee rollback millage rate.

Continued investment in student success and growth includes Ready Set Jet, learner achievement, new facilities (Jets Pavilion, Jets Air Station, Steam Factory, and Observatory), marketing, tech & data advancement, returning to PreCovid levels, and new instructional programs.

Trustee Barnes and CEO Phelan discussed the contemplation of improved soccer fields in the next 5 years. Naming opportunities for the Observatory may be on their way as well.

To Trustee Barnes' question, Mr. Frew shared that navigators are currently at 225 students per navigator, with a goal of 100-200 per navigator.

CEO Phelan answered for Chairperson Crist that a public relations employee for the College was recently hired. Joe Gebhardt is that person, hired from Fox 47.

Trustee Barnes discussed in the practice of not charging senior citizens for tuition that it should be made explicit to seniors that their attending for no tuition does NOT displace any other paying student.

The general fund budget and the auxiliary, support services budget have been separated to discern between effects between the two. Chairperson Crist, Ms. Allen,

and CEO Phelan discussed the Potter Center revenues predicted, still conservatively considered. Chairperson Crist encouraged the Trustees to show support for the Potter Center Season.

CAPITAL MASTER PLAN FOR FY '24

CEO Phelan reviewed the 5-Year Facilities Master Plan and the FY '24 Campus Master Plan Projects.

CEO Phelan spoke to Vice-Chairperson Patterson's inquiry for investment in on-campus generators. Generators will take 12-18 months to acquire, which will potentially put them in the FY '25 budget rather than the FY'24 budget.

He also explained the dire need for capital outlay toward renovation of McDivitt Hall, which is still being pursued as the FY '23 capital outlay request, along with renovations to Whiting Hall (the FY '24 capital outlay request). CEO Phelan expounded upon the predicted, continuous growth in the use of our on-campus facilities (even in an era of on-line instruction increase).

Trustee Heins and CEO Phelan discussed the goal of the Jets Air Station generating revenue.

LONG-TERM DEBT REVIEW

CEO Phelan provided a review of long-term debt.

EARLIER BUDGET CONSIDERATION FOR APPROVAL

CEO Phelan concluded the budget discussion with an earlier FY '24 budget consideration for approval, to have the budget packet ready for Board consideration at their regular May meeting.

Trustee Heins expressed concern with the proposed budget. Trustee Hoffman noted that any cost increases would be half of what the current inflation is. CEO Phelan assured the Board that proposed increases in tuition would be offset by the proposed, and previously discussed elimination of on-line fees; in fact, students taking on-line will see a reduction in tuition and fee costs overall.

The Trustees will consider the discussion of millage being added to their Summer Retreat agenda.

OTHER COLLEGE ITEMS

CONSIDERATION OF RECOMMENDED POLICY GOVERNANCE CHANGES:

CEO Phelan and Chairperson Crist proposed a Policy process review and development process: The Trustees discussed creating a process by which policies are more directly reviewed by the Board, perhaps by assigning policies for review to specific Board members, as a means of spreading out the responsibility, and then those Trustees sharing out suggestions for policy amendments (or lack thereof) at respective Board

meetings for the full Board's consideration. The use of a Governance Coach Rose Mercier in this work and the overall process will be discussed further at the Board's Summer Retreat.

CEO Phelan led a conversation with the Board about the Policy Governance approach (John Carver) on the matter of standing Board committees versus ad-hoc committees and received their recommendations. Trustee Barnes and Vice-Chairperson Patterson shared support for eliminating standing committees, and that work being included in existing regular Board meetings. Discussion ensued on what could be handled in open and closed sessions of Board meetings. Dissolving the Audit Committee and Careholder Linkage Committee into work of the full Board (start to finish) at regular Board meetings will be discussed further at the Board's Summer Retreat. Such a practice would also provide for broader board experience, making any board changes less disruptive due to knowledge loss.

Peer Benchmarking: CEO Phelan proposed policy governance benchmarking with North Central State College, OH, possibly at the upcoming ACCT Congress meeting in October 2023 for a couple hours. The Board collectively supported this idea, and possibly benchmarking with a different college every 3 years.

PROCESS MAPPING (PRR):

Doug Yenor provided a timeline for, and overview of, the process re-imagine and redesign (PRR) currently underway via CampusWorks at Jackson College. Discussion ensued on how employees might best be able to find, view, and delve into the process maps that are created via this project.

STUDENT SUCCESS RATES & RETENTION:

Executive Director, Student Success and Retention, Ashley Van Heest provided an overview of the current student success rate and retention at Jackson College, along with (perhaps most importantly) next steps toward furthering success in this area. Ms. Van Heest highlighted the no-longer-optional practice of coupling education development courses with college courses, an effort to ensure embedded exceptional support.

PHYSICAL SECURITY UPDATE:

As Jackson College is always improving upon how best to serve and protect their students and employees, Chief Operating Officer, Cindy Allen, updated the Board on Jackson College's emergency preparedness and campus safety and security. President Phelan indicated that he is intentioned on bringing security services entirely in-house.

Trustee Heins and CEO Phelan discussed the role of the Board in the occasion of an emergency. Vice-Chairperson Patterson and CEO Phelan discussed efforts toward obtaining State and Federal funds targeted at security and safety in higher education, to further enhance security on campus and address the security challenges of an open campus.

Trustee Simpson and Ms. Allen discussed the immediate discussion of security practices with new employees. Trustee Simpson shared his appreciation for the proactive safety practices at Jackson College.

BOARD ITEMS / COMMENTS

REVIEW OF SUMMER RETREAT AGENDA & BOOK ASSIGNMENT:

CEO Phelan reviewed topics for the Board's June 23rd Summer Retreat agenda and the book assignment.

Proposed Summer Retreat Topics – June 23, 2023 – 8am-2pm:

- Careholdership Linkage Considerations
- FY'23 Governance Process Policy Compliance Survey Results
- Book: *Trusteeship in Community College* – Review of each chapter summary
- Committee Process Usage
- Case Studies
- Annual ACCT Congress Preparations
- Peer Benchmarking Mtg. at ACCT
- Policy Review Process
- Millage Consideration

PLUS / DELTA

Trustee Simpson shared appreciation for the timing, flow, and information breakouts from staff at the Spring Planning Session. Trustee Heins noted a 1pm stop time is good for energy levels. Trustees agreed on the preparation and timing.

ADJOURN

MOTION BY TRUSTEE LAKE “To adjourn.”

TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, BARNES, HOFFMAN, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

Meeting Adjourned at 1:20pm ET.



BOARD OF TRUSTEES LEGISLATIVE DINNER

Jackson College

Central Campus, Bert Walker Hall Community Rooms
04.10.23

[DRAFT & UNOFFICIAL]

The Board of Trustees of Jackson College Legislative Dinner was held on Monday, 04.10.23, 4:40pm, at the Central Campus of Jackson College, Bert Walker Hall Community Rooms.

Board Members Present: Chairman John Crist, Vice-Chairwoman Sheila Patterson, Trustee Donna Lake, Trustee Matt Heins, and Trustee Christopher Simpson

Board Member Excused Absence: Trustee Philip Hoffman, Trustee Sam Barnes

Michigan Legislative Members Present: Representative Kathy Schmaltz, Representative Jennifer Conlin, Senator Jonathan Lindsey, Representative Andrew Fink, and Senator Sue Shink.

Others Present Include: Dr. Daniel Phelan, Ms. Cindy Allen, Mr. Doug Yenor, Mr. Jeremy Frew, and Mr. Keith Everett Book.

Chairperson John Crist called the meeting to order at 4:40PM Eastern Standard Time.

INTRODUCTIONS, DINNER & CONVERSATION

Regional Michigan Legislative House and Senate Members joined the Jackson College Board of Trustees and the Executive Committee of the Leadership Council for dinner and conversation in the Bert Walker Community Rooms of Jackson College. This was an opportunity for legislators to learn more about Jackson College legislative proposals, relative to the Governor's budget recommendations for consideration, and to address any questions that members may have.

OVERVIEW OF JACKSON COLLEGE

CEO Phelan presented an overview of Jackson College to the group, highlighting TCS²; celebrating 95 years of love, care, and service to others; Jackson College Global, the College's groundbreaking Corrections Education Program, and dual enrollment.

LEGISLATIVE PRIORITIES & REQUESTS

CEO Phelan led the group through a list of FY '24 Executive Budget Recommendations on behalf of Jackson College and Michigan's Community Colleges.

FY24 Executive Budget Recommendations

Community College Operations & Institutional Aid

- **Community College Operations:** 4% increase ongoing, \$13.6 million SAF distributed through the current funding formula
- **MPSERS:** \$30.9 million, bringing the total to \$136 million
- **North American Indian Tuition Waiver:** \$972,500
- **Renaissance Zone Tax Reimbursement:** \$2.2 million

Infrastructure, Technology, Equipment, and Maintenance (ITEM): \$58.7 million allocated to community colleges by enrollment (SAF, FY '23 supplemental)

Boilerplate: Reorganizes and streamlines annual reporting requirements for community colleges, removing duplicative reporting where possible, while maintaining high standards for transparency and evidence-driven decision making.

Tuition Restraint: 4.5%

Student Financial Aid

- **Reconnect Expansion for MI Residents over age 21:** \$140 million (federal, one-time; FY '23 supplemental)
- **Reconnect Continuation:** \$65.2 million (general fund)- a \$10.2 million increase
- **FASFA Completion Incentives:** \$15 million (federal, one-time) to K12 districts
- **Michigan Achievement Scholarship:** \$350 million total - a \$100 million increase
 - o \$50 million ongoing, \$50 million one-time deposit
 - o Boilerplate changes allow Treasury to use existing scholarship funding for outreach and communications.

Student Success

- **Student basic needs support:** \$30 million (general fund)
 - o Eligible institutions: Public colleges and universities and tribal colleges
 - o Eligible services: Emergency housing solutions, childcare, on-campus food pantries, emergency grants, mental health services, and to resolve institutional barriers that are preventing re- enrollment.
- **College Success Fund:** \$25 million (general fund)
 - o To provide competitive grants to public institutions of higher education and tribal colleges to adopt national best practices in strategies shown to

improve retention and completion rates.

- **Student Wellness Fund:** \$55 million (SAF, one-time, FY '23 supplemental)
 - o \$16.2 million of the total amount would go to assist community colleges with evaluating, identifying, and addressing student wellness needs on campus.

FY '24 Budget Priorities for Michigan's Community Colleges:

- Increase in operational support for Michigan's community colleges.
- Continue investing in Michigan Reconnect, a program that provides a tuition-free pathway to a certificate or associate degree for Michiganders that are 25 or older.
- Expand Reconnect to Michigan residents over age 21 and make this permanent.
- Funding for infrastructure, technology, equipment and maintenance (ITEM) improvements to ensure students have industry-current equipment and technology to learn with. Distribute by headcount.
- Support for capital outlay projects at community colleges. Making investments in community college infrastructure will continue to serve students for decades to come. ***Jackson College's request is \$45MM for McDivitt Hall (STEM Education) for FY '23, and \$50.5MM for Whiting Hall Building Upgrade for FY '24. Our highest priority is McDivitt Hall.***
- Dedicated funding for student basic needs beyond financial aid
- Extend the sunset on Michigan New Jobs Training Program (MNJTP) and regionalize the wage threshold to allow more companies to take advantage of low-cost training programs for new jobs that pay a good wage. It currently ends on 12.31.23
- Remove tuition restraint. Community colleges continue to be the most accessible and affordable option for thousands of students. We should respect the decision-making authority of locally-elected community college trustees.
- Provide one-time funding to meet student housing needs at 10 community colleges through a matching grant program (\$63M).
- Revise Michigan Achievement Scholarship boilerplate to clarify the scholarship covers the actual cost of tuition including contact hours and baccalaureate program rates. Eliminate the full-time requirement for summer semesters.

- Support executive's proposal around streamlining compliance reporting requirements.

Representative Fink requested further details on the tiny homes at Jackson College for his own work on creativity in housing.

Senator Shink requested data on how helpful the CEP is for those re-entering society after incarceration.

Representative Conlin requested information on how many students are coming to Jackson College via the Michigan New Jobs Program.

Representative Fink asked how the dual enrollment program has changed over the years. Mr. Frew reported positive growth that is now highly promoted by the superintendents and is saving parents significant money.

Representative Schmaltz shared that higher education budget increases in all areas are expected.

Representative Fink and CEO Phelan discussed the impact of Michigan Reconnect.

ADJOURN

MOTION BY TRUSTEE LAKE “To adjourn.”

TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

Legislative Dinner Adjourned at 6:00pm ET.



REGULAR MEETING OF THE BOARD OF TRUSTEES

Jackson College

Central Campus, George E. Potter Center, 2nd Floor,
Boardroom

04.10.23

[DRAFT & UNOFFICIAL]

The Regular Meeting of the Board of Trustees of Jackson College was held on Monday, 04.10.23, 6:36pm, at the Central Campus of Jackson College, George E. Potter Center, 2nd Floor, Boardroom.

Board Members Present: Chairman John Crist, Vice-Chairwoman Sheila Patterson, Trustee Donna Lake, Trustee Matt Heins, and Trustee Christopher Simpson

Board Member Excused Absence: Trustee Philip Hoffman, Trustee Sam Barnes

Others Present Include: Dr. Daniel Phelan, Ms. Cindy Allen, Mr. Doug Yenor, Ms. Ashley Van Heest, Mr. Keith Everett Book, Ms. Julie Hand, Ms. Heather Ruttkofsky, and Dr. Todd Butler.

Chairperson John Crist called the meeting to order at 6:36PM Eastern Standard Time.

ADOPTION OF MINUTES

The draft minutes of the Regular Meeting of the Board of Trustees on 03.13.23 were reviewed by the Board and moved into the permanent record by Chairperson Crist, on behalf of the Trustees.

DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest expressed by Trustees for items appearing on the agenda for the meeting.

CAREHOLDERSHIP LINKAGE

PUBLIC COMMENTS:

None

CEO COMMENTS:

None

BOARD COMMENTS:

Trustee Lake noted that College-created new nature walk at the intersection of the Emmons and Brown's Lake Road, is beautiful.

Dr. Phelan noted that the terminology, “*Ownership Linkage*” will be referred subsequently to as “*Careholdership Linkage*” going forward. Further, he noted that all previous references to “*Owner*” will be changed to “*Careholder*”.

Vice-President Patterson shared participation at, and enjoyment of, the Easter Egg Hunt held at Jackson College on April 8th. She noted that the event was well run and organized and thoroughly enjoyed by many who had never been to the campus.

Chairperson Crist shared that the legislative dinner held prior to the Board Meeting was highly successful. He further encouraged the Board to host these dinners at least once a year.

Vice-Chairperson Patterson stated that she had spent time on the ACCT Central Region Zoom meeting earlier today, representing Michigan and Jackson College.

CAREHOLDERSHIP LINKAGE COMMITTEE STATUS:

Trustee Lake and CEO Phelan discussed revisiting careholdership activity scheduling. She suggested that there could be an opportunity for a gathering prior to the upcoming ribbon cutting and ground-breaking ceremonies on campus this May and June.

ITEMS FOR DECISION

CLOSED SESSION: Contract Negotiations:

Chairperson Crist requested a closed hearing at 6:43pm for purposes of contract negotiations with the support staff union.

MOTION BY TRUSTEE HEINS TO GO INTO CLOSED SESSION AS PROVIDED BY PUBLIC ACT 15.268, SECTION 8, SUB-SECTION (C) FOR STRATEGY AND NEGOTIATION SESSIONS CONNECTED WITH THE NEGOTIATION OF A COLLECTIVE BARGAINING AGREEMENT. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, SIMPSON, PATTERSON, LAKE AND CRIST VOTING AYE. MOTION PASSED UNANIMOUSLY.

CEO Phelan asked Chairperson Crist if Ms. Cindy Allen could be included in the closed session, which was approved.

At 6:50pm, Chairperson Crist requested a motion to move out of closed session.

MOTION BY TRUSTEE LAKE TO MOVE OUT OF CLOSED SESSION AS PROVIDED BY PUBLIC ACT 15.268, SECTION 8, SUB-SECTION (C) FOR STRATEGY AND NEGOTIATION SESSIONS CONNECTED WITH THE NEGOTIATION OF A COLLECTIVE BARGAINING AGREEMENT. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, SIMPSON, PATTERSON, LAKE AND CRIST VOTING AYE. MOTION PASSED UNANIMOUSLY.

The Closed Session adjourned at 6:50pm. No Board Action was taken.

GOVERNANCE PROCESS ITEMS: BCD-05 President Succession – Policy Review:
Policy BCD-05 was considered by the Board for its regularly scheduled review.

GOVERNANCE PROCESS ITEMS: GP-03 Board Planning Cycle & Agenda Control – Policy Review:

Policy GP-03 was considered by the Board for its regularly scheduled review. Chairperson Crist noted that the word “Ownership” needs to be changed to “Careholdership” throughout this and all policies.

MOTION BY TRUSTEE SIMPSON TO APPROVE POLICY BCD-05 PRESIDENT SUCCESSION WITHOUT AMENDMENTS AND POLICY GP-03 BOARD PLANNING CYCLE & AGENDA CONTROL WITH AMENDMENTS . TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

EXECUTIVE LIMITATIONS ITEMS: EL-05 Asset Protection – Policy Review:
Policy EL-05 was considered by the Board for its regularly scheduled review.

CEO Phelan recommended some minor clarifying changes for the Board's consideration. Trustee Simpson asked if the purchasing ceiling has always been at \$100K, to which CEO Phelan explained that 3 years prior the ceiling had been \$50K.

MOTION BY TRUSTEE SIMPSON TO APPROVE POLICY EL-05 ASSET PROTECTION AS AMENDED. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

EXECUTIVE LIMITATIONS ITEMS: EL-06 Investments – Policy Review:
Policy EL-06 was considered by the Board for its regularly scheduled review.

CEO Phelan recommended some minor clarifying changes for the Board's consideration.

MOTION BY TRUSTEE LAKE TO APPROVE POLICY EL-06 INVESTMENTS AS AMENDED. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

EXECUTIVE LIMITATIONS ITEMS: EL-05 Asset Protection – Interpretations Review:
CEO Phelan presented his clarified interpretation recommendations for Policy EL-05 to the Board for their regularly scheduled review.

Trustee Simpson asked how often the insurance coverage is reviewed. CEO Phelan noted that it is checked at least yearly.

MOTION BY TRUSTEE HEINS THAT THE BOARD HAS ASSESSED CEO PHELAN'S AMENDED INTERPRETATIONS OF POLICY EL-05 ASSET PROTECTION AND FINDS THAT THEY DEMONSTRATE A REASONABLE INTERPRATION OF THE POLICY. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

EXECUTIVE LIMITATIONS ITEMS: EL-06 Investments – Interpretations Review:
CEO Phelan presented his clarified interpretation recommendations for Policy EL-06 to the Board for their regularly scheduled review.

MOTION BY VICE CHAIRPERSON PATTERSON THAT THE BOARD HAS ASSESSED CEO PHELAN'S AMENDED INTERPRETATIONS OF POLICY EL-06 INVESTMENTS AND FINDS THAT THEY DEMONSTRATE A REASONABLE INTERPRATION OF THE POLICY. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

EXECUTIVE LIMITATIONS ITEMS: EL-12 Land Use – Interpretations Review – Part II:
CEO Phelan presented further clarified interpretation recommendations for Policy EL-12, a modification of those interpretations approved at the 03.13.23 regular Board meeting for the Board's review.

MOTION BY TRUSTEE LAKE THAT THE BOARD HAS ASSESSED CEO PHELAN'S AMENDED INTERPRETATIONS OF POLICY EL-12 LAND USE AND FINDS THAT THEY DEMONSTRATE A REASONABLE INTERPRATION OF THE POLICY. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

CONSENT / REQUIRED APPROVAL AGENDA
N/A

MONITORING CEO PERFORMANCE

MONITORING CEO PERFORMANCE: EL-12 Land Use – Evidence Review:

CEO Phelan presented the evidence (i.e., monitoring report) for Policy EL-12 Land Use indicating partial compliance according to his previously approved interpretations. Full compliance will be realized with the Master Plan in Fall of 2023.

MOTION BY TRUSTEE SIMPSON THAT THE BOARD HAS ASSESSED THE MONITORING REPORT FOR POLICY EL- 12 LAND USE AND FINDS THAT IT DEMONSTRATES COMPLIANCE WITH A REASONABLE INTERPRETATION OF THE POLICY. TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS,

PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

MONITORING CEO PERFORMANCE: CEO Monitoring Compliance Schedule & Summary:

CEO Phelan provided an update on reports, presented to the Board over the preceding 12 months with the compliance status noted. He also provided a schedule of policy, interpretation, and evidence reviews for calendar year 2023.

Following recommendations by CEO Phelan, and subsequent discussion, Board members concluded that they will take responsibility to review these policies directly going forward. The Board will undertake this work following procedural discussion at the Board's Summer Retreat on June 23rd.

MONITORING BOARD PERFORMANCE

MONITORING BOARD PERFORMANCE: GP-02 Board Job Contributions:

Chairman Crist presented the aggregate responses from Board members to a Self-Evaluation Survey of GP-02 Board Job Contributions. Brief discussion ensued as full compliance was mutually agreed upon.

Answers from Board members to the question of compliance with decisions regarding change of organizational name or identity in the community were slightly confusing and will be reviewed further at the Summer Retreat. The reason for the confusion is likely due to different interpretations of the question. CEO Phelan noted that law is in place to keep any naming from happening without going through the Board.

A point of fact and law may be added where it applies on surveys going forward to help with the ambiguity of survey questions.

MONITORING BOARD PERFORMANCE: GP-04 Role of Board Chair:

Chairman Crist presented the aggregate responses from Board members to a Self-Evaluation Survey of GP-04 Role of Board Chair. Brief discussion ensued as full compliance was mutually agreed upon.

MONITORING BOARD PERFORMANCE: GP-10 Investment in Governance:

Chairman Crist presented the aggregate responses from Board members to a Self-Evaluation Survey of GP-10 Investment in Governance. Brief discussion ensued as full compliance was mutually agreed upon.

Where there are variations of 3 or more answers on the surveys, the Board will review those questions further at the Board's Summer Retreat.

INFORMATION REQUEST BY THE BOARD

Next Board Meeting Topics – May 8, 2023:

President Phelan provided the members a portend of items that are to come at the 5.08.23, Jackson College Board of Trustees Meeting and took agenda suggestions.

Below are the currently anticipated topics:

- Policy & Interpretations Review: EL-03 Planning
- Policy Review: GP-09 Board Code of Conduct
- Evidence Review: EL-05 Asset Protection
- Evidence Review: EL-06 Investments
- Survey Results Review: BCD-05 President Succession
- Survey Results Review: GP-03 Board Planning Cycle & Agenda Control
- Board Consideration: Summer Retreat Agenda
- FY 2023 Q3 Financial Report
- Closed Session – Contract negotiations for support staff
- Proposed FY'24 Budget

SELF-EVALUATION OF GOVERNANCE PROCESS & BOARD PERFORMANCE AT THIS MEETING

Principles of Policy Governance:

Members noted that, in their view, the meeting went per plan utilizing the 10 principles of Policy Governance.

MEETING CONTENT REVIEW

Trustees expressed that the content was sufficient.

ADJOURN

MOTION BY VICE-CHAIRPERON PATTERSON “To adjourn.”

TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES HEINS, PATTERSON, LAKE, CRIST, AND SIMPSON VOTING AYE. MOTION PASSED UNANIMOUSLY.

Meeting Adjourned at 7:26pm ET.

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
3.0 Declaration of Conflict of Interest* <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-09 Board Code of Conduct
Description:
<p>Consistent with Board Policy, By-laws, and the standard of the Duty of Loyalty, this item is placed on the agenda for members to formally consider and disclose any item on the agenda wherein they may have any apparent or actual conflict of interest. This duty standard also requires members to act transparently.</p> <p>Should a conflict be present, it is requested that the member publicly note the item in question to the Board Chairperson and abstain from any action concerning said item.</p> <p>A roll call vote is required for this item.</p>
Resource Impact:
None
Requested Board Action:
Roll Call Consideration of any actual or perceived conflict of interest with agenda items.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:

- 4.0 Careholdership Linkage
 4.1 Public Comments (limit of 5 minutes per person)

BOARD POLICY: GOVERNANCE PROCESS: GP-11 Board Linkage with Careholdership

Description:

This item is placed on the agenda for any citizen to provide comments to the Board of Trustees. This agenda item represents the only period during the Board Meeting wherein persons may address the Board directly. Public comments are limited to five (5) minutes, unless otherwise established at the call of the Board Chair.

The Chairperson may offer the following statement prior to persons offering comment, but regardless, is expected to be adhered to by persons wishing to address the Board:

"When addressing the Board, speakers are asked to be respectful and civil. Should speakers, who wish to address the Board on matters of an individual, personnel or student nature, are requested to first present such matters to the appropriate College department, in advance of presenting them to the Board."

Be advised that, as an on-going practice, the Board does not respond in this Board Meeting setting when the matter presented concerns personnel, student issues, or matters that are being addressed through the established grievance or legal processes, or otherwise are a subject of review by the Board of Trustees".

Resource Impact:

None

Requested Board Action:

Receive comments from persons wishing to address the Board.

Action Taken:



BOARD OF TRUSTEES MEETING

Action & Information Report

Board Meeting Date: May 8, 2023

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:

4.0 Careholdership Linkage

4.2 Board & CEO Comments

BOARD POLICY: GOVERNANCE PROCESS: GP-07.2 Careholdership
Linkage Committee
Terms of Reference

Description:

This item is placed on the agenda for members, as well as the CEO, to make any prefatory comments before engaging in the board agenda and deliberations. As such, members can use this item to offer any comments of a non-action-oriented nature for the edification of other members and/or the CEO.

Resource Impact:

None

Requested Board Action:

Receive non-action item comments from members and/or the CEO.

Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:	
4.0	Careholdership Linkage
4.3	Careholdership Linkage Committee Status
<u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-07.2 Careholdership Linkage Committee Terms of Reference	
Description:	
<p>This item is placed on the agenda for both Chairperson Crist and Trustee Lake, as co-chairs of the Committee, to provide an update of the Careholdership Linkage Committee and receive any Board comment.</p> <p>As a follow-up to the Committee's request, our intention is to invite all Careholders that participated in the most recent focus groups to attend the Pavilion ribbon cutting on June 14th, at 4:30pm. This practice will be continued for future ribbon cutting events.</p>	
Resource Impact:	
None	
Requested Board Action:	
Consider update from Trustees regarding Careholdership Linkage progress.	



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
5.0 Items for Decision 5.1 Closed Session: Contract Negotiations* (<u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-02 Treatment of Staff)
Description:
As provided by <i>Public Act 15.268, Section 8, Sub-section (c) for strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement</i> , I hereby request closed hearing at this time for the above purpose as it relates to the contract negotiations with the support staff union.
Resource Impact:
None
Requested Board Action:
Affirm the request and move to closed session.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:	
5.0	Items for Decision
5.2	Governance Process
5.2.1	Board Policy Pre-review Process
<u>BOARD POLICY:</u> BOARD-CEO DELEGATION: GP-01 Governing Style	
Description:	
<p>At the 04.07.23 Board Spring Planning Session, the Board discussed their Policy review and development process: The Trustees discussed creating a process by which policies are more directly reviewed/modified by the Board by assigning specific policies for review to specific Board members. In this way, all members will have a shared responsibility for covering all policies (see attached schedule). Assuredly, the CEO will provide support and input to Trustees as they review policies. Ultimately, Trustees will place the reviewed/modified policies on Board agendas, per the attached schedule, for the full Board's consideration.</p> <p>Also attached is a draft Policy Pre-review Process, to be considered across the 05.08.23 Board meeting, the 06.12.23 Board meeting, and codified at the 06.23.23 Summer Retreat.</p> <p>I recommend that the Board officially begin the new policy review process at the 08.14.23 Board meeting.</p> <p>CEO Phelan, Keith Book, and Chairperson Crist have already begun meeting two weeks prior to the May and June Board meetings, to pre-review the policies already on the schedule.</p>	
Resource Impact:	
None	
Requested Board Action:	
Consideration of the proposed policy pre-review process.	
Action Taken:	



BOARD OF TRUSTEES PROCESS

Process Type: Board Governance

Process Title: Policy Review

Date Adopted:

Version: 1.0

Date Last Reviewed:

Reviewing Committee: Board of Trustees

To assist the full Board of Trustees in their work of annual policy reviews, Trustees will be assigned specific policies to which they will lend their enthusiasm, experience, and/or expertise toward a pre-review.

Via this pre-review, Trustees will offer recommendations for amendments (or lack thereof) to their assigned policies at the respective Board meeting at which the policy is up for review, for the consideration of the full Board.

Procedural Steps:

1. Annually at the Board's Summer Retreat, Trustees will discuss the specific policies they will pre-review for the upcoming fiscal year via the attached schedule.
2. At least two (2) Board members may be assigned to the pre-review for any given policy.
3. Trustees will offer their recommendations for amendments (or lack thereof) to the full Board via the Board packet 1 week prior to the Board meeting at which the policy is up for review.
4. The Chief Assistant to the President & CEO will assist in coordinating pre-review meetings as requested. The recommendation is to conduct the initial review of assigned policies one month in advance of the Board meeting at which recommendations are scheduled to be presented to the full Board. This initial review could take place at 5:00pm prior to a Board meeting dinner.
5. Pre-review meetings will include the participation of the CGO, CEO, and/or other Policy Governance consultant.

2023-2024 Board Meeting Date	Policy Reviews Due	Trustees Responsible for Recommendations
August 4, 2023	<u>Bylaws</u>	Trustee Donna Lake Trustee Chris Simpson
	<u>BCD-03</u> Delegation to President	Trustee Donna Lake Trustee Chris Simpson
	<u>BCD-04</u> Monitoring President Performance	Trustee Donna Lake Trustee Chris Simpson
September 11, 2023	<u>EL-01</u> Treatment of Students	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>BCD-01</u> Unity of Control	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-05</u> Role of Vice Chair	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-08</u> Board & Committee Expenses	Trustee Phil Hoffman Vice-Chair Sheila Patterson
October 9, 2023	<u>EL-04</u> Financial Conditions & Activities	Trustee Sam Barnes Trustee Matt Heins
	<u>EL-08</u> Communication & Support to the Board	Trustee Sam Barnes Trustee Matt Heins
November 13, 2023	<u>EL-09</u> Organization Culture	Trustee Donna Lake Trustee Chris Simpson
	<u>EL-07</u> Compensation & Benefits	Trustee Donna Lake Trustee Chris Simpson
	<u>GP-06</u> Audit Committee Terms of Reference	Trustee Donna Lake Trustee Chris Simpson
	<u>GP-13</u> Special Rules of Order	Trustee Donna Lake Trustee Chris Simpson
	<u>BCD-02</u> Accountability of the President	Trustee Donna Lake Trustee Chris Simpson
January 9, 2024	<u>EL-10</u> Access to Education	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-14</u> Handling Operational Complaints	Trustee Phil Hoffman Vice-Chair Sheila Patterson

	<u>GP-11</u> Linkage with Careholdership	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-15</u> Handling Alleged Policy Violations	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-07</u> Careholdership Linkage Committee ToR	Trustee Phil Hoffman Vice-Chair Sheila Patterson
February 13, 2024	<u>EL-11</u> Entrepreneurial Activity	Trustee Sam Barnes Trustee Matt Heins
	<u>GP-01</u> Governing Style	Trustee Sam Barnes Trustee Matt Heins
	<u>BCD-06</u> President Compensation	Trustee Sam Barnes Trustee Matt Heins
	<u>GP-00</u> Governance Commitment	Trustee Sam Barnes Trustee Matt Heins
March 13, 2024	<u>EL-12</u> Land Use	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-02</u> Board Job Contributions	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-04</u> Role of Board Chair	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>GP-10</u> Investment in Governance	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>BCD-00</u> Global Board Management Delegation	Trustee Phil Hoffman Vice-Chair Sheila Patterson
April 10, 2024	<u>EL-05</u> Asset Protection	Trustee Sam Barnes Trustee Matt Heins
	<u>EL-06</u> Investments	Trustee Sam Barnes Trustee Matt Heins
	<u>BCD-05</u> President Succession	Trustee Sam Barnes Trustee Matt Heins
	<u>GP-03</u> Board Planning Cycle & Agenda Control	Trustee Sam Barnes Trustee Matt Heins
	<u>GP-12</u> Board Linkage with External Organizations	Trustee Sam Barnes Trustee Matt Heins
May 8, 2024	<u>EL-03</u> Planning	Trustee Donna Lake Trustee Chris Simpson
	<u>GP-09</u> Board Code of Conduct	Trustee Donna Lake

		Trustee Chris Simpson
June 12, 2024	<u>EL-00</u> General Executive Constraint	Trustee Phil Hoffman Vice-Chair Sheila Patterson
	<u>E-01</u> Ends	Trustee Phil Hoffman Vice-Chair Sheila Patterson

DRAFT

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
5.0 Items for Decision 5.2 Governance Process 5.2.2 GP-09 Board Code of Conduct – Policy Review* <p><u>BOARD POLICY:</u> BOARD-CEO DELEGATION: GP-09 Board Code of Conduct</p>
Description:
<p>Attached for its regularly scheduled review is policy GP-09. Chairperson Crist and I are recommending some minor clarifying changes for your consideration.</p> <p>Please find attached a version that tracks our recommended changes, as well as a clean version implementing the recommended changes.</p>
Resource Impact:
None
Requested Board Action:
Consideration of approving or amending policy GP-09 Board Code of Conduct.
Action Taken:



Governance Process	Ends
Board-President Delegation	Executive Limitations

BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Board Code of Conduct

Policy Number: GP – 09

Date Adopted: 06/08/20

Version: 1.0

Date Last Reviewed: 06/13/22

Office Responsible: President's

Reviewing Committee: Board of Trustees

The Jackson College Board of Trustees expects of itself and its members ethical, business-like and lawful conduct. This includes proper use of authority and appropriate decorum when acting as Trustees. It further expects Trustees, as first ambassadors of the College, ~~to~~ treat one another, the President/CEO, College employees, citizens of Jackson County and surrounding areas, students, and parents with respect, co-operation and a willingness to deal openly on all matters.

1. Trustees must have loyalty to the Ownership-Careholder that supersedes any loyalties to the President, College employees, other organizations or any personal interest as a consumer.
2. Trustees are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Trustees shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
3. Trustees must avoid a conflict of interest with respect to their fiduciary responsibility.
 - 3.1. There must be no self-dealing or any conduct of private business or personal services between any Trustee and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to otherwise "inside" information. Trustees will disclose at the regular monthly meetings any new involvements with other organizations, vendors, or any associations that might be or might reasonably be seen as being a conflict.
 - 3.2. When the Board is to decide upon an issue, about which a Trustee has an unavoidable conflict of interest, that Trustee shall recuse herself or himself without comment, from not only the vote, but also from the deliberation. This absence shall be recorded in the minutes.
 - 3.3. Trustees will not use their Board position to obtain employment with, ~~or~~ furnish services or goods ~~from~~ the College for themselves, family members, ~~or~~ associates, or organizations upon which a Trustee serves as a Board member.
 - 3.3.3.4. Should a Trustee ~~apply for employment~~ become employed by the College, ~~they/she/he~~ must first resign from the Board before the first day of said employment.

4. Trustees will respect the confidentiality appropriate to issues of a sensitive nature, including at all times the content of legally held, closed meetings of the Board.
5. Trustees shall not attempt to exercise individual authority over the organization or the ~~CEO~~President.
 - 5.1. When interacting with College employees, Trustees must recognize that individual Trustees have no authority to instruct or evaluate employees, and no authority to insert themselves into employee operations.
 - 5.2. The Board Chair or designee is the only person authorized to speak to the public, the media or other entities on behalf of the Board. Trustees shall not presume to speak for the Board when interacting with the press or the public. Media inquiries should be directed to the Board Chair. ~~Trustees shall only report actual Board policy decisions when interacting with the press or the public.~~
6. Trustees shall be familiar with the incorporating documents, relevant legislation and regulations, by-laws, governing policies of the organization, issues pertaining to higher education, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable and expeditious fashion.
7. Trustees will be properly prepared for Board deliberation through the preparation review of all Board meeting materials in advance of Board meetings-
8. Trustees will collaborate with other Trustees and share information on matters of substance related to their governance role so that no one Trustee possesses information that all other Trustees should have. Such collaboration must adhere to legal requirements of board assemblage.
9. Trustees will support the legitimacy and authority of Board decisions, regardless of the member's personal position on the issue.
10. Trustees shall review community college publications and regularly take part in educational activities including state, regional and national meetings and events that will assist them in their ability to serve effectively as a member of the College's governing Board.
11. Trustees shall hold themselves and other Trustees accountable for complying with this Code of Conduct.
12. Trustees who are found to have violated the Code of Conduct are subject to reprimand.

Date Of Change	Version	Description of Change	Responsible Party <u>Reviewing Trustees</u>
06.08.20	1.0	First release following Policy Governance consulting work.	Chief of Staff
6.13.22	1.0	Regular Review – Approved	CEO
<u>5.8.23</u>	<u>2.0</u>	<u>Regular Review w/ minor edits</u>	<u>CGO, CEO</u>



Governance Process	Ends
Board-President Delegation	Executive Limitations

BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Board Code of Conduct

Policy Number: GP – 09

Date Adopted: 06/08/20

Version: 1.0

Date Last Reviewed: 06/13/22

Office Responsible: President's

Reviewing Committee: Board of Trustees

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1. Trustees must have loyalty to the Careholder that supersedes any loyalties to the President, College employees, other organizations or any personal interest as a consumer.
2. Trustees are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Trustees shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
3. Trustees must avoid a conflict of interest with respect to their fiduciary responsibility.
 - 3.1. There must be no self-dealing or any conduct of private business or personal services between any Trustee and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to otherwise "inside" information. Trustees will disclose at the regular monthly meetings any new involvements with other organizations, vendors, or any associations that might be or might reasonably be seen as being a conflict.
 - 3.2. When the Board is to decide upon an issue, about which a Trustee has an unavoidable conflict of interest, that Trustee shall recuse herself or himself without comment, from not only the vote, but also from the deliberation. This absence shall be recorded in the minutes.
 - 3.3. Trustees will not use their Board position to obtain employment with, furnish services or goods from the College for themselves, family members, associates, or organizations upon which a Trustee serves as a Board member.
 - 3.4. Should a Trustee become employed by the College, they must resign from the Board before the first day of said employment.
4. Trustees will respect the confidentiality appropriate to issues of a sensitive nature, including at all times the content of legally held, closed meetings of the Board.
5. Trustees shall not attempt to exercise individual authority over the organization or the CEO.

- 5.1. When interacting with College employees, Trustees must recognize that individual Trustees have no authority to instruct or evaluate employees, and no authority to insert themselves into employee operations.
- 5.2. The Board Chair or designee is the only person authorized to speak to the public, the media or other entities on behalf of the Board. Trustees shall not presume to speak for the Board when interacting with the press or the public. Media inquiries should be directed to the Board Chair.
6. Trustees shall be familiar with the incorporating documents, relevant legislation and regulations, by-laws, governing policies of the organization, issues pertaining to higher education, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable and expeditious fashion.
7. Trustees will be properly prepared for Board deliberation through the preparation review of all Board meeting materials in advance of Board meetings.
8. Trustees will collaborate with other Trustees and share information on matters of substance related to their governance role so that no one Trustee possesses information that all other Trustees should have. Such collaboration must adhere to legal requirements of board assemblage.
9. Trustees will support the legitimacy and authority of Board decisions, regardless of the member's personal position on the issue.
10. Trustees shall review community college publications and regularly take part in educational activities including state, regional and national meetings and events that will assist them in their ability to serve effectively as a member of the College's governing Board.
11. Trustees shall hold themselves and other Trustees accountable for complying with this Code of Conduct.
12. Trustees who are found to have violated the Code of Conduct are subject to reprimand.

Date Of Change	Version	Description of Change	Reviewing Trustees
06.08.20	1.0	First release following Policy Governance consulting work.	Chief of Staff
6.13.22	1.0	Regular Review – Approved	CEO
5.8.23	2.0	Regular Review w/ minor edits	CGO, CEO

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
5.0 Items for Decision 5.3 Executive Limitations 5.3.1 EL-03 Planning – Policy Review* <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-03 Planning
Description:
Attached for its regularly scheduled review is policy EL-03. Chairperson Crist and I are recommending some minor clarifying changes for your consideration. Please find attached a version that tracks our recommended changes, as well as a clean version implementing the recommended changes.
Resource Impact:
None
Requested Board Action:
Consideration of approving or amending policy EL-03 Planning.
Action Taken:



Governance Process	Ends
Board- President Delegation	Executive Limitations

BOARD OF TRUSTEES POLICY

Policy Type: Executive Limitations

Policy Title: Planning

Policy Number: EL-03

Date Adopted: 11/11/19

Version: 2.0

Date Last Reviewed: 06/13/22

Office Responsible: President's

Reviewing Committee: Board of Trustees

The ~~President-CEO~~ shall not permit planning that allocates resources in a way that risks fiscal jeopardy or that is not aligned with achievement of the Board's ~~Ends~~ENDs.

Further, without limiting the scope of the above statement by the following list, the ~~President-CEO~~ shall not:

1. Operate without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the ~~Ends~~ENDs.
2. Permit budgeting for any fiscal period or the remaining part of any fiscal period that is not derived from the multi-year plan during that year.
3. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, prior year comparisons, and disclosure of planning assumptions.
 - 3.1. Omit prior year comparisons for departments.
 - 3.2. Omit in the annual operating budget adequate provision for plant and facilities maintenance, electronic and institutional equipment and program and course development, staff development and institutional research.
 - 3.2.1 ~~Unless otherwise approved by the Board, P~~provide less than the amount required to address critical deferred maintenance.
 - 3.2.1.1 Less than 4.5% of the total operating budget allocated for plant and facilities maintenance.
 - 3.2.1.2 Less than 3.5% allocated for technology and institutional equipment.
4. Permit financial planning that omits credible ~~three-year~~multi-year pro-forma trend of revenues and expenses.
5. Permit financial planning without a projected ~~five-year~~multi-year facilities master plan.
6. Permit planning that risks any situation or condition described as unacceptable in the "Financial Condition and Activities" policy.

7. Permit financial planning that does not provide the amount of operating funds determined annually by the Board for its direct use during the year to ensure Board advancement and competent governance of the College, such as costs of fiscal audit, Board development, Board and committee meetings, Board legal fees, and ownership linkage
8. Allow an annual operating budget in which more funds are to be dispersed than are conservatively projected to be received.
9. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve ~~Ends~~ENDs in future years.
 - 9.1. Operate without succession plans to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long term.
 - 9.2. Permit the College to be without sufficient organizational capacity and current information about ~~President~~CEO and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of ~~CEO~~President services.
 - 9.2.1. Prepare no fewer than two College executive staff to assume operation of the organization for a Board determined interim period.

Date Of Change	Version	Description of Change	<u>Responsible Party</u> <u>Reviewing Trustees</u>
11.11.19	1.0	First release following Policy Governance consulting work.	Chief of Staff
9.13.21	2.0	Scheduled monitoring – Omission of 1.1; 3.1.1 & 3.1.2. Language change in 3.2. Addition of 3.2.1; 3.2.1.1 & 3.2.1.2	President & CEO
6/13/22	2.0	Regular Review – Approved	CEO
<u>5.8.23</u>	<u>3.0</u>	<u>Regular Review – minor edits</u>	<u>CGO / CEO</u>

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Governance Process	Ends
Board- President Delegation	Executive Limitations

BOARD OF TRUSTEES POLICY

Policy Type: Executive Limitations

Policy Title: Planning

Policy Number: EL-03

Date Adopted: 11/11/19

Version: 2.0

Date Last Reviewed: 06/13/22

Office Responsible: President's

Reviewing Committee: Board of Trustees

The CEO shall not permit planning that allocates resources in a way that risks fiscal jeopardy or that is not aligned with achievement of the Board's ENDS.

Further, without limiting the scope of the above statement by the following list, the CEO shall not:

1. Operate without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the ENDS.
2. Permit budgeting for any fiscal period or the remaining part of any fiscal period that is not derived from the multi-year plan during that year.
3. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, prior year comparisons, and disclosure of planning assumptions.
 - 3.1. Omit prior year comparisons for departments.
 - 3.2. Omit in the annual operating budget adequate provision for plant and facilities maintenance, electronic and institutional equipment and program and course development, staff development and institutional research.
 - 3.2.1 Unless otherwise approved by the Board, provide less than the amount required to address critical deferred maintenance.
 - 3.2.1.1 Less than 4.5% of the total operating budget allocated for plant and facilities maintenance.
 - 3.2.1.2 Less than 3.5% allocated for technology and institutional equipment.
4. Permit financial planning that omits credible multi-year pro-forma trend of revenues and expenses.
5. Permit financial planning without a projected multi-year facilities master plan.
6. Permit planning that risks any situation or condition described as unacceptable in the "Financial Condition and Activities" policy.

7. Permit financial planning that does not provide the amount of operating funds determined annually by the Board for its direct use during the year to ensure Board advancement and competent governance of the College, such as costs of fiscal audit, Board development, Board and committee meetings, Board legal fees, and ownership linkage
8. Allow an annual operating budget in which more funds are to be dispersed than are conservatively projected to be received.
9. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve ENDs in future years.
 - 9.1. Operate without succession plans to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long term.
 - 9.2. Permit the College to be without sufficient organizational capacity and current information about CEO and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of CEO services.
 - 9.2.1. Prepare no fewer than two College executive staff to assume operation of the organization for a Board determined interim period.

Date Of Change	Version	Description of Change	Reviewing Trustees
11.11.19	1.0	First release following Policy Governance consulting work.	Chief of Staff
9.13.21	2.0	Scheduled monitoring – Omission of 1.1; 3.1.1 & 3.1.2. Language change in 3.2. Addition of 3.2.1; 3.2.1.1 & 3.2.1.2	President & CEO
6/13/22	2.0	Regular Review – Approved	CEO
5.8.23	3.0	Regular Review – minor edits	CGO / CEO

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
5.0 Items for Decision 5.3 Executive Limitations 5.3.2 EL-03 Planning – Interpretations Review* <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL- 03 Planning
Description:
<p>Enclosed for their regularly scheduled review are my interpretations for policy EL-03 Planning</p> <p>I am recommending some changes to my interpretations since the Board last reviewed them for your consideration. Please find attached a version that tracks my recommended changes, as well as a clean version implementing my recommended changes.</p>
Resource Impact:
None
Requested Board Action:
Consideration of accepting or not accepting my interpretations for policy EL-03 Planning as demonstrating a reasonable interpretation of the policy.
Action Taken:



Jackson College Board of Trustees

Interpretations Assessment: EL – 03 Planning

Report Date: 05.08.23

Note: Board Policy is indicated in bold typeface throughout the report.

POLICY STATEMENT:

The **President/CEO** shall not permit planning that allocates resources in a way that risks fiscal jeopardy or that is not aligned with achievement of the Board's **ENDs**. Further, without limiting the scope of the above statement by the following list, the **President/CEO** shall not:

INTERPETATION:

I have fully interpreted "*allocates resources in a way that risks fiscal jeopardy*" in policy items #2, #3 (3.1, 3.2, 3.2.1, 3.2.1.2, 3.2.1.2), #4, #5, #6, #7, #8, and #9; and fully interpreted "*allocates resources in a way that is not aligned with the achievement of the Board's **ENDs***" in policy items #1 (including 1.1) #9 (9.1) Compliance with these lower-level policy items constitute compliance with this policy.

1. Operate without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the **ENDs**.

INTERPETATION:

I have interpreted that cCompliance with this policy statement will be demonstrated when the President/CEO's Strategic Agenda, an evergreen planning document, consisting of 18 months of goals, strategies, and tactics, demonstrates a clear alignment from the **ENDs/ENDs** policies, through to operational priorities assigned to the Leadership Council, which, in sum, is responsible for the total operational activity of the College. I further interpret this policy to be compliant when the proposed budget and debt schedule for each year include a pro-forma projection of not less than 3 years.

This interpretation is reasonable insofar as the use of a strategic planning document and proforma budget data are traditional tools used in the achievement of Board policy directives.

2. Permit budgeting for any fiscal period, or the remaining part of any fiscal period, that is not derived from the multi-year plan during that year.

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INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the budget aligns with the current year in the three-year (i.e., pro-forma) financial plan presented each year to the Board.

This interpretation is reasonable insofar as the Board will have previously seen the three-year pro forma from the prior year's budgeting process.

3. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, prior year comparisons, and disclosure of planning assumptions.

I have interpreted that compliance with this policy statement will be demonstrated when, as partially noted in 3.1 (prior year comparisons) and in 3.2 (I have partially interpreted prior year comparisons in 3.1 and partially interpreted separation of capital expenditures) in 3.2. Compliance will be demonstrated by compliance with the lower level policy items, as well as the following:

- a) Projected revenues from tuition and fees are based on a regression analysis of historical enrollment, adjusted against current events, and the ~~President~~CEO's initiatives.
- b) Housing revenues are derived from prior year application analysis, adjusted following consideration of actual and/or potential impactful, societal events.
- c) Property tax revenue is derived from property valuations, less the Headlee rollback effects on our millage rate.
- d) State Appropriations revenue assumptions are derived from information provided by my analysis following a review of state projections and consideration of a likely state budget outcome, given that our College budget needs to be codified approved by the Board fully three months before the State budget is required to be completed.
- e) Contract training revenue, performing arts aPotter Center Activity, miscellaneous revenue, and Transfers Revenues are derived from historical activity.
- f) Hospitality Services revenue is derived from housing occupancy assumptions, based on the sale of a student residence mandatory meal plan, and catering services.
- g) Wages, Retirement and Benefit expense are derived from the current staffing roster, adjusted for labor agreement requirements, changes in State and Federal requirements, as well as the addition of new staff to the budget.
- h) Services – Staffing Agency, Services, Materials, Rent, Utilities, Insurance and Other operating costs are derived from historical trends, adjusted for current revenue assumptions.
- i) Transfers-Debt Services is derived from our debt repayment schedule for the required payments on outstanding obligations that year (this is noted in the debt schedule shared with the Board each year).

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- j) Capital Equipment & Transfers are derived by the residual income over expenses after all other expenses are planned.
- k) The budget book includes five-year facilities plan for capital expenditures.
- l) Cashflow projections are prepared and reviewed with the Leadership Council, while ensuring the satisfaction of the Board requirements of two-month's operating on hand.
- m) The budget book includes planning assumptions.

This [interpretation](#) is reasonable because all budget items are derived in a ~~way-~~ [manner](#) which is comparable to budget planning [processes used](#) in other [community](#) colleges of comparable size.

3.1 Omit prior year comparisons for departments [and the annual budget summary](#).

INTERPETATION:

[I have interpreted that compliance with this policy statement will be demonstrated when](#) ~~Compliance will be demonstrated when~~ there is a presentation of prior year activity and new year budget for operational departments as part of the College's general fund.

This [interpretation](#) is reasonable because year-end [reports](#), and the new budget are standard way of presenting prior year comparisons.

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3.2 Omit in the annual operating budget adequate provision for plant and facilities maintenance, electronic and institutional equipment and program and course development, staff development and institutional research.

I have interpreted this policy in [policy](#)-items 3.2.1, 3.2.1.1, and 3.2.1.2 below. Compliance with these items will constitute compliance with this policy.

3.2.1 ~~Unless otherwise approved by the Board, P~~provide less than the amount required to address critical deferred maintenance.

INTERPETATION:

[I have interpreted that compliance with this policy statement will be demonstrated when](#) ~~I have interpreted~~ the amount required to address critical deferred maintenance in policy items 3.2.1.1 and 3.2.1.2. [is](#)

provided. Compliance will be demonstrated when there is compliance with 3.2.1.1 and 3.2.1.2.

3.2.1.1 Less than 4.5% of the total operating budget allocated for plant and facilities maintenance.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated. Facilities maintenance is part of the capital budget. Compliance will be demonstrated when the total amount of plant transfers budgeted, debt, and/or transfers at year end, are at least 4.5% of the budgeted operating revenues.

This interpretation is reasonable insofar as the Board of Trustees review and approve the budget at the beginning of the year, as well as any year-end budget adjustments, by the end of the fiscal year.

3.2.1.2 Less than 3.5% allocated for technology and institutional equipment.

INTERPETATION:

Technology and institutional equipment are part of the capital budget. Compliance will be demonstrated when the total for technology and institutional equipment is included in the 3.5% of the operating budget planned for capital equipment, year-end transfers, and debt.

This interpretation is reasonable insofar as the Board of Trustees review and approve the budget at the beginning of the year, as well as any year-end budget adjustments, by the end of the fiscal year.

4. Permit financial planning that omits credible ~~three-year~~multi-year proforma trend of revenues and expenses.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated. Compliance will be demonstrated when the budget book presentation, and subsequent budget book, includes a rolling three-year proforma that has alignment with the current year budget adjusted as the year's activities proceed.

This in interpretation is reasonable insofar as the approved budget is codified in distributed form for Board inspection.

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5. Permit financial planning without a projected ~~five-year~~multi-year facilities master plan.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated
~~The five-year facilities master plan is developed in support of ENDS~~ENDs
~~achievement and financed through debt and transfers from the general operating~~
~~activities of the College. Compliance will be demonstrated~~ when the College's five-
 year facilities master plan is both included in the Budget preparation documents
~~used~~ as a basis for determining priorities in a current year, with the understanding
of the potential for -along with- changing economic conditions, as well as -and-
 available funding.

This in interpretation is reasonable insofar as the Board approved budget is codified
in distributed form for Board inspection.

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6. Permit planning that risks any situation or condition described as unacceptable in the "Financial Condition and Activities" policy.

INTERPRETATION:

I have interpreted that compliance with this policy statement will be demonstrated ~~Compliance will~~
~~be demonstrated~~ when cash flow projections:

- a) Are based on timely payment of payroll (EL-04),
- b) Do not plan for the use of restricted or designated funds for other than purposes for which account was established.

c) Project a year-end deficit.

This interpretation is reasonable insofar as all budget planning is reviewed in advance of formal
consideration, with the aforementioned items included. Further, the Board approves the annual
budget, and receives monthly financial reports, as well as audited financial reports that present the
budget plan, contemplating these items, as well as the Board receives audited financials annually
that would also consider these items.

e).

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7. Permit financial planning that does not provide the amount of operating funds determined annually by the Board for its direct use during the year to ensure Board advancement and competent governance of the College, such as costs of fiscal audit, Board development, Board and committee meetings, Board legal fees, and ownership linkage

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated
~~Compliance will be demonstrated~~ when the budget account for the Board's direct
 use is identified as a separate department within the overall College budget and is
~~approved by the Board as part of the adoption of the annual operating budget.~~

This interpretation is reasonable insofar as the budget reviews and approves the
adoption of the annual operating budget.

**8. Allow an annual operating budget in which more funds are to be dispersed
 than are conservatively projected to be received.**

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated
~~Compliance will be demonstrated~~ when the projected year-end income over (under)
 expenses is zero or greater.

This interpretation is reasonable insofar as the Board of Trustees receives monthly
financial reports on the College's financial activity, as well as audited financial
reports.

**9. Permit planning that endangers the fiscal soundness of future years or
 ignores the building of organizational capability sufficient to achieve **ENDs**
 in future years.**

INTERPRETATION:

I have interpreted that compliance with this policy statement will be
demonstrated when I have interpreted the building of organizational capacity
~~sufficient to achieve ENDs~~ENDs in future years in policy items. Compliance
~~will be demonstrated with budget plans for the board include future years~~
projections that are fiscally viable compliance with these items, as well as
 the following.

- a) Labor contracts do not incur long-term future financial commitments that are not
 provided for in our three-year pro-forma; and
- b) Borrowing (i.e., debt service) does not exceed 10% of the annual operating
 expenses, which is consistent with the historical threshold previously used by the
 Board.

This interpretation is reasonable insofar as the Board receives annual budget planning
documents which include elements of fiscal soundness, debt services, and projected

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outcomes of negotiated contracts in those years when union contracts are expired.

9.1 Operate without succession plans to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long-term.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when

- a) ~~I interpret the 108 Leadership Council Members positions as key-personnel which is reasonable because, in total, they cover all areas of the operation of the College. Compliance will be demonstrated when:-~~
Each Leadership Council Member has identified, to the College ~~President~~CEO, an interim successor.
- b) Each Council Member Successor is provided current operational information and has the opportunity to fill the responsibilities of the position from time to time.
- c) Each Council Member Successor is aware of their responsibility to the operations of the College and the Leadership council.

This interpretation is reasonable insofar as the Leadership Council Members positions are key operational personnel and cover all areas of the operation of the College.

e)

9.2 Permit the College to be without sufficient organizational capacity and current information about ~~President~~CEO and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of ~~President~~CEO services.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when, (partially as noted in 10.2.1) as well as the following:

~~I have partially interpreted sufficient organizational capacity in 10.2.1. Compliance with that policy as well as the following will demonstrate compliance with this policy.~~

- a) Minutes of the Leadership Council confirm that it regularly discusses current operations of the organization.
- b) The Leadership Council understands how the organization is evaluated under Policy Governance and is involved in the development of Board Monitoring Reports.

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b)c) Performance Management Interviews (PMIs) between the Leadership Council member and their direct reports reveal discussions of larger operations in the area under supervision, as well as discussion of leadership growth and a pathway for doing so.

The interpretation is reasonable because it covers the two areas critical to continuity of the ~~President~~CEO's role; Operations of the College and support of the Board's assessment of organization performance. Further, PMI meetings, with direct reports, are a mandated requirement of all Leadership Council Members.

9.2.1 Prepare no fewer than two College executive staff to assume operation of the organization for a Board determined interim period.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when (assuming that "the assumption of the operation of the organization" language includes the same authority and responsibility as the CEO); Interpret as that "the assumption of the operation of the organization" includes the same authority and responsibility as the ~~President~~CEO. Compliance will be demonstrated when:

- a) There is a documented succession plan with two named Leadership Council members that delineate the respected authorities and responsibilities of the ~~President~~CEO, for which each person is accountable during a temporary absence of the ~~President~~CEO of less than 6 months.
- b) When the two named successors, as determined by the ~~President~~CEO, are shared, in order, with the Board of Trustees.
- c) When the two named successors confirm their knowledge of their role as successor, and their responsibilities and accountabilities in the event of an absence.
- d) When the two named successors are required to attend monthly Board Meetings, Planning Sessions, and appropriate Board communications.

The interpretation is reasonable because it supports the Board's ability to apply policy BMD-5 ~~President~~CEO Succession.

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Jackson College Board of Trustees

Interpretations Assessment: EL – 03 Planning

Report Date: 05.08.23

Note: Board Policy is indicated in bold typeface throughout the report.

POLICY STATEMENT:

The CEO shall not permit planning that allocates resources in a way that risks fiscal jeopardy or that is not aligned with achievement of the Board's ENDS. Further, without limiting the scope of the above statement by the following list, the CEO shall not:

INTERPETATION:

I have fully interpreted "*allocates resources in a way that risks fiscal jeopardy*" in policy items #2, #3 (3.1, 3.2, 3.2.1, 3.2.1.2, 3.2.1.2), #4, #5, #6, #7, #8, and #9; and fully interpreted "*allocates resources in a way that is not aligned with the achievement of the Board's ENDS*" in policy items #1 (including 1.1) #9 (9.1). Compliance with these lower-level policy items constitute compliance with this policy.

1. Operate without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the ENDS.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the CEO's Strategic Agenda, an evergreen planning document, consisting of 18 months of goals, strategies, and tactics, demonstrates a clear alignment from the ENDS policies, through to operational priorities assigned to the Leadership Council, which, in sum, is responsible for the total operational activity of the College. I further interpret this policy to be compliant when the proposed budget and debt schedule for each year include a pro-forma projection of not less than 3 years.

This interpretation is reasonable insofar as the use of a strategic planning document and proforma budget data are traditional tools used in the achievement of Board policy directives.

2. Permit budgeting for any fiscal period, or the remaining part of any fiscal period, that is not derived from the multi-year plan during that year.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the budget aligns with the current year in the three-year pro-forma financial plan presented each year to the Board.

This interpretation is reasonable insofar as the Board will have previously seen the three-year pro-forma from the prior year's budgeting process.

3. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, prior year comparisons, and disclosure of planning assumptions.

I have interpreted that compliance with this policy statement will be demonstrated when, as partially noted in 3.1 (prior year comparisons) and in 3.2 (separation of capital expenditures), as well as the following:

- a) Projected revenues from tuition and fees are based on a regression analysis of historical enrollment, adjusted against current events, and the CEO's initiatives.
- b) Housing revenues are derived from prior year application analysis, adjusted following consideration of actual and/or potential impactful, societal events.
- c) Property tax revenue is derived from property valuations, less the Headlee rollback effects on our millage rate.
- d) State Appropriations revenue assumptions are derived from information provided by my analysis following a review of state projections and consideration of a likely state budget outcome, given that our College budget needs to be approved by the Board fully three months before the State budget is required to be completed.
- e) Contract training revenue, performing arts activity, miscellaneous revenue, and Transfers Revenues are derived from historical activity.
- f) Hospitality Services revenue is derived from housing occupancy assumptions, based on the sale of a student residence mandatory meal plan, and catering services.
- g) Wages, Retirement and Benefit expense are derived from the current staffing roster, adjusted for labor agreement requirements, changes in State and Federal requirements, as well as the addition of new staff to the budget.
- h) Services – Staffing Agency, Services, Materials, Rent, Utilities, Insurance and Other operating costs are derived from historical trends, adjusted for current revenue assumptions.
- i) Transfers-Debt Services is derived from our debt repayment schedule for the required payments on outstanding obligations that year.
- j) Capital Equipment & Transfers are derived by the residual income over expenses after all other expenses are planned.
- k) The budget book includes five-year facilities plan for capital expenditures.

- l) Cashflow projections are prepared and reviewed with the Leadership Council, while ensuring the satisfaction of the Board requirements of two-month's operating on hand.
- m) The budget book includes planning assumptions.

This interpretation is reasonable because all budget items are derived in a manner which is comparable to budget planning processes used in other community colleges of comparable size.

3.1 Omit prior year comparisons for departments and the annual budget summary.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when there is a presentation of prior year activity and new year budget for operational departments as part of the College's general fund.

This interpretation is reasonable because year-end reports, and the new budget are standard ways of presenting prior year comparisons.

3.2 Omit in the annual operating budget adequate provision for plant and facilities maintenance, electronic and institutional equipment and program and course development, staff development and institutional research.

I have interpreted this policy in items 3.2.1, 3.2.1.1, and 3.2.1.2 below. Compliance with these items will constitute compliance with this policy.

3.2.1 Unless otherwise approved by the Board, provide less than the amount required to address critical deferred maintenance.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the amount required to address critical deferred maintenance in policy items 3.2.1.1 and 3.2.1.2. is provided.

3.2.1.1 Less than 4.5% of the total operating budget allocated for plant and facilities maintenance.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the total amount of plant transfers budgeted, debt, and/or transfers at year end, are at least 4.5% of the budgeted operating revenues.

This interpretation is reasonable insofar as the Board of

Trustees review and approve the budget at the beginning of the year, as well as any year-end budget adjustments, by the end of the fiscal year.

3.2.1.2 Less than 3.5% allocated for technology and institutional equipment.

INTERPETATION:

Technology and institutional equipment are part of the capital budget. Compliance will be demonstrated when the total for technology and institutional equipment is included in the 3.5% of the operating budget planned for capital equipment, year-end transfers, and debt.

This interpretation is reasonable insofar as the Board of Trustees review and approve the budget at the beginning of the year, as well as any year-end budget adjustments, by the end of the fiscal year.

4. Permit financial planning that omits credible multi-year pro-forma trend of revenues and expenses.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the budget book presentation, and subsequent budget book, includes a rolling three-year pro-forma that has alignment with the current year budget adjusted as the year's activities proceed.

This interpretation is reasonable insofar as the approved budget is codified in distributed form for Board inspection.

5. Permit financial planning without a projected multi-year facilities master plan.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the College's five-year facilities master plan is both included in the Budget preparation documents used as a basis for determining priorities in a current year, with the understanding of the potential for changing economic conditions, as well as available funding.

This interpretation is reasonable insofar as the Board approved budget is codified in distributed form for Board inspection.

6. Permit planning that risks any situation or condition described as unacceptable in the “Financial Condition and Activities” policy.

INTERPRETATION:

I have interpreted that compliance with this policy statement will be demonstrated when cash flow projections:

- a) Are based on timely payment of payroll (EL-04),
- b) Do not plan for the use of restricted or designated funds for other than purposes for which account was established.
- c) Project a year-end deficit.

This interpretation is reasonable insofar as all budget planning is reviewed in advance of formal consideration, with the aforementioned items included. Further, the Board approves the annual budget, and receives monthly financial reports, as well as audited financial reports that present the budget plan, contemplating these items, as well as the Board receives audited financials annually that would also consider these items.

7. Permit financial planning that does not provide the amount of operating funds determined annually by the Board for its direct use during the year to ensure Board advancement and competent governance of the College, such as costs of fiscal audit, Board development, Board and committee meetings, Board legal fees, and ownership linkage

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the budget account for the Board’s direct use is identified as a separate department within the overall College.

This interpretation is reasonable insofar as the Board reviews and approves the adoption of the annual operating budget.

8. Allow an annual operating budget in which more funds are to be dispersed than are conservatively projected to be received.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when the projected year-end income over (under) expenses is zero or greater.

This interpretation is reasonable insofar as the Board of Trustees receives monthly financial reports on the College’s financial activity, as well as audited financial reports.

9. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve ENDS in future years.

INTERPRETATION:

I have interpreted that compliance with this policy statement will be demonstrated when budget plans for the board include future years projections that are fiscally viable, as well as the following.

- a) Labor contracts do not incur long-term future financial commitments that are not provided for in our three-year pro-forma; and
- b) Borrowing (i.e., debt service) does not exceed 10% of the annual operating expenses, which is consistent with the historical threshold previously used by the Board.

This interpretation is reasonable insofar as the Board receives annual budget planning documents which include elements of fiscal soundness, debt services, and projected outcomes of negotiated contracts in those years when union contracts are expired.

9.1 Operate without succession plans to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long-term.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when

- a) Each Leadership Council Member has identified, to the College CEO, an interim successor.
- b) Each Council Member Successor is provided current operational information and has the opportunity to fill the responsibilities of the position from time to time.
- c) Each Council Member Successor is aware of their responsibility to the operations of the College and the Leadership council.

This interpretation is reasonable insofar as the Leadership Council Members positions are key operational personnel and cover all areas of the operation of the College.

9.2 Permit the College to be without sufficient organizational capacity and current information about CEO and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of CEO services.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when, (partially as noted in 10.2.1) as well as the following:

- a) Minutes of the Leadership Council confirm that it regularly discusses current operations of the organization.
- b) The Leadership Council understands how the organization is evaluated under Policy Governance and is involved in the development of Board Monitoring Reports.
- c) Performance Management Interviews (PMIs) between the Leadership Council member and their direct reports reveal discussions of larger operations in the area under supervision, as well as discussion of leadership growth and a pathway for doing so.

The interpretation is reasonable because it covers the two areas critical to continuity of the CEO's role; Operations of the College and support of the Board's assessment of organization performance. Further, PMI meetings, with direct reports, are a mandated requirement of all Leadership Council Members.

9.2.1 Prepare no fewer than two College executive staff to assume operation of the organization for a Board determined interim period.

INTERPETATION:

I have interpreted that compliance with this policy statement will be demonstrated when (assuming that "*the assumption of the operation of the organization*" language includes the same authority and responsibility as the CEO):

- a) There is a documented succession plan with two named Leadership Council members that delineate the respected authorities and responsibilities of the CEO, for which each person is accountable during a temporary absence of the CEO of less than 6 months.
- b) When the two named successors, as determined by the CEO, are shared, in order, with the Board of Trustees.
- c) When the two named successors confirm their knowledge of their role as successor, and their responsibilities and accountabilities in the event of an absence.
- d) When the two named successors are required to attend monthly Board Meetings, Planning Sessions, and appropriate Board communications.

The interpretation is reasonable because it supports the Board's ability to apply policy BMD-5 CEO Succession.

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
5.0 Items for Decision 5.3 Executive Limitations 5.3.3 EL-05 Asset Protection – Interpretations Review Revisited* <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL- 05 Asset Protection
Description:
<p>Following the April 10, 2023 assessment of my interpretations for policy EL-05, I have some minor amendments to those interpretations that are more aligned with actual operational best-practices. I am requesting your re-assessment for reasonableness.</p> <p>Please find enclosed a version that tracks my recommended clarification changes throughout.</p>
Resource Impact:
None
Requested Board Action:
Consideration of accepting or not accepting my amended interpretations for policy EL-05 Asset Protection as demonstrating a reasonable interpretation of the policy.
Action Taken:



Jackson College Board of Trustees

Interpretations Assessment: EL – 05 Asset Protection

Report Date: 05.08.23

Note: Board Policy is indicated in bold typeface throughout the report.

POLICY STATEMENT:

The CEO shall not allow College assets to be unprotected, inadequately maintained, or unnecessarily risked. Further, without limiting the scope of the preceding statement by the following list, the CEO shall not:

1. **Permit the organization to have inadequate insurance against property, casualty, and cyber (i.e., data) losses.**

I have interpreted "inadequate insurance" in policy items #1.1 (including 1.1.1 and 1.1.2) to 1.2. Compliance with these items below constitutes compliance with this policy.

- 1.1. **Permit the organization to insure its property and operations with inadequate valuation and limits due to an insufficient scope of perils.**

INTERPRETATION:

I have interpreted “insufficient scope of perils” in policy items 1.1.1 and 1.1.2 below. I am further interpreting the scope of perils to include disruption of College operations, due to unpredictable events or ‘Acts of God’ (i.e., force majeure), as well as exposure to danger or serious danger.

Compliance with this policy will be demonstrated when insurances of the College, in particular its ‘Umbrella Insurance’, for disruption of college operations, is consistent with coverage limits standards for an institution our size, type, and scope, as well as when items 1.1.1 and 1.1.2, (below) are fully compliant.

This interpretation is reasonable because it is consistent with the recommendations of the College’s insurance consultant, and the Michigan Community College Risk Management Authority (MCCRMA) standards of coverage.

1.1.1. Permit insurance of all buildings and contents to be at less than the cost to replace, with a blanket limit of all buildings and contents.

INTERPRETATION:

I have interpreted compliance to be demonstrated when a schedule property of values is updated and signed each year, computing the blanket limit of coverage for buildings and contents, and that the College is in possession of insurance coverage documents to those amounts.

This interpretation is reasonable because it is based on insurance industry standards for current replacement blanket insurance on building and contents.

1.1.2. Permit the College to have inadequate insurance for theft, disappearance or destruction of money, and securities inside or outside the premises.

INTERPRETATION:

I have interpreted compliance to be demonstrated when:

- a) The College is in possession of an -insurance policy provides for coverage for theft, disappearance or destruction of money and securities at the College, or at financial institutions holding College assets.
- b) The levels/type of insurance coverage provided is

consistent with the range recommended by the insurance industry consultant (see insurance type and current insurance coverage schedule below).

<u>Insuring Agreement</u>	<u>Limits of Liability</u>	<u>Deductibles</u>
Employee Theft	\$ 1,000,000	\$ 10,000
ERISDA Fidelity	\$ 1,000,000	\$ -
Forgery or Alteration	\$ 1,000,000	\$ 10,000
Premise Coverage	\$ 1,000,000	\$ 10,000
Transit Coverage	\$ 1,000,000	\$ 10,000
Computer Fraud	\$ 1,000,000	\$ 10,000
Restoration Expense	\$ 50,000	\$ 1,000
Funds Transfer Fraud	\$ 1,000,000	\$ 10,000
Credit, Debit or Charge Card Fraud	\$ 1,000,000	\$ 10,000
Money Orders and Counterfeit Money	\$ 1,000,000	\$ 10,000
Investigative Expense	\$ 50,000	\$ -

This interpretation is reasonable because the assessment of adequate insurance is provided by a third-party independent insurance consultant, as noted in the schedule above) is an accepted industry standard.

1.2. Permit the organization to have inadequate privacy/cyber insurance.

INTERPRETATION:

I have interpreted compliance to be demonstrated when:

- a) The operational and disruptive threat of Cyber Security is mitigated using preventative controls and insurance protections are consistent with what was identified in the annual cyber security audit. This level of control will include the annual review of a Maintenance of Operations plan; and
- b) Insurance levels are consistent with the Michigan Community College Risk Management Authority (MCCRMA) standards of coverage for Cyber Liability.

This interpretation is reasonable because the insurer is a third-party expert and provides the College with an independent assessment of what adequate insurance is in the current environment, as well as what constitutes an appropriate Maintenance of Operation plan, which is required before any

cyber insurance can be issued.

2. **Permit the Board members, College employees, and other individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance.**

INTERPRETATION:

I interpret the level of adequate insurance (i.e., E & O for the board, as well, as other liability insurances for staff and related parties) to be determined by an industry expert, in this case, the Michigan Community College Risk Management Authority (MCCRMA) and their standards of coverage determinations, and such policies are currently in place and on file.

This interpretation is reasonable because the insurer is a third-party expert and an independent assessment of what adequate insurance is.

3. **Permit individuals traveling out of the United States, on behalf of the College, to have inadequate travel accident insurance.**

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has a professional activity form (i.e., pre-approval documentation) on file, granting approval to travel on behalf of the College. Further, that this form is utilized by persons traveling on College business.
- b) Employees are provided access to information about applicable travel insurance coverages prior to their approved travel.
- c) Coverages are consistent with 3rd party consultants' recommendations based on industry standards.

This interpretation is reasonable because prior approval to travel, as well as provisions for applicable travel insurance, is a standard practice among higher education institutions.

4. **Allow the College to have insurance for theft and crime coverage that is less than industry standards.**

INTERPRETATION:

I have interpreted that compliance will be demonstrated when the College is ensuring its theft and crime coverages are at a level, identified by the College's the 3rd party insurance consultant, as standard for an institution our type, size, and scope.

This interpretation is reasonable because it is not only a standard practice utilized by higher education institutions, but that the recommendations for coverage levels are provided by a third-party industry consultant.

5. Unnecessarily expose the organization, its Board members or College employees to claims of liability.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when the 'unnecessary exposure to claims of liability' are addressed in item 5.1 below, as well as when all College Trustees and employees have received required training on Title IX, Sexual Harassment Prevention, and the Jackson College Code of Ethics, as constituting compliance with this policy.

This interpretation is reasonable because said training is required by the United States Department of Education.

5.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.

INTERPRETATION:

I am interpreting the phrase "material contracts or material internal human resource documents" to include all Labor Agreements and all contracts with vendors and organizations, to have a direct or indirect financial liability of \$100,000 or more. I have further interpreted that compliance will be demonstrated when:

- a) A random statistical sampling of contracts is reviewed by the College's Internal Auditor to confirm all associated contracts greater than \$100,000 are reviewed by legal counsel prior to contract signing.
- b) A random statistical sampling of contract documents, reviewed by the College's Internal Auditor, reveal that performance bonds for contracts of \$100,000 or greater with vendors the College does not have established relationships with, are on file in the College's Business Office.

This interpretation is reasonable because all labor agreements, and all contracts with vendors are reviewed by the College's legal counsel, and are additionally reviewed and signed by the College President. Further, all union labor agreements are executed by the Board of Trustees. Finally, all performance bonds for \$100,000 projects and higher with vendors the College does not have established relationships with, include liability protections for the College, ensuring that work is performed of a nature and timeline consistent with the contract.

6. Receive, process, or disburse funds under controls which are insufficient to meet audit standards or reasonably insufficient to detect and prevent fraud.

INTERPRETATION:

I am interpreting fraud protection, involving the receipt, process, or distribution of funds to be achieved when adequate crime (i.e., fraud) insurance is filed and current, as well as when both internal and external auditors confirm adequate internal controls are in place. I have further interpreted policy compliance to be demonstrated when:

- a) The external auditors do not find any deficiency in the internal controls process, as part of their annual audit; and
- b) Any deficiency noted in internal controls is corrected within 90 days.

This interpretation is reasonable because the use of internal and external third-party auditors to examine, evaluate, and recommend improvements and/or corrections to fraud protection practice is not only a higher education industry standard, but is also that standard for non-profit organizations.

7. Make any purchases that do not result in appropriate level of quality, after-purchase service and value for dollar, or do not provide opportunity for fair competition.

I have interpreted this policy to be in compliance when, purchasing practices utilized within the College, are consistent with those of like-sized, industry comparable institutions, within the Michigan Community College Association (i.e., Group II, MCCBOA), as well as when items 7.1, 7.2, 7.3, and 7.4 (below) are fully in compliance.

This interpretation is reasonable because it ensures the attention to all items below, but also that the College purchasing processes are attendant to the structure of Michigan laws, but also that they are evaluated against peer community colleges in the MCCA Group II classification, and in combination with CFO peers in the Michigan Community College Business Officers Association).

7.1 Make any purchase wherein normally prudent protection has not been evaluated against conflict of interest.

INTERPRETATION:

Compliance will be demonstrated when:

- a) All administrators annually submit documentation regarding the absence of conflict of interest, or noting occasions wherein an actual or apparent conflict may occur. Further, the College Board of Trustees declare any conflict of

interest that may exist in their decision-making prior to the commencement of any board meeting, as provided on the College's Board agenda;

- b) The external auditor notes there is no conflict of interest in transactions in the past fiscal year among employees or Trustees; and
- c) Material conflicts are disclosed in the annual audited financial report.

This interpretation is reasonable because not only are there formal practices for noting any actual or apparent conflicts of interest, a third-party auditor annual reviews these practices, and conducts annual sampling to determine if any violations of this process have occurred. Finally, regarding the Board of Trustees, such practices are consistent with the national fiduciary standard for Duty of Loyalty among board members.

7.2 Make any purchase of over \$100,000 without having obtained comparative prices and quality from at least three competitive bids, unless considered a 'sole source' provider. Orders shall not be split to avoid these criteria.

INTERPRETATION:

I have interpreted compliance to be demonstrated when verification has occurred, for those College departments, which have the authority to initiate purchase order requisitions, have transmitted their request for approval through first, their Leadership Council Member, and then through the Business Office. I have further concluded that compliance will be demonstrated when items a, b., and c. (below) are also compliant:

- a) The College's Internal Auditor conducts a review of a statistically valid sample of purchase order requisitions for policy compliance and confirms that all orders approved by the College's Comptroller are compliant with the required bid documentation, or sole source provider documentation if the purchase price is greater than \$100,000;
- b) The College's external auditor annual conducts a statistical sampling of the processes of purchases of \$100,000 or more, for process compliance; and
- c) The administrative purchasing policy is consistent with Board Policy.

This interpretation is reasonable because the process validation is conducted by both internal and external auditors of the College, which is an industry standard approach.

7.3 Make any purchase without a stringent method of assuring: 1) Long-term quality 2) Reasonable Cost; 3) Consideration of the financial support provided to the College by a bidder, and 4) Local vendor preference.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) All College departments and employees with purchasing authority are provided the criteria of this policy;
- b) All College Administrators annually receive, and annually review, the College's purchasing policy in the Administrative Council Meeting annually; and
- c) The members of Leadership Council confirm the policy is being applied in their respective areas of responsibility.

This interpretation is reasonable because an annual review of the College's purchasing practices ensures familiarity with existing employees, as well as provides for the proper review of employees who are new to the organization.

7.4 Allow minority, women, and veteran vendors to be without information critical to their receiving equitable consideration in competitive bidding.

INTERPRETATION:

I have determined that compliance will be demonstrated when:

- a) Purchasing departments and their employees with purchasing authority have been provided this policy, which is annually reviewed, to ensure that purchases at the College are consistent with this criterion; and
- b) The members of the College's Leadership Council confirm the policy is being followed in their respective area of responsibility.

This interpretation is reasonable because an annual review of the College's purchasing practices relative to minority, women and veteran vendors ensures familiarity with existing employees, as well as provides for the proper review of employees who are new to the organization.

8. Allow College intellectual assets, to be unprotected or exposed to loss or significant damage.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when all College logos, names and characters of proprietary nature have registered trademarks or copyrights.

This interpretation is reasonable because registration not only provides legal basis for protecting assets against improper or fraudulent use, but it is an industry standard relative to the protection of intellectual assets.

9. Endanger the organization's public image, credibility, or its ability to accomplish Board Ends.

INTERPRETATION:

I have interpreted compliance with this policy statement will occur when, I have demonstrated sufficient breadth of operational policies, processes, and training frequency for employees regarding the protection of the College's reputation, as well as when items 9.1 through 9.5 (below) are fully compliant. This is the basis for protecting assets against improper or fraudulent use, but it is an industry standard relative to the protection of intellectual assets.

This interpretation is reasonable because policy and process development, deployment, and training are current industry standard for protection of the College's image and reputation.

9.1 Allow non-adherence to guidelines required for required institutional and secondary program accreditors.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Institutional (i.e., Regional) and Secondary accreditation agencies confirm that all required data and documentation has been provided by required submission dates; and
- b) The College institutionally, as well as those programs which are accredited by secondary accrediting agencies report that they are in good standing. No Jackson College programs with supplemental accreditation standing regarding accreditation status.

This interpretation is reasonable because both the College's regional accreditor, as well as is secondary program accreditors are external to the College and have defined practices for determining the quality of the College and its program offerings.

9.2 Accept gifts or grants which obligate the College to make future expenditures other than those that are reasonably required by the gift or grant.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a. All grants considered by the College include agreements which detail the nature of the grant, any match requirement, period of time in which the

College is required to expend funds, prior to acceptance. Grant applications requiring organizational matches by the College must be approved by the President before application submittal. Further, all match requirements for the grant must be provided within the annual budgets of the College.

- b. All donations/gifts to the College must be codified by a memorandum of understanding or agreement that outlines the nature of the donation/gift, the use of said donation/gift, and define any additional contributions or considerations by the College, prior to acceptance. These MOU's and agreements are signed by the College President and Foundation Executive.

This interpretation is reasonable because it ensures that, prior to any pursuit of a grant or the rescript of any donation or gift, consideration has been given to obligations of the College and ensure the budgeting of same.

9.3 Publicly position the College in support of, or opposition to, any known political organization or candidate for public office.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Review of public sources leading up to election dates do not reveal or report instances of the College supporting or opposing political organizations or candidates for public office;
- b) All political organizations and candidates for public office are given equal opportunity to speak on campus;
- c) No signage supporting candidates appear on any college property; and
- d) No College employees promote candidates in the classroom, their offices, nor do faculty or other employees promote candidates in their backgrounds on video meetings, internal print or digital communications, on clothing, use of buttons, or other promotional materials, while on college property or when conducting college business.

This interpretation is reasonable because it is the law of the State of Michigan.

9.4 Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.

INTERPRETATION:

I have interpreted that compliance with this policy will be demonstrated when:

- a) All Leadership Council members and the College President have confirmed that they have not engaged in, created any partnership agreement, or

obligated the College in any way with any organization whose principles or practices are incompatible with those of the College, or that are unaligned with the College's mission, vision, values, and belief statements.

- b) If an incompatibility is decerned, the College President will make the final determination as to the cessation of the relationship with the offending party, understanding that the contractual and legal nature of the relationship, if present, must be adhered to, relative to contract cessation requirements.

This interpretation is reasonable because only the Leadership Council members and the President are allowed to enter into contractual relationships.

9.5 Allow relationships with careholders and/or stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.

INTERPRETATION:

I have determined that compliance will be demonstrated when:

- a) A review of tracking software and/or consultation with student support offices confirm there is no outstanding, or unresolved issues with students with the College's Student Resolution Advocate or with the College's Judicial Committee;
- b) There are no unresolved or public relations matters that have not been addressed; and
- c) The College has a process to address other careholder/stakeholder concerns, including Freedom of Information Requests (FOIA), and that all are addressed within a reasonable period of time, even though a resolution may not be possible.

This interpretation is reasonable because such practices represent a common industry-based approach. Further, a record of such engagements is retained for validation in each of the aforementioned offices. Matters of resolving FOIA requests are defined by State law and are addressed by the College's Chief Operating Officer.

10. Change the organization's name or substantially alter its identity in the community.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) On those occasions wherein a name is changed, it is noted by action of the Board of Trustees, as approved and recorded in the minutes;
- b) Proposed name changes are requested of and approved by the Higher Learning Commission;
- c) Proposed name changes are requested of and approved by the Michigan State

Department Education; and

- d) Any change in the name, image, and likeness, or positioning of the College identity, is supported by a Board motion approved and recorded in the minutes.

This interpretation is reasonable because it is a requirement of the aforementioned authorities to advance a name change.

11. Create or purchase any subsidiary corporation.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The establishment or purchase of any subsidiary corporation is documented on a College Board of Trustees agenda for consideration, and is subsequently placed in the minutes of the Board meeting at which it was approved; and
- b) The Board's auditor confirms that there has been no purchase or creation of a subsidiary corporation without prior approval by the Board of Trustees.

This interpretation is reasonable because the Board of Trustees has retained the authority of the decision for the purchase of a subsidiary corporation and all Board decisions must report a duly recorded motion and the vote to approve such a decision.

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
7.0 Monitoring CEO Performance 7.1 EL-05 Asset Protection – Evidence Review* <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-05 Asset Protection
Description:
Enclosed for your review is the evidence (i.e., Monitoring Report) for EL- 05 Asset Protection. You will note that my report indicates <u>full compliance</u> according to previously established and approved interpretations. I will respond to any questions you have about the report.
Resource Impact:
None
Requested Board Action:
Board assessment of the report for Policy EL- 05 for evidence of full compliance with a reasonable interpretation of the policy.
Action Taken:



Jackson College Board of Trustees

Monitoring Report: EL – 05 Asset Protection

[FULL COMPLIANCE]

Note: Board Policy is indicated in bold typeface throughout the report.

I present this monitoring report to the Jackson College Board of Trustees which addresses the Board's Executive Limitations Policy: Asset Protection – EL-05. I certify that the information contained in herein is true and represents compliance, within a reasonable interpretation of the established policy

Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

05.08.23

Daniel J. Phelan, Ph.D.
President and CEO

Date

POLICY STATEMENT:

The CEO shall not allow College assets to be unprotected, inadequately maintained, or unnecessarily risked. Further, without limiting the scope of the preceding statement by the following list, the CEO shall not:

- 1. Permit the organization to have inadequate insurance against property, casualty, and cyber (i.e., data) losses.**

I have interpreted "inadequate insurance" in policy items #1.1 (including 1.1.1 and 1.1.2) to 1.2. Compliance with these items below constitutes compliance with this policy.

- 1.1. Permit the organization to insure its property and operations with inadequate valuation and limits due to an insufficient scope of perils.**

INTERPRETATION:

I have interpreted “insufficient scope of perils” in policy items 1.1.1 and 1.1.2 below. I am further interpreting the scope of perils to include disruption of College operations, due to unpredictable events or ‘Acts of God’ (i.e., force majeure), as well as exposure to danger or serious danger.

Compliance with this policy will be demonstrated when insurances of the College, in particular its ‘Umbrella Insurance’, for disruption of college operations, is consistent with coverage limits standards for an institution our size, type, and scope, as well as when items 1.1.1 and 1.1.2, (below) are fully compliant.

This interpretation is reasonable because it is consistent with the recommendations of the College’s insurance consultant, and the Michigan Community College Risk Management Authority (MCCRMA) standards of coverage.

EVIDENCE:

A Review of the umbrella insurance policy on 04.30.23 confirmed that the policy provides coverage for a total limit of \$10MM per each occurrence, or each claim limit. As a point of comparison, the Michigan Community College Risk Management Authority (MCCRMA – *an organization created by members to provide property/causality insurance, risk management, and related services exclusively to Michigan community colleges.*) members do not require an excess/umbrella policy because the basic limit of liability is \$15MM each occurrence (for nearly all coverages) and there is no aggregate limit.

1.1.1. Permit insurance of all buildings and contents to be at less than the cost to replace, with a blanket limit of all buildings and contents.

INTERPRETATION:

I have interpreted compliance to be demonstrated when a schedule property of values is updated and signed each year, computing the blanket limit of coverage for buildings and contents, and that the College is in possession of insurance coverage documents to those amounts.

This interpretation is reasonable because it is based on insurance industry standards for current replacement blanket insurance on building and contents.

EVIDENCE:

A Review of the the College's facility insurance policy on 04.30.23 by the College's CFO confirmed that the blanket building limit is \$509,555,216 and the content blanket limit is \$26,563,775. The blanket building limit was increased by \$314,191,501 in response to the current inflationary environment. At this level, all buildings would be replaced in a 100% catastrophic event.

1.1.2. Permit the College to have inadequate insurance for theft, disappearance or destruction of money, and securities inside or outside the premises.

INTERPRETATION:

I have interpreted compliance to be demonstrated when:

- a) The College is in possession of an insurance policy provides for coverage for theft, disappearance or destruction of money and securities at the College, or at financial institutions holding College assets.
- b) The levels/type of insurance coverage provided is consistent with the range recommended by the insurance industry consultant (see insurance type and current insurance coverage schedule below).

<u>Insuring Agreement</u>	<u>Limits of Liability</u>	<u>Deductibles</u>
Employee Theft	\$ 1,000,000	\$ 10,000
ERISA Fidelity	\$ 1,000,000	\$ -
Forgery or Alteration	\$ 1,000,000	\$ 10,000
Premise Coverage	\$ 1,000,000	\$ 10,000
Transit Coverage	\$ 1,000,000	\$ 10,000
Computer Fraud	\$ 1,000,000	\$ 10,000
Restoration Expense	\$ 50,000	\$ 1,000
Funds Transfer Fraud	\$ 1,000,000	\$ 10,000
Credit, Debit or Charge Card Fraud	\$ 1,000,000	\$ 10,000
Money Orders and Counterfeit Money	\$ 1,000,000	\$ 10,000
Investigative Expense	\$ 50,000	\$ -

This interpretation is reasonable because the assessment of adequate insurance is provided by a third-party independent insurance consultant, as noted in the schedule above) is an

accepted industry standard.

EVIDENCE:

A Review of the associated College insurance policy on 04.30.23 by the College CFO confirmed that the policy provides for coverage for theft, disappearance or destruction of money and securities at the College, or at financial institutions holding College assets. Specific MCCRMA limits are as follows:

Insuring Agreement	Limits of Liability	Retention
Employee Theft	\$1,000,000	\$100,000 (See Note)
ERISA Fidelity	Not Covered	N/A
Forgery or Alteration	\$1,000,000	\$100,000 (See Note)
Premises Coverage	\$1,000,000	\$100,000 (See Note)
Transit Coverage	\$2,000,000	\$100,000 (See Note)
Computer Fraud	\$2,000,000 (See Note)	\$50,000 (See Note)
Restoration Expense	\$2,000,000 (See Note)	\$50,000 (See Note)
Funds Transfer Fraud	\$100,000	\$50,000 (See Note)
Credit Debit or Charge Card Fraud	\$1,000,000	\$50,000 (See Note)
Money Orders and Counterfeit Money	\$1,000,000	\$100,000 (See Note)
Investigative Expense	See Note	\$50,000 (See note)

Additionally, the CFO MCCRMA retention functions through a stop loss fund so the amount retained is reduced. Finally, the College's Cyber Risk policy is a separate \$3M insurance policy and is addressed in 1.2 below.

1.2. Permit the organization to have inadequate privacy/cyber insurance.

INTERPRETATION:

I have interpreted compliance to be demonstrated when:

- a) The operational and disruptive threat of Cyber Security is mitigated using preventative controls and insurance protections are consistent with what was identified in the annual cyber security audit. This level of control will include the annual review of a Maintenance of Operations plan; and
- b) Insurance levels are consistent with the Michigan Community College Risk Management Authority (MCCRMA) standards of coverage for Cyber Liability.

This interpretation is reasonable because the insurer is a third-party expert and provides the College with an independent assessment of what adequate insurance is in the current environment, as well as what constitutes an appropriate Maintenance of Operation plan, which is required before any cyber insurance can be issued.

EVIDENCE:

- a) The College's CFO confirmed on 04.30.23 that the College's annual cyber security audit is nearing completion with a scheduled review during the June, 2023 audit committee meeting. Furthermore, the College's CIO confirmed on 04.30.23 that the IT department launched Proofpoint in 2023, which provides email protection against malware attacks. Proofpoint also filters emails that present phishing / malware risks before entering into our network. The CIO also confirmed an existing relationship with Mad Security which provides detection and response services. Mad Security has software that monitors and reviews system logs looking for suspicious activity. This allows for quick response actions that quarantine potential problems to minimize any potential damage.
- b) The College's CFO confirmed on 04.30.23 that the College's current Cyber Risk Coverage is \$3MM with \$30K retention/deductible. As a comparison, MCCRMA's coverage is capped at \$2MM with retention of \$50K.

2. Permit the Board members, College employees, and other individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance.

INTERPRETATION:

I interpret the level of adequate insurance (i.e., E & O for the board, as well, as other liability insurances for staff and related parties) to be determined by an industry expert, in this case, the Michigan Community College Risk Management Authority (MCCRMA) and their standards of coverage determinations, and such policies are currently in place and on file.

This interpretation is reasonable because the insurer is a third-party expert and an independent assessment of what adequate insurance is.

EVIDENCE:

The College's CFO confirmed on 05.01.23 that our current insurance policy provides for Employment Practices Liability coverage with \$1MM limit for each wrongful employment act/occurrence and \$5MM in aggregate. As a comparison, MCCRMA's coverage provides for \$15MM with no aggregate limit.

3. Permit individuals traveling out of the United States, on behalf of the College, to have inadequate travel accident insurance.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has a professional activity form (i.e., pre-approval documentation) on file, granting approval to travel on behalf of the College. Further, that this form is utilized by persons traveling on College business.
- b) Employees are provided access to information about applicable travel insurance coverages prior to their approved travel.
- c) Coverages are consistent with 3rd party consultants' recommendations based on industry standards.

This interpretation is reasonable because prior approval to travel, as well as provisions for applicable travel insurance, is a standard practice among higher education institutions.

EVIDENCE:

- a) A statistical review of FY '22 completed by the College's Comptroller on 05.03.23 documented that 50% of employees completed a professional activity form ahead of travel.
- b) Comptroller also confirmed that College employees are provided access to information on travel insurance coverage on the College's employee intranet site.

4. Allow the College to have insurance for theft and crime coverage that is less than industry standards.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when the College is ensuring its theft and crime coverages are at a level, identified by the College's the 3rd party insurance consultant, as standard for an institution our type, size, and scope.

This interpretation is reasonable because it is not only a standard practice utilized by higher education institutions, but that the recommendations for coverage levels are provided by a third-party industry consultant.

EVIDENCE:

A review of the College's insurance policy on 04.30.23 by the CFO confirms the policy provides for coverage for theft, disappearance or destruction of money and securities at the College, or at financial institutions holding College assets. Additionally, as an industry standard comparison, the MCCRMA limits are as follows, suggesting the College is comparable:

Insuring Agreement	Limits of Liability	Retention
Employee Theft	\$1,000,000	\$100,000 (See Note)
ERISA Fidelity	Not Covered	N/A
Forgery or Alteration	\$1,000,000	\$100,000 (See Note)
Premises Coverage	\$1,000,000	\$100,000 (See Note)
Transit Coverage	\$2,000,000	\$100,000 (See Note)
Computer Fraud	\$2,000,000 (See Note)	\$50,000 (See Note)
Restoration Expense	\$2,000,000 (See Note)	\$50,000 (See Note)
Funds Transfer Fraud	\$100,000	\$50,000 (See Note)
Credit Debit or Charge Card Fraud	\$1,000,000	\$50,000 (See Note)
Money Orders and Counterfeit Money	\$1,000,000	\$100,000 (See Note)
Investigative Expense	See Note	\$50,000 (See note)

Note that the MCCRMA retention functions through a stop loss fund so the amount retained is reduced.

5. Unnecessarily expose the organization, its Board members or College employees to claims of liability.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when the 'unnecessary exposure to claims of liability' are addressed in item 5.1 below, as well as when all College Trustees and employees have received required training on Title IX, Sexual Harassment Prevention, and the Jackson College Code of Ethics, as constituting compliance with this policy.

This interpretation is reasonable because said training is required by the United States Department of Education.

EVIDENCE:

The COO confirmed on 04.30.23 that all employees, including adjunct faculty, are required to complete the Title IX training upon hire, as well as on an annual basis thereafter. Board members are also required to complete the training annually.

5.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.

INTERPRETATION:

I am interpreting the phrase “material contracts or material internal human resource documents” to include all Labor Agreements and all contracts with vendors and organizations, to have a direct or indirect financial liability of \$100,000 or more. I have further interpreted that compliance will be demonstrated when:

- a) A random statistical sampling of contracts is reviewed by the College’s Internal Auditor to confirm all associated contracts greater than \$100,000 are reviewed by legal counsel prior to contract signing.
- b) A random statistical sampling of contract documents, reviewed by the College’s Internal Auditor, reveal that performance bonds for contracts of \$100,000 or greater with vendors the College does not have established relationships with, are on file in the College’s Business Office.

This interpretation is reasonable because all labor agreements, and all contracts with vendors are reviewed by the College’s legal counsel and are additionally reviewed and signed by the College President. Further, all union labor agreements are executed by the Board of Trustees. Finally, all performance bonds for \$100,000 projects and higher with vendors the College does not have established relationships with, include liability protections for the College, ensuring that work is performed of a nature and timeline consistent with the contract.

EVIDENCE:

The College COO confirmed the following on 04.30.23:

- a) Current practice requires that all contracts are reviewed by Legal Counsel.
- b) Facilities/Plant project bids always include language regarding proposal guarantee (i.e., bid bond) and contract security (i.e., performance and labor & material payment bond).

6. Receive, process, or disburse funds under controls which are insufficient to meet audit standards or reasonably insufficient to detect and prevent fraud.

INTERPRETATION:

I am interpreting fraud protection, involving the receipt, process, or distribution of funds to be achieved when adequate crime (i.e., fraud) insurance is filed and current, as well as when both internal and external auditors confirm adequate internal controls are in place. I have further interpreted policy compliance to be demonstrated when:

- a) The external auditors do not find any deficiency in the internal controls process, as part of their annual audit; and

- b) Any deficiency noted in internal controls is corrected within 90 days.

This interpretation is reasonable because the use of internal and external third-party auditors to examine, evaluate, and recommend improvements and/or corrections to fraud protection practice is not only a higher education industry standard, but is also that standard for non-profit organizations.

EVIDENCE:

The College CFO confirmed the following on 04.30.23, which are being implemented by the Business Office:

- a) The results of the Internal Control Remediation and Data Testing completed by Plante Moran included four recommendations:
- The Comptroller or designee should perform a monthly review of the direct deposit changes, bank account change, and vendor record changes. The review is in the process of being embedded into normal Business Office operations.
 - Jackson College should consider an ERP system upgrade so that changes can be made without deletion of data. Leveraging the work through the Process Redesign and Reimagine project to help address this recommendation.
 - Jackson College should create an approved vendor listing, so that the business office has familiarity with approved vendors and will be able to easily identify unapproved vendors. Leveraging the work through the Process and Reimagine project to help address this recommendation.
 - Jackson College should install a proper safe in the box office. The safe has been installed.
- b) Cash controls continue to remain in compliance.

7. Make any purchases that do not result in appropriate level of quality, after-purchase service and value for dollar, or do not provide opportunity for fair competition.

I have interpreted this policy to be in compliance when, purchasing practices utilized within the College, are consistent with those of like-sized, industry comparable institutions, within the Michigan Community College Association (i.e., Group II, MCCBOA), as well as when items 7.1, 7.2, 7.3, and 7.4 (below) are fully in compliance.

This interpretation is reasonable because it ensures the attention to all items below, but also that the College purchasing processes are attendant to the structure of Michigan laws, but also that they are evaluated against peer community colleges in the MCCA Group II classification, and in combination with CFO peers in the Michigan Community College Business Officers Association).

7.1 Make any purchase wherein normally prudent protection has not been evaluated against conflict of interest.

INTERPRETATION:

Compliance will be demonstrated when:

- a) All administrators annually submit documentation regarding the absence of conflict of interest, or noting occasions wherein an actual or apparent conflict may occur. Further, the College Board of Trustees declare any conflict of interest that may exist in their decision-making prior to the commencement of any board meeting, as provided on the College's Board agenda;
- b) The external auditor notes there is no conflict of interest in transactions in the past fiscal year among employees or Trustees; and
- c) Material conflicts are disclosed in the annual audited financial report.

This interpretation is reasonable because not only are there formal practices for noting any actual or apparent conflicts of interest, a third-party auditor annual reviews these practices and conducts annual sampling to determine if any violations of this process have occurred. Finally, regarding the Board of Trustees, such practices are consistent with the national fiduciary standard for Duty of Loyalty among board members.

EVIDENCE:

The College COO confirmed the following on 04.30.23:

- a) Based upon a review of the required conflict of interest forms submitted by administrators, department chairs and the Board of Trustees, 100% of the individuals completed a conflict-of-interest declaration, during this reporting period. Documents in the Human Resources/Talent office track all Administrators and Department Chairs, ensuring that they have completed the annual conflict of interest form. All Trustees, during the course of each Board Meetings, as noted in official meeting minutes, declare any potential conflict of interest with Board Agenda items.
- b) The annual audit report for 06.30.22 did not note any disclosure of conflicts of interest; and
- c) For the fiscal year 06.30.22 no conflicts of interest needed to be disclosed.

7.2 Make any purchase of over \$100,000 without having obtained comparative prices and quality from at least three competitive bids, unless considered a 'sole source' provider. Orders shall not be split to avoid these criteria.

INTERPRETATION:

I have interpreted compliance to be demonstrated when verification has occurred, for

those College departments, which have the authority to initiate purchase order requisitions, have transmitted their request for approval through first, their Leadership Council Member, and then through the Business Office. I have further concluded that compliance will be demonstrated when items a, b., and c. (below) are also compliant:

- a) The College's Internal Auditor conducts a review of a statistically valid sample of purchase order requisitions for policy compliance and confirms that all orders approved by the College's Comptroller are compliant with the required bid documentation, or sole source provider documentation if the purchase price is greater than \$100,000;
- b) The College's external auditor annual conducts a statistical sampling of the processes of purchases of \$100,000 or more, for process compliance; and
- c) The administrative purchasing policy is consistent with Board Policy.

This interpretation is reasonable because the process validation is conducted by both internal and external auditors of the College, which is an industry standard approach.

EVIDENCE:

The College COO confirmed the following on 04.30.23:

- a) Current practice is all contracts are reviewed by Legal Counsel.
- b) The College's external auditor had no findings.
- c) A review of the administrative policy on 05.03.23 by the CFO shows it aligns with the requirements of the board policy.

7.3 Make any purchase without a stringent method of assuring: 1) Long-term quality 2) Reasonable Cost; 3) Consideration of the financial support provided to the College by a bidder, and 4) Local vendor preference.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) All College departments and employees with purchasing authority are provided the criteria of this policy;
- b) All College Administrators annually receive, and annually review, the College's purchasing policy in the Administrative Council Meeting annually; and
- c) The members of Leadership Council confirm the policy is being applied in their respective areas of responsibility.

This interpretation is reasonable because an annual review of the College's purchasing practices ensures familiarity with existing employees, as well as provides for the proper review of employees who are new to the organization.

EVIDENCE:

- a. On 05.02.23 the CFO provided the purchasing policy to departments and employees with purchasing authority.
- b. On 05.03.23 the Administrative Council members received the purchasing policy. The policy will be reviewed again during the Council's meeting in June, 2023.
- c. The College's Leadership Council received the policy on 05.03.23 and then required to provide attestation that the policy is being applied in their respective areas of responsibility.

7.4 Allow minority, women, and veteran vendors to be without information critical to their receiving equitable consideration in competitive bidding.

INTERPRETATION:

I have determined that compliance will be demonstrated when:

- a) Purchasing departments and their employees with purchasing authority have been provided this policy, which is annually reviewed, to ensure that purchases at the College are consistent with this criterion; and
- b) The members of the College's Leadership Council confirm the policy is being followed in their respective area of responsibility.

This interpretation is reasonable because an annual review of the College's purchasing practices relative to minority, women and veteran vendors ensures

familiarity with existing employees, as well as provides for the proper review of employees who are new to the organization.

EVIDENCE:

- a) On 05.02.23 the CFO provided the purchasing policy to departments and employees with purchasing authority.
- b) On 05.03.23 the Administrative Council members received the purchasing policy. The policy will be reviewed during the Council's meeting in June, 2023.
- c) The College's Leadership Council received the policy on 05.03.23 and then required to provide attestation that the policy is being applied in their respective areas of responsibility.

8. Allow College intellectual assets, to be unprotected or exposed to loss or significant damage.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when all College logos, names and characters of proprietary nature have registered trademarks or copyrights.

This interpretation is reasonable because registration not only provides legal basis for protecting assets against improper or fraudulent use, but it is an industry standard relative to the protection of intellectual assets.

EVIDENCE:

On 05.01.23 the Chief Operating Officer confirmed that the Men of Merit program has been copyrighted and trademarked. As well, our TCS² logo has been copyrighted and trademarked.

9. Endanger the organization's public image, credibility, or its ability to accomplish Board Ends.

INTERPRETATION:

I have interpreted compliance with this policy statement will occur when, I have demonstrated sufficient breadth of operational policies, processes, and training frequency for employees regarding the protection of the College's reputation, as well as when items 9.1 through 9.5 (below) are fully compliant. This is the basis for protecting assets against improper or fraudulent use, but it is an industry standard relative to the protection of intellectual assets.

This interpretation is reasonable because policy and process development, deployment, and training are current industry standard for protection of the College's image and reputation.

9.1 Allow non-adherence to guidelines required for required institutional and secondary program accreditors.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Institutional (i.e., Regional) and Secondary accreditation agencies confirm that all required data and documentation has been provided by required submission dates; and
- b) The College institutionally, as well as those programs which are accredited by secondary accrediting agencies report that they are in good standing. No Jackson College programs with supplemental accreditation standing regarding accreditation status.

This interpretation is reasonable because both the College's regional accreditor, as well as is secondary program accreditors are external to the College and have defined practices for determining the quality of the College and its program offerings.

EVIDENCE:

The College's Chief Academic Officer (CAO) confirmed the following on 05.01.23:

- a) The College's regional accreditor, the Higher Learning Commission (HLC) has confirmed there are no outstanding documents.
- b) No programs were on conditional status with the HLC.

9.2 Accept gifts or grants which obligate the College to make future expenditures other than those that are reasonably required by the gift or grant.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a. All grants considered by the College include agreements which detail the nature of the grant, any match requirement, period of time in which the College is required to expend funds, prior to acceptance. Grant applications requiring organizational matches by the College must be approved by the President before application submittal. Further, all match requirements for the grant must be provided within the annual budgets of the College.
- b. All donations/gifts to the College must be codified by a memorandum of understanding or agreement that outline the nature of the donation/gift, the use of said donation/gift, and define any additional contributions or

considerations by the College, prior to acceptance. These MOU's and agreements are signed by the College president and Foundation executive

This interpretation is reasonable because it ensures that, prior to any pursuit of a grant or the rescript of any donation or gift, consideration has been given to obligations of the College and ensure the budgeting of same.

EVIDENCE:

The College's Chief Advancement Officer confirmed the following on 04.30.23:

There are no relevant gifts or grants requiring this evidence as of 06.30.22.

9.3 Publicly position the College in support of, or opposition to, any known political organization or candidate for public office.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Review of public sources leading up to election dates do not reveal or report instances of the College supporting or opposing political organizations or candidates for public office;
- b) All political organizations and candidates for public office are given equal opportunity to speak on campus;
- c) No signage supporting candidates appear on any college property; and
- d) No College employees promote candidates in the classroom, their offices, nor do faculty or other employees promote candidates in their backgrounds on video meetings, internal print or digital communications, on clothing, use of buttons, or other promotional materials, while on college property or when conducting college business.

This interpretation is reasonable because it is the law of the State of Michigan.

EVIDENCE:

The College COO confirmed the following on 05.04.23:

- a) The College did not host any political candidates on campus. No signed agreements (Facilities Rental or Request for Demonstration/Activity on Jackson College Grounds) are on file.
- b) The College did not approve any political candidates/events on campus, therefore no need for an opposing party present.
- c) The Marketing department approves campus signage and no requests of this type were

approved with the department.

d) No complaints were reported to the HR Office, and would have been addressed if brought to the department's attention

9.4 Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.

INTERPRETATION:

I have interpreted that compliance with this policy will be demonstrated when:

- a) All Leadership Council members and the College President have confirmed that they have not engaged in, created any partnership agreement, or obligated the College in any way with any organization whose principles or practices are incompatible with those of the College, or that are unaligned with the College's mission, vision, values, and belief statements.
- b) If an incompatibility is discerned, the College President will make the final determination as to the cessation of the relationship with the offending party, understanding that the contractual and legal nature of the relationship, if present, must be adhered to, relative to contract cessation requirements.

This interpretation is reasonable because only the Leadership Council members and the President are allowed to enter into contractual relationships.

EVIDENCE:

On 05.03.23 the College CFO sent a communication to members of the Leadership Council to attest that they have not developed or continued collaborative relationships with organizations whose principles or practices are incompatible with those of the College. This was affirmed by all LC members.

9.5 Allow relationships with careholders and/or stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.

INTERPRETATION:

I have determined that compliance will be demonstrated when:

- a) A review of tracking software and/or consultation with student support offices confirm there is no outstanding, or unresolved issues with students with the College's Student Resolution Advocate or with the College's Judicial Committee;
- b) There are no unresolved or public relations matters that have not been addressed; and
- c) The College has a process to address other careholder/stakeholder concerns, including Freedom of Information Requests (FOIA), and that all are addressed within a reasonable period of time, even though a

resolution may not be possible.

This interpretation is reasonable because such practices represent a common industry-based approach. Further, a record of such engagements is retained for validation in each of the aforementioned offices. Matters of resolving FOIA requests are defined by State law and are addressed by the College's Chief Operating Officer.

EVIDENCE:

The College's Ombudsman COO confirmed the following on 04.22.23:

- a) There were no outstanding issues aside from appeals requiring more documentation from the student and or current semester grades to post.
- b) The Chief Operating Officer confirmed on 05.04.23 that there are currently no outstanding negative public relations coverage/concerns.
- c) The COO also confirmed on 05.04.23 that each FOIA (i.e., Freedom of Information Act) request has been responded to within the timeframe established by State law.

10. Change the organization's name or substantially alter its identity in the community.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) On those occasions wherein a name is changed, it is noted by action of the Board of Trustees, as approved and recorded in the minutes;
- b) Proposed name changes are requested of and approved by the Higher Learning Commission;
- c) Proposed name changes are requested of and approved by the Michigan State Department Education; and
- d) Any change in the name, image, and likeness, or positioning of the College identity, is supported by a Board motion approved and recorded in the minutes.

This interpretation is reasonable because it is a requirement of the aforementioned authorities to advance a name change.

EVIDENCE:

The College COO confirmed the following on 04.30.23 that there has been no name change or identity alterations for this reporting period.

11. Create or purchase any subsidiary corporation.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The establishment or purchase of any subsidiary corporation is documented on a College Board of Trustees agenda for consideration, and is subsequently placed in the minutes of the Board meeting at which it was approved; and
- b) The Board's auditor confirms that there has been no purchase or creation of a subsidiary corporation without prior approval by the Board of Trustees.

This interpretation is reasonable because the Board of Trustees has retained the authority of the decision for the purchase of a subsidiary corporation and all Board decisions must report a duly recorded motion and the vote to approve such a decision.

EVIDENCE:

The College COO confirmed the following on 04.30.23 that there has been no purchase or creation of a subsidiary corporation during this reporting period.

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
7.0 Monitoring CEO Performance 7.2 EL-06 Investments – Evidence Review* <u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: EL-06 Investments
Description:
Enclosed for your review is the evidence (i.e., Monitoring Report) for EL- 06 Investments. You will note that my report indicates <u>full compliance</u> according to previously established and approved interpretations. I will respond to any questions you have about the report.
Resource Impact:
None
Requested Board Action:
Board assessment of the report for Policy EL- 06 for evidence of full compliance with a reasonable interpretation of the policy.
Action Taken:



Jackson College Board of Trustees

Monitoring Report: EL – 06 Investments

[COMPLIANCE]

Note: Board Policy is indicated in bold typeface throughout the report.

I present this monitoring report to the Jackson College Board of Trustees which addresses the Board's Executive Limitations Policy: "Investments". I certify that the information contained in herein is true and represents compliance, within a reasonable interpretation of the established policy, unless specifically stated otherwise below. Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

05.08.23

Daniel J. Phelan, Ph.D.
President and CEO

Date

POLICY STATEMENT:

The CEO shall not permit investments that are inconsistent with federal, state, or local laws, nor to be managed in a way that is inconsistent with the primary investment objectives of capital preservation and reasonable growth.

INTERPRETATION:

I have interpreted this policy statement to mean that any investments that are made by the College must not only adhere to all applicable laws for a public community college, but that any investments should be of low risk, with the interior of additional revenue generation. Further, I interpret that this investment work should be undertaken using an independent, qualified, third-party fund manager, with investment decisions make in consultation of the College administration.

This interpretation is reasonable because a licensed, (qualified) third-party investing agent is not only familiar with applicable laws, but that they are more skilled in the matters of investing are are more likely to direct the College toward revenue growth.

Further, without limiting the scope of the above statement by the following list, the CEO shall not:

- 1. Permit investments to be managed without the active involvement of well-qualified investment advisors with a proven track record, who are independent of any investment fund.**

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has an appointed an Asset Management Administrator, who can also provide a knowledgeable custodian for the College's funds.
- b) The College utilizes well-qualified investment advisors who actually make the securities purchases, who are also are independent of any investment fund.

This interpretation is reasonable because the investment of the College's available funds are achieved by a bonded, leagally accountable trust administrator, and secondary fund custodian. Further such investment recommendations are acted upon, based upon recommendations of an independent securities advisor.

EVIDENCE:

- a) The College CFO confirmed on 04.19.23 that Comerica Securities, and both Financial Consultants, Kyle Rademaker and Chris Theut, have extensive knowledge and history with serving public funds investment clients. The CFO also confirmed on 04.20.23 that MILAF has active involvement of well-qualified investment advisors with a provend track record, who are independent of any investment fund. Also, the Michigan Liquid Asset Fund Plus (MILAF+) program was verified to provide a knowledgeable custodian._
- b) The College CFO confirmed on 04.19.23 that neither Comerica Securities and/or it's Financial Consultants, are engaged or participate, in any form of soft-dollar arrangements with any of the Firms approved fund companies or investment providers. On 04.20.23 the CFO confirmed that the College is currently utilizing the MILAF+ investment fund.

1.1. Permit the advisor to take title to any assets.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has engaged the use of a fund advisor, who is not also the fund custodian;
- b) The funds held by the asset custodian, and security purchases made by

investment advisor, are held in the Colleges name only.

This interpretation is reasonable because of the way and structure of how the investments are managed.

EVIDENCE:

- a) The College CFO confirmed on 04.19.23 that Comerica Securities utilizes Pershing LLC, as it's 'clearing agent and custodian', and they are responsible for holding the assets on behalf of their clients. Comerica's brochure, *Understanding the Protection of Client Assets*, details their safekeeping and custody arrangements. The CFO confirmed on 04.20.23 with MILAF+ that the College is engaged the use of a fund advisor, who is not also the fund custodian.
- b) The CFO confirmed on 04.19.23 that the College's account holdings are held in a segregated account on their behalf which is referenced in the section titled Segregation and Control of Assets within Comerica's brochure titled *Understanding the Protection of Client Assets*. On 04.20.23 the CFO confirmed with MILAF+ that the funds held by the asset custodian, and security purchases made by investment advisor are held in the College's name only.

1.2. Permit the advisor to withdraw any funds from the accounts except to cover payment of previously agreed-to fees, or at the s specific direction of the College's Chief Financial Officer or President.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Fees are specified in the agreements of the engaged financial and asset management organizations.

This interpretation is reasonable because the way the fees are structured, the available reporting, and that the agreements are legally binding instruments between the College and the third-party organizations.

EVIDENCE:

- a) The CFO confirmed on 04.19.23 that the Colleges account is a transactional and non-advisory account and as so there are no active management fees. – On 4/20/23 CFO confirm with MILAF+ that the College is invested in the MILAF+ Fund, and as such, the fees within the fund are disclosed in the MILAF information Statement, and that there are no fees outside the fund.

2. Permit investments that are insufficiently liquid to meet the organization's anticipated expenditures without incurring penalties.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Investment maturity dates are structured to mature at times that meet cash flow needs of the College based upon a planned schedule; and
- b) The actual interest-based revenue return matches the anticipated return without penalties for withdrawal.

This interpretation is reasonable because it maximizes the return on the investment and is compliant with the Community College Act.

EVIDENCE:

- a) The CFO confirmed on 04.20.23 that maturity dates on investments are structured to mature at times that meet the College's cash flow needs.
- b) The CFO confirmed on 04.19.23 that the College's account with Comerica is a transactional brokerage account, and as such there is no stated or guaranteed rate of return. The CFO confirmed on 04.20.23 that MILAF+ has no penalties for withdrawal.

3. Permit the investment of cash accounts (or operating capital) in anything other than what is defined in the Community College Act section 389.142 as being permitted by a Michigan community college.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

The College's participation in investment activities is done via an investment pool composed entirely of investment instruments that are legal for direct investment by a community college and or purchased from a securities organization who only offers Jackson College legal direct investments by a community college.

This interpretation is reasonable because Michigan state law defines what is permissible for a community college investments.

EVIDENCE:

- a) The CFO confirmed on 04.19.23 that Comerica Securities, and the assigned Financial Consultants, Kyle Rademaker and Chris Theut, take

steps, to the extent possible, to ensure the investments offered to the College are complaint with both State investment codes and the Colleges specific investment policy. The CFO also confirmed with MILAF+ on 04.20.23 that all investments meet Community College's legal requirements.



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President

Subject to be Discussed and Policy Reference:
<p>7.0 Monitoring CEO Performance</p> <p>7.3 CEO Monitoring Compliance Schedule & Summary</p> <p><u>BOARD POLICY:</u> BOARD-CEO DELEGATION: BCD-04 Monitoring President Performance</p>
Description:
<p>Enclosed is the report that provides the monitoring compliance schedule, as well as an updated summary of my monitoring compliance reports, presented to the Board over the preceding 12 months with the compliance status noted.</p> <p>When 'partial compliance' is indicated, the expected date of full compliance is noted. Oftentimes, this is due to factors beyond my control (i.e., timing).</p>
Requested Board Action:
Discussion surrounding the President's compliance review.
Action Taken:

2023 - 2024 BOARD POLICY REVIEWING & MONTORING SCHEDULE		
2023-2024 Board Meeting Date	Policy Reviews Due	Monitoring Reports Due
January 9, 2023	<u>Review EL-10</u> Access to Education (JEREMY) <u>Review GP-14</u> Handling Operational Complaints <u>Review GP-11</u> Linkage with Ownership <u>Review GP-15</u> Handling Alleged Policy Violations <u>(2024 – Review GP-07</u> Ownership Linkage Committee ToR)	<u>Monitor EL-09</u> Organization Culture (CINDY) <u>Monitor EL-07</u> Compensation & Benefits (CINDY) <u>Monitor GP-06</u> Audit Committee Terms of Reference <u>Monitor GP-13</u> Special Rules of Order <u>(2024 - Monitor BCD-02</u> Accountability of the President)
February 13, 2023	<u>Review EL-11</u> Entrepreneurial Activity (CINDY/JOHN) <u>Review GP-01</u> Governing Style <u>Review BCD-06</u> President Compensation <u>(2024 – Review GP-00</u> Governance Commitment)	<u>Monitor EL-10</u> Access to Education (JEREMY) <u>Monitor GP-14</u> Handling Operational Complaints <u>Monitor GP-11</u> Linkage with Ownership <u>Monitor GP-15</u> Handling Alleged Policy Violations <u>(2024 – Monitor GP-07</u> Ownership Linkage Committee ToR)
March 13, 2023	<u>Review EL-12</u> Land Use (JASON) <u>Review GP-02</u> Board Job Contributions <u>Review GP-04</u> Role of Board Chair <u>Review GP-10</u> Investment in Governance <u>(2024 – Review BCD-00</u> Global Board Management Delegation)	<u>Monitor EL-11</u> Entrepreneurial Activity (CINDY/JOHN) <u>Monitor GP-01</u> Governing Style <u>Monitor BCD-06</u> President Compensation <u>(2024 – Monitor GP-00</u> Governance Commitment)
April 10, 2023	<u>Review EL-05</u> Asset Protection (JOHN) <u>Review EL-06</u> Investments (JOHN) <u>Review BCD-05</u> President Succession <u>Review GP-03</u> Board Planning Cycle & Agenda Control <u>(2024 – Review GP-12</u> Board Linkage with External Organizations)	<u>Monitor EL-12</u> Land Use (JASON) <u>Monitor GP-02</u> Board Job Contributions <u>Monitor GP-04</u> Role of Board Chair <u>Monitor GP-10</u> Investment in Governance <u>(2024 – Monitor BCD-00</u> Global Board Management Delegation)
May 8, 2023	<u>Review EL-03</u> Planning (JOHN) <u>Review GP-09</u> Board Code of Conduct	<u>Monitor EL-05</u> Asset Protection (JOHN) <u>Monitor EL-06</u> Investments (JOHN) <u>Monitor BCD-05</u> President Succession <u>Monitor GP-03</u> Board Planning Cycle & Agenda Control <u>(2024 – Monitor GP-12</u> Board Linkage with External Organizations)
June 12, 2023	<u>Review EL-00</u> General Executive Constraint (PHELAN) <u>Review E-01</u> Ends (JEREMY)	<u>Monitor EL-03</u> Planning (JOHN) <u>Monitor GP-09</u> Board Code of Conduct

Jackson College Board of Trustees Meeting - Monitoring CEO Performance

August 4, 2023	<u>Review Bylaws</u> <u>Review BCD-03</u> Delegation to President <u>Review BCD-04</u> Monitoring President Performance	<u>Monitor EL-00</u> General Executive Constraint (PHELAN) <u>Monitor E-01</u> Ends (JEREMY)
September 11, 2023	<u>Review EL-01</u> Treatment of Students (CINDY/JEREMY) <u>Review BCD-01</u> Unity of Control <u>Review GP-05</u> Role of Vice Chair <u>Review GP-08</u> Board & Committee Expenses	<u>Follow up:</u> <u>Monitor EL-02</u> Treatment of Staff (CINDY) <u>Monitor BCD-03</u> Delegation to President <u>Monitor BCD-04</u> Monitoring President Performance <u>Monitor GP-07</u> Board Committee Principles
October 9, 2023	<u>Review EL-04</u> Financial Conditions & Activities (JOHN) <u>Review EL-08</u> Communication & Support to the Board (PHELAN)	<u>Monitor EL-01</u> Treatment of Students (CINDY/JEREMY) <u>Monitor BCD-01</u> Unity of Control <u>Monitor GP-05</u> Role of Vice Chair <u>Monitor GP-08</u> Board & Committee Expenses
November 13, 2023	<u>Review EL-09</u> Organization Culture (CINDY) <u>Review EL-07</u> Compensation & Benefits (CINDY) <u>Review GP-06</u> Audit Committee Terms of Reference <u>Review GP-13</u> Special Rules of Order <u>Review BCD-02</u> Accountability of the President	<u>Monitor EL-04</u> Financial Conditions & Activities (JOHN) <u>Monitor EL-08</u> Communication & Support to the Board (PHELAN)



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
E – 01 Board Ends	8.8.22	Yes	n/a`	n/a	n/a	n/a	Compliant 8.8.22
EL – 00 General Executive Constraint	First presented 6.13.22, with evidence follow-up 9.12.22	Yes	As this was the first review of the policy, only the interpretations were available for review 6.13.22. Evidence was reviewed on 9.12.22.	n/a	n/a	No capacity for monitoring as scheduled in September 2021.	Compliant 9.12.22
EL – 01 Treatment of Students	10.10.22	Yes	n/a	n/a	n/a	n/a	Compliant 10.10.22
EL – 02 Treatment of Staff	4.11.22, - Fully Compliant Follow-up 9.12.22	Yes	n/a	n/a	n/a	n/a	Compliant 4.11.22 and 9.12.22
EL – 03 Planning	8.8.22	Yes		n/a	n/a	n/a	Compliant 8.8.22
EL – 04 Financial Conditions & Activities	11.14.22	Yes	n/a	n/a	n/a	n/a	Compliant 11.14.22



President/CEO Monitoring Report Compliance

Jackson College

EL – 05 Asset Protection	5.10.23	Yes	n/a	n/a	n/a	n/a	Compliant 5.9.22
EL – 06 Investments	5.10.23	Yes	n/a	n/a	n/a	n/a	Compliant 5.9.22
EL – 07 Compensation and Benefits	1.9.23	Yes	n/a	n/a	n/a	n/a	Compliant 1.9.23
EL – 08 Communication & Support to the Board	11.14.22	Yes	n/a	n/a	n/a	n/a	Compliant 11.14.22
EL – 09 Organization Culture	1.9.23	Yes	n/a	n/a	n/a	n/a	Compliant 1.9.23
EL – 10 Access to Education	2.13.23	Yes	n/a	n/a	n/a	n/a	Compliant 2.13.23
EL – 11 Entrepreneurial Activity	3.13.23	Yes	n/a	n/a	n/a	n/a	Compliant 3.13.23
EL – 12 Land Use	4.10.23 – Partially Compliant	No Partial	Item 1: A master plan begun, and will be updated following the installation of the Jet's Pavilion, the Jet's Air Station, the Astronomical Observatory,	Fall of FY'24		Installation of the Jet's Pavilion, the Jet's Air Station, the	Partially Compliant 4.10.23



President/CEO Monitoring Report Compliance

Jackson College

			and the completed STEAM Factory area.			Astronomical Observatory, and the completed STEAM Factory area not expected until Fall of FY'24	
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BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President

Subject to be Discussed and Policy Reference:
8.0 Monitoring Board Performance 8.1 BCD-05 President Succession – Survey Result Review <u>BOARD POLICY:</u> GOVERNANCE PROCESS: BCD-05 President Succession
Description:
<p>As part of Policy Governance practice, the Board completes a Self-Evaluation Survey of Governance Process and Board CEO Delegation policies following the month the respective policy is reviewed.</p> <p>The intention is effort to assist Members in assessing the Board's compliance with Governance Process and Board CEO Delegation policies. The Board Chair will lead discussion at the meeting to consider aggregate responses from members and insights obtained from the compilation, relative to amending the policy in question, as well as points for consideration in future policy development and review.</p> <p>Enclosed are the results to help guide the board's discussion.</p>
Resource Impact:
None
Requested Board Action:
Review of the results to determine compliance with policy statements and any changes that might be needed.
Action Taken:



Jackson College Board of Trustees

BOARD SELF-MONITORING SURVEY RESULTS: BCD-05 President Succession DATE: 4.28.2023

1. *Number of Response: 7*

2. *Policy opening statement:*

In its role of assuring organizational performance and continuity, the Board shall take action in the event of a President absence to ensure consistent leadership for the management or the organization and, when necessary, an orderly transition in President succession.

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



3. Provide specific representative examples to support your above response when applicable.

- We have not been presented with this issue in my tenure, so I guess I will say "always" based on the fact that we have a policy in place, and I would expect we would follow it.*

4. *Item 1:*

Short and Long Term Absences

The Board considers a short-term absence to be one which is longer than one month and less than six months in which it is expected that the President will return to his or her position once the events that precipitated the absence are resolved. Any absence longer than six months is considered to be a long-term absence.

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



5. Provide specific representative examples to support your above response when applicable.

- N/A

6. *Item 2.0:*

Should an absence of the President arise, the Board will meet as soon as feasible at a special or regular meeting. The Board will review the President's most recent reasonable interpretation for Executive Limitation EL-3 #9.2 ("Permit the College to be without sufficient organizational capacity and current information about President and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of President services.") and #9.2.1 ("Prepare no fewer than two College executive staff to assume operation of the organization.").

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



7. Provide specific representative examples to support your above response when applicable.

- N/A

8. *Item 3.0:*

The Board will appoint an Acting President.

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



9. Provide specific representative examples to support your above response when applicable.

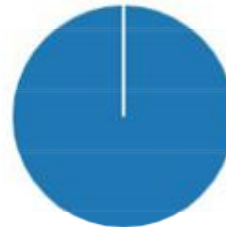
- N/A

10. ***Item 3.1:***

If any of the executive staff designated by the President is unable or unwilling to serve as the Acting President, the Board may engage interim president services.

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



11. Provide specific representative examples to support your above response when applicable.

- N/A

12. ***Item 4.0:***

The Acting President will have the same authority and accountability as the President.

Have we acted consistently with this item of policy?



13. Provide specific representative examples to support your above response when applicable.

- N/A

14. **Item 5.0:**

The Board will determine if it wishes to amend its Executive Limitations in areas of significant organizational risk or increase the frequency of monitoring for any policy or any part of any policy for the period of the absence.

Have we acted consistently with this item of policy?



15. Provide specific representative examples to support your above response when applicable.

- N/A

16. **Item 6.0:**

In addition to monitoring Acting President performance through the normal cycle of monitoring reports, the Board will provide a summative performance assessment of the Acting President at agreed upon intervals.

Have we acted consistently with this item of policy?



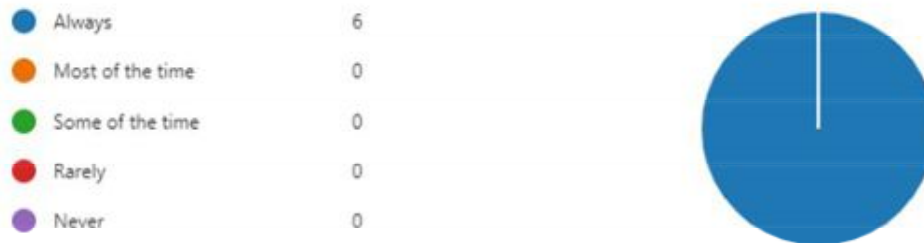
17. Provide specific representative examples to support your above response when applicable.

- *“Another example of where we have yet to be presented with this issue, but I assume we would follow policy.”*

18. **Item 7.0:**

The Board will determine compensation for the interim appointment.

Have we acted consistently with this item of policy?



19. Provide specific representative examples to support your above response when applicable.

- N/A

20. **Item 8.0:**

Immediately upon the appointment of the Acting President taking effect, the Board Chair will notice staff, Trustees, the Foundation Board, the Jackson Preparatory and Early College Board and key civic and organizational leaders of the delegation of authority.

Have we acted consistently with this item of policy?



21. Provide specific representative examples to support your above response when applicable.

- N/A

22. **Item 9.0:**

Return from Absence

The Board and President shall mutually decide upon the schedule for return to the position.

Have we acted consistently with this item of policy?



23. Provide specific representative examples to support your above response when applicable.

- N/A

24. **Item 9.1:**

A reduced schedule for a set period of time is allowed with the commitment working towards full-time schedule.

Have we acted consistently with this item of policy?



25. Provide specific representative examples to support your above response when applicable.

- N/A

26. **Item 10.0:**

In the event that either the short term or long term absence entails a medical or other event rendering performance in the position untenable, the Board shall determine the anticipated return to service and/or the inability to do so and the period of time that it is prudent to continue with the interim appointment.

Have we acted consistently with this item of policy?



27. Provide specific representative examples to support your above response when applicable.

- N/A

28. **Item 11.0:**

In the event that the President notifies the Board that the absence will be permanent, the Board Chair, with input and directions from Trustees, will develop a plan for recruitment and selection.

Have we acted consistently with this item of policy?



29. Provide specific representative examples to support your above response when applicable.

- N/A

30. *Item 11.1:*

Service as Acting President shall not preclude a person from being considered by the Board for permanent appointment as College President.

Have we acted consistently with this item of policy?



31. Provide specific representative examples to support your above response when applicable.

- N/A

32. *Item 12.0:*

Regardless of the process used, the Board as a whole will approve the person to be appointed President.

Have we acted consistently with this item of policy?



33. Provide specific representative examples to support your above response when applicable.

- N/A

34. Other Board Comments:

- *"Our plan is in place and I pray we never have to implement it."*

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President

Subject to be Discussed and Policy Reference:
8.0 Monitoring Board Performance 8.2 GP-03 Board Planning Cycle & Agenda Control – Survey Result Review <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-03 Board Planning Cycle & Agenda Control
Description:
<p>As part of Policy Governance practice, the Board completes a Self-Evaluation Survey of Governance Process and Board CEO Delegation policies following the month the respective policy is reviewed.</p> <p>The intention is effort to assist Members in assessing the Board's compliance with Governance Process and Board CEO Delegation policies. The Board Chair will lead discussion at the meeting in order to consider aggregate responses from members and insights obtained from the compilation, relative to amending the policy in question, as well as points for consideration in future policy development and review.</p> <p>Enclosed are the results to help guide the board's discussion.</p>
Resource Impact:
None
Requested Board Action:
Review of the results to determine compliance with policy statements and any changes that might be needed.
Action Taken:



Jackson College Board of Trustees

BOARD SELF-MONITORING SURVEY RESULTS: GP-03 Board Planning Cycle and Agenda Control DATE: 4.28.2023

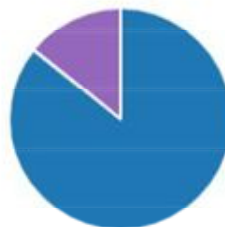
1. *Number of Response: 7*

2. *Policy opening statement:*

To accomplish its job products with a governance style consistent with Jackson College Board of Trustee's policies, the Board will develop and follow a multi-year cycle that includes all elements of the Board's work.

Have we acted consistently with this item of policy?

Always	6
Most of the time	0
Some of the time	0
Rarely	0
Never	1



3. Provide specific representative examples to support your above response when applicable.

- "Dan does."

4. *Item 1:*

The Board shall maintain control of its own agenda by developing an annual schedule based on the multi-year cycle. [See cycle at the end of this policy via email message prompting this survey participation or our website.]

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



5. Provide specific representative examples to support your above response when applicable.

- N/A

6. **Item 1.1:**

Review of the Ends in a timely fashion which allows the President to build a budget based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.

Have we acted consistently with this item of policy?

Always	7
Most of the time	0
Some of the time	0
Rarely	0
Never	0



7. Provide specific representative examples to support your above response when applicable.

- N/A

8. **Item 1.2:**

Linkage with the Careholdership to gain a representative mix of careholder values, perceptions and expectations, prior to the above review.

Have we acted consistently with this item of policy?



9. Provide specific representative examples to support your above response when applicable.

- *"I believe this has improved with regular scheduled meetings with Carehoders."*

10. **Item 1.3:**

Education and professional development related to development and revision of Ends. The Board will consider including environmental scanning, review of professional articles and publications, conference attendance, participation in presentations by thought leaders or experts, and activities which develop strategic foresight.

Have we acted consistently with this item of policy?



11. Provide specific representative examples to support your above response when applicable.

- *"We are given countless opportunities to fine tune all of our board responsibilities."*

12. **Item 1.4:**

Risk assessment, including probability of risks and impact of particular risks, as background context for policy review.

Have we acted consistently with this item of policy?



13. Provide specific representative examples to support your above response when applicable.

- *“This can be difficult at times due to the present volume or risks.”*
- *“Dan does a good job of making recommendations which the board adopts.”*
- *“We have not created an impact risk matrix yet?”*

14. **Item 1.5:**

Content review of selected Executive Limitations, Governance Process and Board – CEO Delegation policies, consistent with a multi-year schedule that includes all policies.

Have we acted consistently with this item of policy?



15. Provide specific representative examples to support your above response when applicable.

- N/A

16. **Item 1.6:**

Self-evaluation of the Board’s own compliance with selected Governance Process and Board – CEO Delegation policies, consistent with the schedule in the policy Investment in Governance.

Have we acted consistently with this item of policy?



17. Provide specific representative examples to support your above response when applicable.

- N/A

18. **Item 1.7:**

Documentation of monitoring compliance by the President with Executive Limitations and Ends policies. Monitoring reports will be read in advance of the Board meeting, and discussion will occur only if Board members assess interpretations as unreasonable, identify non-compliance, or identify potential need for policy amendments.

Have we acted consistently with this item of policy?



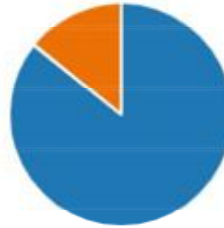
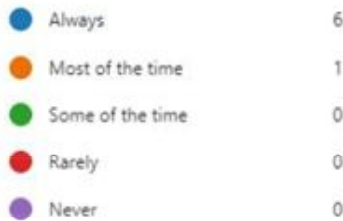
19. Provide specific representative examples to support your above response when applicable.

- N/A

20. **Item 1.8:**

Education and professional development about the process of governance.

Have we acted consistently with this item of policy?



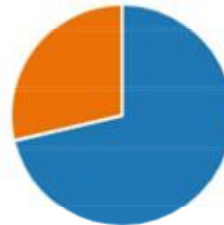
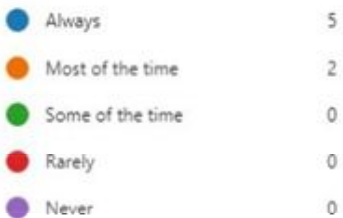
21. Provide specific representative examples to support your above response when applicable.

- *“I need to get more up to date.”*

22. **Item 1.9:**

Two planning sessions annually, one held no later than November, the second held no later than April. The Board will schedule a Summer retreat no later than June.

Have we acted consistently with this item of policy?



23. Provide specific representative examples to support your above response when applicable.

- *“Sometimes due to scheduling conflicts, meeting dates change, not a big deal as long as we hold 2 planning sessions; summer retreat was an optional meeting vs a mandate, my understanding. But we’ve held a summer retreat consistent.”*

24. **Item 2.0:**

Based on the outline of the annual schedule, the Board delegates to the Board Chair the authority to fill in the details of the meeting content. Potential agenda items shall be carefully screened. Screen questions shall include:

- ***Clarification as to whether the issue clearly belongs to the Board or the President***
- ***Identification of what category an issue related to Ends, Executive Limitations, Governance Process, Board-President Delegation.***
- ***Review of what the Board has already said in this category (i.e. via policy review), and how the current issue is related.***

Have we acted consistently with this item of policy?



25. Provide specific representative examples to support your above response when applicable.

- N/A

26. **Item 3.0:**

Throughout the year, the Board will work to limit the number of, and attend to Required Approvals Agenda items as expeditiously as possible. When an item is brought to the Board via the Required Approvals Agenda, deliberation, if any, will only be in regard to whether or not the President's decision complies with relevant Board policies.

Have we acted consistently with this item of policy?



27. Provide specific representative examples to support your above response when applicable.

- N/A

28. **Item 3.1:**

Not later than June, the College's tuition, fee-setting, and the levy and collection of taxes in the annual budget.

Have we acted consistently with this item of policy?



29. Provide specific representative examples to support your above response when applicable.

- N/A

30. Other Board Comments:

- N/A

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
9.0 Information Requested by the Board 9.1 Board Summer Retreat Agenda, June 23, 2023 <p style="text-align: right;"><u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-03 Board Planning Cycle and Agenda</p>
Description:
This time has been set aside to help the Board anticipate topics for Board Summer Retreat (June 23, 2023). Below are currently anticipated topics: <ul style="list-style-type: none"> • Careholdership Linkage Considerations • FY'23 Governance Process Policy Compliance Survey Results • Book: <i>Trusteeship in Community College</i> – Review of each chapter summary • Committee Process Usage • Case Studies • Annual ACCT Congress Preparations • Peer Benchmarking Mtg. at ACCT • Policy Pre-review Process • Millage Consideration <p>Please feel free to offer other agenda items at this point on the agenda.</p>
Resource Impact:
None
Requested Board Action:
Review of currently anticipated topics.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
<p>9.0 Information Requested by the Board</p> <p>9.2 FY'23 Q3 Financial Report</p> <p><u>BOARD POLICY:</u> EXECUTIVE LIMITATIONS: Financial Conditions and Activities</p>
Description:
<p>For the Board's review is the FY'23 Q3 Financial Report is Included for your review. I will provide a few highlights with respect to changes since Q2.</p> <p>Recall that monthly financials are provided on the Board's web page.</p> <p>I am happy to answer any questions you may have about the Q3 report.</p>
Resource Impact:
None
Requested Board Action:
Review of the FY'23 Q3 Financial Report.
Action Taken:



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
March 31, 2023

Jackson College
Memo From John Globoker, Chief Financial Officer
For the March 31,2023 Financial Report

Following is the March 31,2023 Treasurer's Report summarizing the components of the major revenue and expense lines. Explanations for variances greater than 2% are included in this memo.

Note: Budgeted amounts reflect the 2022-2023 Budget as adopted at the June 2022 Board of Trustees meeting.

General Fund

Revenues

- **Tuition and fees** - Unfavorable to budget, 22/Fall and 23/SPR enrollment were lower than projected.
- **Contract training** - Favorable to budget, due to additional trainings through grant programs.
- **Miscellaneous** - Favorable to budget, due to administrative allowance recognized from grant programs.
- **Transfers** - Favorable to budget, due to timing of transfers between the college and foundation.

Expenses

- **Wages/Retirement & Benefits** - Savings from vacant positions, we expect savings to get smaller as the fiscal year progresses.
- **Services** - Unfavorable to budget, due to amended services in IT, contracted CFO services, FY22 IT invoice paid in FY23, and new services with Consumer's Energy for the lineworker program.
- **Materials** - Unfavorable to budget, due to timing of IT software renewals that required larger upfront payments. We anticipate this will continue to diminish over the fiscal year.
- **Rent, utilities, insurance** - Unfavorable to budget, due to increase in heating/fuel gas, electricity and insurance costs related to increased building valuation.
- **Other operating costs** - Unfavorable to budget, due to increased investment in professional development and advertising.
- **Transfers - Jets Store** - the Jets Store is a mission supported activity that the general fund supports until the time it becomes financially self sufficient.
- **Capital Equipment** - Unfavorable to budget due to timing of purchases.

Jackson College
Memo From John Globoker, Chief Financial Officer
For the March 31,2023 Financial Report

Auxiliary Fund

Revenues

- **Housing** - Favorable to budget as occupancy was higher than expected.
- **Housing** Scholarships- Unfavorable to budget, due to increase in Resident Mentors to support Ready, Set, Jet initiative for the academic year.
- **Potter Center** - Favorable to budget, due to a conservative budget being presented.
- **Hospitality** - Favorable to budget, due to a conservative budget being presented.

Expenses

- **Wages/Benefits** - Unfavorable to budget, due to insufficient budgeting in Bookstore.
- **Services Staffing Agency**- Favorable to budget, it is too early in the year to tell if this trend will continue.
- **Services** - Unfavorable to budget, due to timing of purchases at the beginning of the year and additional expenses related to the opening of Jax's Place.
- **Materials** - Unfavorable to budget, due to timing additional food supplies related to the opening of Jax's Place and insufficient budgeting in Bookstore.
- **Rent, Utilities, insurance** - Favorable to budget, It is too early in the year to tell if this trend will continue.
- **Other operating costs** - Unfavorable to budget, increase in Potter Center Income (from budget) resulted in additional expenses related to increased activity.
- **Capital Equipment** - Unfavorable to budget, due to equipment purchases necessary for Jax's Place

Other Notes

- Operating Reserves - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. As of March 31,2023 the College is meeting this requirement.

Jackson College
Revenue and Expense Statement
General Fund - FY 23
March 31, 2023
Preliminary - Unaudited

	2022-2023 Original Budget	Percentage of Original Budget	Actual Year to Date	Actual Percentage of Budget	Planned Percentage to Date	Variance of Planned Percentage to Actual	Prior Year to Date *
Revenue							
Gross tuition and fees	\$ 24,936,000	57.3%	\$ 19,777,633	79.3%	86.0%	\$ (1,667,327)	\$ 19,401,087
Less Institutional Scholarships	(725,000)	-1.7%	(716,388)	98.8%	86.0%	(92,888)	(542,949)
Net tuition and fees	24,211,000	55.6%	19,061,245	78.7%	86.0%	(1,760,215)	18,858,138
Property taxes	5,587,000	12.7%	5,358,226	95.9%	97.9%	(111,447)	5,092,517
State appropriations	13,428,792	30.9%	10,071,594	75.0%	75.0%	-	9,551,790
Contract training	35,000	0.1%	61,611	176.0%	75.0%	35,361	55,744
Miscellaneous	210,000	0.5%	209,687	99.9%	75.0%	52,187	241,657
Transfers	50,000	0.1%	51,726	103.5%	75.0%	14,226	44,687
Transfers - Federal grant funds	-	0.0%	-	0.0%	0.0%	-	1,955,324
Total revenues	43,521,792	99.9%	34,814,089	80.0%	66.3%	(1,769,888)	35,799,857
Expenses							
Wages	16,299,486	37.7%	11,749,017	72.1%	76.9%	(789,048)	10,272,667
Retirement	4,335,066	10.0%	3,096,122	71.4%	76.9%	(238,544)	2,755,143
Benefits	3,144,126	7.3%	2,146,963	68.3%	76.9%	(271,595)	2,198,745
Services - Staffing Agency	3,655,400	8.5%	2,949,103	80.7%	76.9%	137,257	2,599,810
Services	4,064,520	9.4%	3,352,276	82.5%	75.0%	303,886	1,917,037
Materials	1,653,675	3.8%	1,495,212	90.4%	75.0%	254,956	899,725
Rent, utilities, insurance	1,749,400	4.1%	1,522,395	87.0%	75.0%	210,345	1,269,250
Other operating costs	2,440,735	5.7%	2,492,121	102.1%	75.0%	661,570	1,848,519
Transfers-major maintenance	987,895	2.3%	740,921	75.0%	75.0%	-	48,975
Transfers-deferred maintenance	-	0.0%	-	0.0%	0.0%	-	792,262
Transfers-debt service	4,460,045	10.3%	3,345,034	75.0%	75.0%	-	2,165,921
Transfers-Jets Store	-	0.0%	234,623	0.0%	75.0%	234,623	68,336
Capital equipment	348,000	0.8%	285,887	82.2%	75.0%	24,887	105,311
Total expenses	43,138,348	99.9%	33,409,674	77.4%	68.9%	528,337	26,941,701
Income over (under) expenses	\$ 383,444 **		\$ 1,404,415			\$ (2,298,225)	\$ 8,858,156

* Certain amounts as reported in the 2022 financial statements have been reclassified to conform with the 2023 presentation of Auxiliary Funds

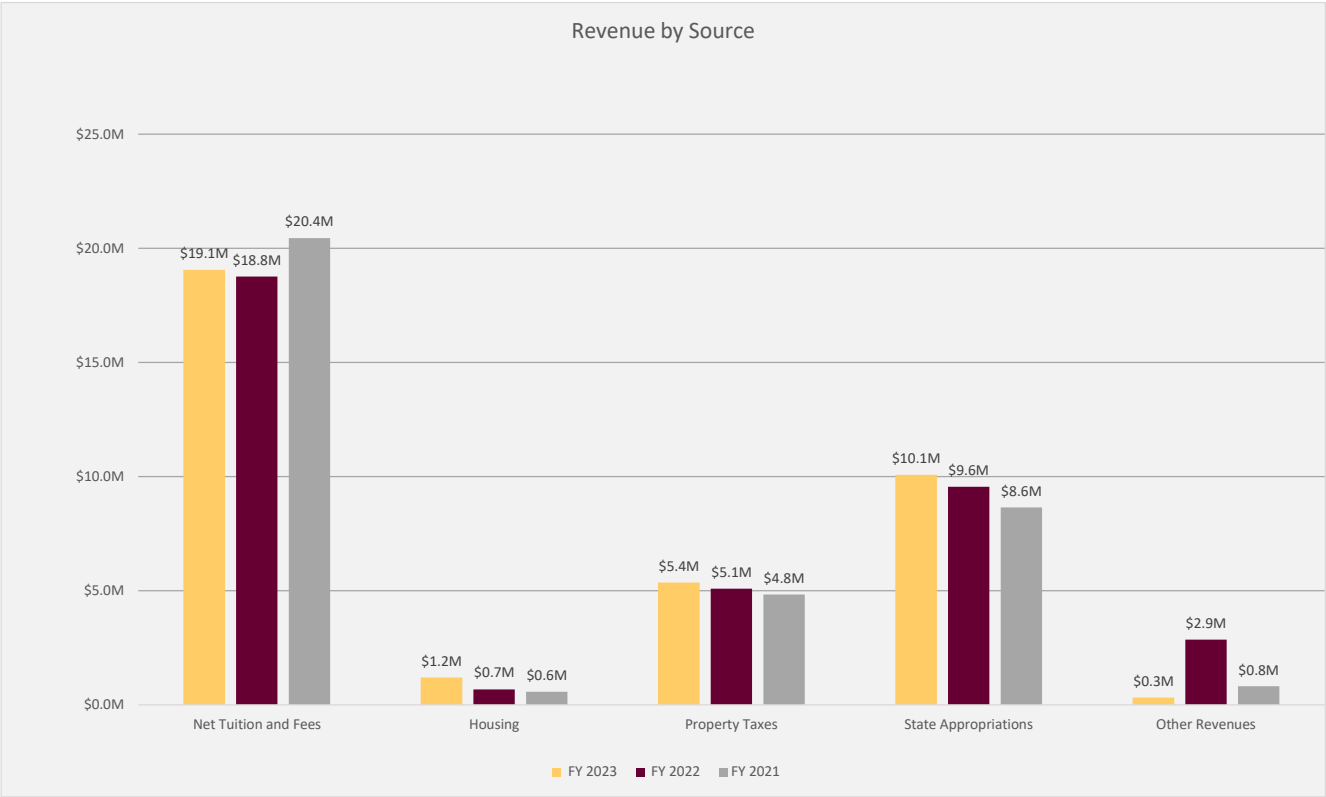
** Budgeted Auxiliary Funds presented seperately

Jackson College
Revenue and Expense Schedule
HEERF Funds - FY 23
March 31, 2023
Preliminary - Unaudited

	CARES/HEERF I Student Funding	CARES/HEERF I Institutional Funding	CARES/HEERF I Strengthening Institutions Funding	CRRSAA/ HEERF II Student Funding	CRRSAA/ HEERF II Institutional Funding	ARP/HEERF III Student Funding	ARP/HEERF III Institutional Funding	Restricted State CARES Funding	Total
Prior years revenues	\$ 1,946,067	\$ 1,946,067	\$ 1,080,587	\$ 1,946,067	\$ 6,168,753	\$ 6,850,567	\$ 6,262,704	\$ 1,429,600	\$ 27,630,412
Prior years expenses	1,946,067	1,946,067	1,080,587	1,946,067	6,168,753	6,850,567	6,262,704	1,429,600	27,630,412
Net prior year activity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Year 2022 Revenue									
Grant revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant revenue - Federal	-	-	-	-	-	3,920	-	-	3,920
Transfers	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	3,920	-	-	3,920
Fiscal Year 2022 Expenses									
Online course fee scholarships	-	-	-	-	-	-	-	-	-
Emergency grants to students	-	-	-	-	-	3,920	-	-	3,920
Student retention	-	-	-	-	-	-	-	-	-
Wages	-	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-
Other operating costs	-	-	-	-	-	-	-	-	-
Transfers to general fund	-	-	-	-	-	-	-	-	-
Capital equipment	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	3,920	-	-	3,920
Income over (under) expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

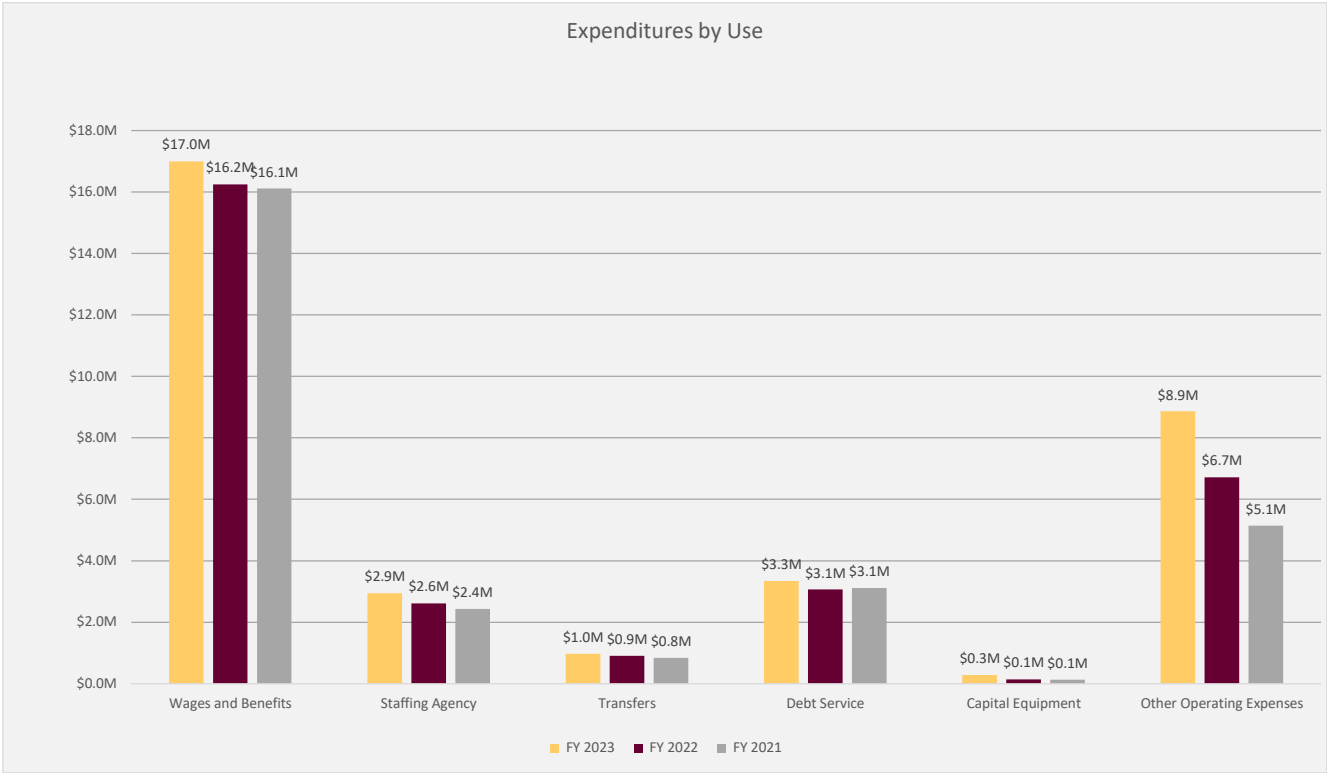
Jackson College
General Fund Revenue Comparison
3/31/2023

\$34,814,089



Jackson College
General Fund Expenditure Comparison
3/31/2023

\$33,409,674



Jackson College
Balance Sheet and Changes in Fund Balance - FY 23
March 31, 2023
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Auxiliary Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets									
Cash	\$ 2,336,214	\$ 12,419,999	\$ (1,553,739)	\$ -	\$ 4,317	\$ 17,524	\$ 13,939,615	\$ 506,695	\$ 27,670,625
Restricted cash in escrow	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	16,793	-	-	16,793
Accounts receivable	5,374,715	(37,499)	(30,363)	-	90,308	-	399,782	-	5,796,943
Inventories	29,672	-	-	-	176,126	-	-	-	205,798
Other assets	86,876	-	64,653	-	168,925	-	79,231,895	10,281	79,562,630
Total assets	7,827,477	12,382,500	(1,519,449)	-	439,676	34,317	93,571,292	516,976	113,252,789
Liabilities and Fund Balance									
Accounts payable	213,950	-	-	-	-	-	-	-	213,950
Accrued liabilities	2,378,447	-	-	-	195,882	-	31,629,842	-	34,204,171
Deferred liabilities	2,256,977	-	-	-	-	-	-	-	2,256,977
Unearned revenue	1,400	-	-	-	260,729	-	-	-	262,129
Other liabilities	868,516	-	-	-	-	-	8,250	-	876,766
Total liabilities	5,719,290	-	-	-	456,611	-	31,638,092	-	37,813,993
Fund balance	2,108,187	12,382,500	(1,519,449)	-	(16,935)	34,317	61,933,200	516,976	75,438,796
Total liabilities and fund balance	\$ 7,827,477	\$ 12,382,500	\$ (1,519,449)	\$ -	\$ 439,676	\$ 34,317	\$ 93,571,292	\$ 516,976	\$ 113,252,789
Beginning fund balance									
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50,587,601	\$ -	\$ 50,587,601
Major Maintenance and Equipment Replacement	-	-	-	-	-	-	12,037,535	-	12,037,535
Restricted	-	690,408	477,117	-	-	34,176	-	-	1,201,701
Future Operations	703,772	11,360,987	-	-	-	-	-	530,070	12,594,829
	\$ 703,772	\$ 12,051,395	\$ 477,117	\$ -	\$ -	\$ 34,176	\$ 62,625,136	\$ 530,070	\$ 76,421,666
Current year income	34,814,089	331,105	15,290,326	-	2,974,369	141	4,232,538	158,722	57,801,290
Current year expenses	33,409,674	-	17,286,892	-	2,991,304	-	4,924,474	171,814	58,784,158
Ending fund balance	\$ 2,108,187	\$ 12,382,500	\$ (1,519,449)	\$ -	\$ (16,935)	\$ 34,317	\$ 61,933,200	\$ 516,978	\$ 75,438,798

Jackson College
Revenue and Expense Statement
Auxiliary Services
March 31, 2023
Preliminary - Unaudited

	2022-2023 Original Budget	Percentage of Original Budget	Actual Year to Date All Auxiliaries	Actual Percentage of Budget	Planned Percentage to Budget	Auxiliary Units			
						Hospitality Services	Housing	Jets Store Bookstore	Potter Center Performing Arts
Revenue									
Housing	\$ 1,007,485	49.1%	\$ 1,202,354	119.3%	85.0%	-	1,202,354	-	-
Less Housing Scholarships	(100,000)	-4.9%	(182,773)	182.8%	100.0%	-	(182,773)	-	-
Sales Bookstore	-	0.0%	290,290	0.0%	0.0%	-	-	290,290	-
Potter Center activities	200,000	9.8%	424,426	212.2%	75.0%	-	-	-	424,426
Hospitality	660,000	32.2%	609,480	92.3%	75.0%	609,480	-	-	-
Miscellaneous	50,000	2.4%	37,733	75.5%	75.0%	-	7,500	-	30,233
Transfers - General Fund	-	0.0%	234,623	0.0%	0.0%	-	-	234,623	-
Transfers - Foundation	232,500	11.3%	175,461	75.5%	75.0%	-	-	-	175,461
Total revenues	2,049,985		2,791,594			609,480	1,027,081	524,913	630,120
Expenses									
Wages	\$ 1,072,792	44.1%	\$ 935,324	87.2%	76.9%	479,983	124,316	127,406	203,619
Retirement	283,023	11.6%	216,281	76.4%	76.9%	100,823	18,742	31,631	65,085
Benefits	203,774	8.4%	183,616	90.1%	76.9%	115,517	6,840	23,043	38,216
Services - Staffing Agency	15,000	0.6%	3,664	24.4%	76.9%	3,664	-	-	-
Services	12,000	0.5%	36,540	304.5%	75.0%	17,973	7,246	-	11,321
Materials	385,340	15.8%	825,485	214.2%	75.0%	490,258	563	334,068	596
Rent, utilities, insurance	2,000	0.1%	753	37.7%	75.0%	753	-	-	-
Other operating costs	452,500	18.6%	578,255	127.8%	75.0%	3,421	12,377	7,256	555,201
Transfers	-	0.0%	-	0.0%	0.0%	-	-	-	-
Capital equipment	7,000	0.3%	28,613	408.8%	75.0%	25,811	1,293	1,509	-
Total expenses	2,433,429		2,808,531			1,238,203	171,377	524,913	874,038
Income over (under) expenses	\$ (383,444)		\$ (16,937)			\$ (628,723)	\$ 855,704	\$ -	\$ (243,918)

Jackson College
Balance Sheet
Building and Site Fund - FY 23
March 31, 2023
Preliminary - Unaudited

	Building and Site Fund
Assets	
Cash	\$ 8,059,964
Investments	-
Accounts receivable	399,782
Due from other funds	-
	<u> </u>
Total assets	<u>8,459,746</u>
Liabilities and Fund Balance	
Accounts payable	-
Other liabilities	8,250
	<u> </u>
Total liabilities	<u>8,250</u>
Fund balance	8,451,496
Total liabilities and fund balance	<u><u>\$ 8,459,746</u></u>

Jackson College
Statement of Changes in Fund Balance
Building and Site Fund
March 31, 2023
Preliminary - Unaudited

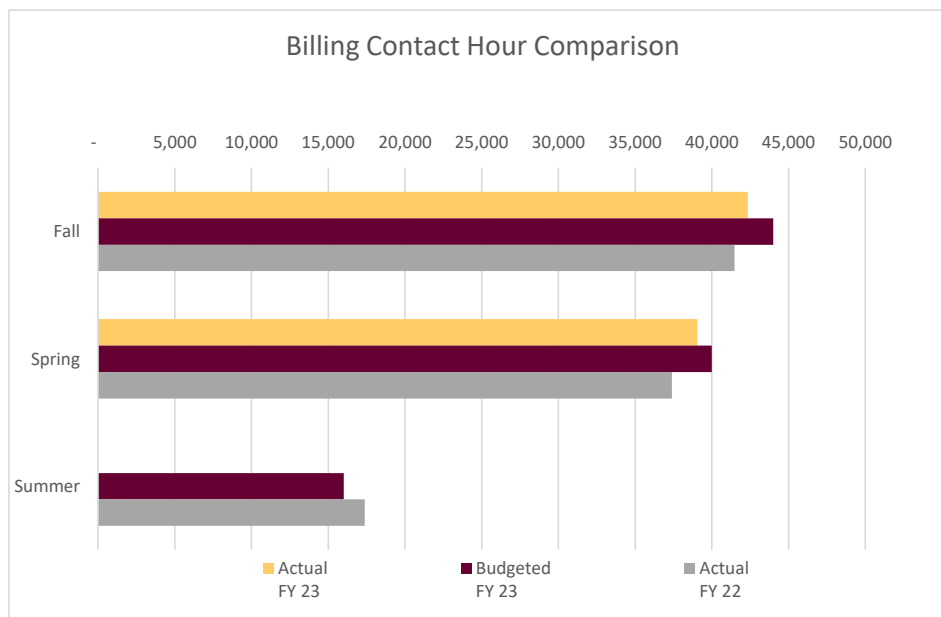
	Balance July 1, 2022	Revenue	Expenditures	Balance March 31, 2023
Major Maintenance and Equipment Replacement	\$ 9,671,462	\$ 885,913	\$ 4,025,508	\$ 6,531,867
Deferred Maintenance and Life Safety	<u>2,366,073</u>	<u>-</u>	<u>446,444</u>	<u>1,919,629</u>
Total	<u><u>\$ 12,037,535</u></u>	<u><u>\$ 885,913</u></u>	<u><u>\$ 4,471,952</u></u>	<u><u>\$ 8,451,496</u></u>

Jackson College
Cash and Investments by Fund - FY 23
March 31, 2023
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Grants Fund	Auxiliary Fund	Endowment Fund	Building and Site	Physical Plant	Activities Fund	Total
Cash											
Petty Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,309	\$ 4,309
Cash-Comerica Bank Pooled	(15,167,588)	36,966	994,643	-	37,125	4,317	17,524	8,059,964	5,879,651	502,386	364,988
Cash-Comerica Sweep Acct	9,116,477	-	-	-	-	-	-	-	-	-	9,116,477
Cash-Comerica Federal Funds	-	-	22,263	-	-	-	-	-	-	-	22,263
VISA Account	247,229	-	-	-	-	-	-	-	-	-	247,229
Cash-United Bank	-	-	-	-	-	-	-	-	-	-	-
Cash-Federal Direct Loan	1,720,508	-	-	-	-	-	-	-	-	-	1,720,508
Cash-Comerica State Wire	24,812	-	-	-	-	-	-	-	-	-	24,812
Cash-Payroll	3,865,232	-	(2,988,515)	-	(876,717)	-	-	-	-	-	-
County National Bank	513,670	-	83,459	-	-	-	-	-	-	-	597,129
Ref Pay	3,644	-	-	-	-	-	-	-	-	-	3,644
Cultural Affairs Checking	2,669	-	-	-	-	-	-	-	-	-	2,669
MNJTP	9,561	-	-	-	1,174,003	-	-	-	-	-	1,183,564
U.S. Government Bonds	-	3,680,564	-	-	-	-	-	-	-	-	3,680,564
MILAF	2,000,000	8,702,469	-	-	-	-	-	-	-	-	10,702,469
	2,336,214	12,419,999	(1,888,150)	-	334,411	4,317	17,524	8,059,964	5,879,651	506,695	27,670,625
Investments											
Common Stock	-	-	-	-	-	-	16,793	-	-	-	16,793
Total cash and investments	<u>\$ 2,336,214</u>	<u>\$12,419,999</u>	<u>\$ (1,888,150)</u>	<u>\$ -</u>	<u>\$ 334,411</u>	<u>\$ 4,317</u>	<u>\$ 34,317</u>	<u>\$ 8,059,964</u>	<u>\$ 5,879,651</u>	<u>\$ 506,695</u>	<u>\$ 27,687,418</u>

Jackson College
Billing Contact Hours
March 31, 2023
Preliminary - Unaudited

	Budgeted FY 23	Actual FY 23	Actual Percentage	Actual FY 22	Prior Year Percentage
Semester:					
Fall	44,000	42,348	96.2%	41,477	102.1%
Spring	40,000	39,039	97.6%	37,384	104.4%
Summer	16,000	-	0.0%	17,373	0.0%
Total	100,000	81,387	81.4%	96,234	84.6%



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:

9.0 Information Requested by the Board

9.3 Next Regular Board Meeting Topics – June 12, 2023

BOARD POLICY: GOVERNANCE PROCESS: GP-03 Board Planning Cycle and Agenda

Description:

This time has been set aside to help the Board anticipate topics for the next regular Board meeting (June 12, 2023). Below are currently anticipated topics:

- Consideration of FY-24 Authorization to Levy
- FY'24 Budget Proposal
 - Truth in Budgeting Public Hearing
 - Consideration of FY'24 Tuition and Fees
 - Consideration of FY'24 Budget
- Policy & Interpretations Review: EL-00 General Executive Constraint
- Policy Review & Interpretations Review: EL-01 ENDS
- Evidence Review: EL-03 Planning
- Survey Results Review: GP-09 Board Code of Conduct
- Policy Pre-review Process
- Consideration of Fall Planning Session Date
- Selection of Representative to the MCCA Board of Directors
- Pre-Audit Committee Meeting

Please feel free to offer other agenda items at this point on the agenda.

Resource Impact:

None

Requested Board Action:

Review of currently anticipated topics.

Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:	
10.0	Self-Evaluation of Governance Process & Board Performance at this Meeting
10.1	Principles of Policy Governance
	<u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-01 Governing Style
Description:	
<p>This time has been set aside for the Board, as part of our continuous improvement work in order, to assess the Board's work and commitment towards the Ten Policy Governance principles, as well as its governance practice.</p> <p>The URL link below will provide an overview of the Policy Governance principles that you can use for determining the effectiveness and efficacy of the Board's work both in terms of this meeting and in general governance practice.</p> <p>https://governforimpact.org/resources/principles-of-policy-governance.html</p>	
Resource Impact:	
None	
Requested Board Action:	
Define particular areas for improvement in the governance process.	
Action Taken:	

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
11.0 Meeting Content Review <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-01 Governing Style
Description:
This item on the agenda provides the Board the opportunity to give the Board Chairman and the President feedback on the quality of the content provided during this Board Meeting. We would appreciate receiving suggestions wherein you would like to see changes made to future Board Meetings.
Resource Impact:
None
Requested Board Action:
Consideration of areas for meeting content improvement
Action Taken:



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: May 8, 2023

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed and Policy Reference:
12.0 Adjourn* <u>BOARD POLICY:</u> GOVERNANCE PROCESS: GP-13 Special Rules of Order
Description:
Board action is required to adjourn the meeting.
Resource Impact:
None
Requested Board Action:
Meeting Adjournment
Action Taken: