

SUBJECT: Required training for public junior college district board members

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 9 ayes — Branch, Castro, Alonzo, Bonnen, Brown, D. Howard, Johnson,  
Lewis, Patrick

0 nays

WITNESSES: For — Lisa Barsumian, Community College Association of Texas  
Trustees

Against — None

On — Sheila Deleon, Legislative Budget Board; MacGregor Stephenson,  
Texas Higher Education Coordinating Board

BACKGROUND: Every institution of higher education— any public technical institute,  
public junior college, public senior college or university, medical or dental  
unit, public state college, or other agency of higher education— has its  
own governing structure. The members of junior college district governing  
boards are elected by the voters in their respective districts.

Education Code, sec. 61.084 requires each appointed member of a  
governing board of a higher education institution to attend at least one  
training program during the member's first two years of service. These  
members may, but are not required to, attend additional training programs.  
An elected member of a governing board of a higher education institution  
may, but does not have to, attend a training program. The training program  
must include a seminar held annually in Austin given by the Texas Higher  
Education Coordinating Board (THECB). THECB may establish an  
alternative training program for governing boards members for whom  
attendance at an Austin seminar would be a hardship. THECB must  
establish a registration fee to be paid by training program participants to  
cover the costs of the program. Neither the fee nor a participant's travel  
costs may be reimbursed from appropriated funds.

The training program must focus on the official role and duties of the member and include information on budgeting, policy development, and governance. Training may include:

- auditing procedures and recent audits of higher education institutions;
- the enabling legislation creating higher education institutions;
- the governing board's role at higher education institutions and the relationship between the governing board and an institution's administration, faculty and staff, and students;
- the mission statements of higher education institutions;
- the disciplinary and investigative authority of the governing board;
- the requirements of the open meetings law;
- the requirements of conflict of interest laws and other laws relating to public officials;
- any applicable ethics policies adopted by higher education institutions or the Texas Ethics Commission; and
- any other topic relating to higher education that THECB considers important.

DIGEST: CSHB 1206 would require each member of a higher education institution governing board to attend at least one training session within the member's first two years of service.

The bill would require training for public junior college governing board members to include information about the best practices in campus financial management, financial ratio analysis, and case studies using financial indicators. The minutes for a public junior college governing board's last regular meeting would have to include whether each member had completed any of the required training.

The bill would take effect September 1, 2011

SUPPORTERS SAY: CSHB 1206 would fulfill a recommendation by the Legislative Budget Board (LBB) in its 2011 *Government Effectiveness and Efficiency Report*. The bill would enhance the training for community college board members and would include best practices in campus financial management, financial ratio analysis, and practical case studies.

As indicated in the LBB report, board members do not always have the financial or accounting expertise to monitor the community college district's finances effectively. In its investigation, the LBB found that five community colleges had operating deficits, and six districts had early indicators of potential financial weakness, including low primary reserves and declining viability and enrollment ratios. LBB site visits revealed "concerns about community college board members' preparation and ability to understand the financial condition of their institution and fulfill their fiduciary responsibility." The bill's provisions would ensure that members were knowledgeable stewards of their institutions' funds.

Any concerns about the fiscal impact of this requirement are unfounded. The fiscal note indicates there would not be a fiscal impact on the community colleges. Many board members currently are required to attend at least one training session during their first two years of service. This bill would add content to the training curriculum, but would not increase the number of training sessions for most governing boards.

The bill is not too intrusive because many board members already must attend one training meeting. The bill's provisions would ensure that board members had adequate resources to perform their duties.

The bill's requirement that board meeting minutes reflect recent training attended by the members would ensure that there were consequences for noncompliance. This public record of members' training would provide an incentive to meet the bill's requirements. The public has access to these meetings and could vote against a member who failed to comply.

**OPPONENTS  
SAY:**

CSHB 1206 would represent excessive state intrusion and an unnecessary mandate on institutions of higher education.

The bill would not provide a consequence for noncompliance. Since board members could ignore the requirement without punishment, no incentive exists for members to comply with the training requirements.

**NOTES:**

The committee substitute differs from the bill as filed by requiring the minutes of the last regular meeting held by a governing board of a public junior college district during a calendar year to reflect whether each member of the governing board had completed required training.