

MEMORANDUM

Date: April 4, 2019

To: CEAC Board

From: Executive Cabinet

Re: Summary of Department Highlights

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Academics

1. Academic Titles

The current academic title policy was created over ten years ago before SCS offered its own unique degrees. It was based on the UK system of academic titles for research universities. As SCS now offers its own unique degrees at the Certificate, Diploma, Bachelor, and Masters levels, we have adjusted the academic titles to reflect our current programmatic offerings. The recommended [academic titles](#) are based on those used by non-research colleges and universities in the United States.

2. Memorandums of Understanding

In order to provide SCS bachelor-level students with the opportunity to take their general education credits at local community colleges, the SCS academic team has sought to build intentional relationships with those local colleges called Memorandums of Understanding (MOU). These MOUs ensure ease of transfer for our students who require general education courses, as well as the promotion of SCS degree programs at the local colleges. SCS has verbal MOUs from South Texas College and Victoria College and will have signing ceremonies soon. We are also reaching out to Del Mar College and Coastal Bend College to reach similar agreements.

3. Ongoing Faculty Discussions

We desire our faculty to be engaged with the scholarly community and local church community outside of their responsibilities at SCS. Toward this effort, we created a [Full-Time Faculty Engagement Rubric](#) that would encourage faculty to engage in publishing, preaching, teaching, and growing as faculty. At the beginning of their employment at SCS, each faculty member would work with the Provost to develop a customized rubric of activities based in those four areas (Publish, Preach, Teach, Grow). Each faculty member would be required to meet their customized rubric requirements in a three-year period. After which, the faculty member receives an evaluation, followed by the creation of a new rubric.

4. Recruiting of Diverse Faculty (Gender, Ethnicity, Denomination)

The SCS cabinet and faculty desires SCS create a method to better ensure that the faculty population matches the student body in gender, ethnicity, and denominational affiliation, while also protecting the SCS mission and Baptist heritage. One way to ensure a diverse faculty body is to create a plan where faculty demographics correspond to student demographics. We have done this generally in the past, but we would like to make it an intentional effort in the future. Additionally, the faculty would like to ensure diversity beyond hiring includes the freedom to express multicultural perspectives in the classroom. In other words, the diverse cultural perspectives achieved through hiring diverse faculty must inform what is taught in the classroom.

Denominational diversity has been a trademark of SCS students and faculty all the while maintaining its Baptist roots. To that end, the faculty and administration want to ensure faculty are biblically and theologically matched with SCS. At the same time, we do not want to enforce denominational quotas, restrictions, or document that goes beyond the essentials of the Christian faith potentially inhibiting academic freedom. To that effect, we would like to require that faculty sign the ABHE [*Tenets of Faith*](#), which the board is required to affirm every year. Some faculty stated their hesitation to sign a document similar to a creed, however, stated they would verbally affirm this document. To that end, we would like to provide faculty the option of signing the Tenets of Faith or writing a personal credo outlining their beliefs.

Business & Finance

5. Building Use / Wedding Policy

Currently, SCS maintains two separate policies related to renting our facilities. One document is a general Building Use Agreement, and the other is specifically tailored to renting the facilities for a wedding. Rather than maintaining two separate policies, the Building Use Agreement could be the sole policy for all building rentals.

Furthermore, when considering the implications of renting our facilities for weddings, we believe that SCS is best served by only renting our facilities to a church or service group rather than renting to individuals. This change will ensure that all events have a “sponsoring” organization.

6. Document Retention Policy

This new policy comes as a recommendation from CapinCrouse auditors as a best practice. The template for the policy was provided by the Evangelical Council for Financial Accountability. The rationale for the policy is to provide a comprehensive plan for ensuring all necessary documents are retained by the college.

7. TAMUCC/SCS Property Update

SCS’s property consultants (Ed Kelley and Bob Wehrmeyer) continue to make themselves available to Dr. Kelly Quintanilla, TAMUCC President, in the hopes that she will want to

make a deal. Unfortunately, Dr. Quintanilla has not responded to the many attempts to connect. The last conversation left the possibility open to a ground lease for SCS's property based on the \$8M appraisal.

8. Hand and Dove Legacy Foundation Benevolence Committee

At the recommendation of CapinCrouse and the help of a major donor, SCS created a not-for-profit private foundation serving the needs of Stark College & Seminary. One of the many benefits of the foundation is the option to create a benevolence fund to help college employees and students in financial need. Therefore, the administration recommends the board establish a 3-member trustee committee (Vice-Chairman, treasurer, and Chair of Business/Finance Committee) to disburse grants as appropriate.

9. Statement of Financial Position

As of February 28, the college has assets of a little over \$5.8 million. This represents a slight decline from the previous board meeting. The decline is primarily due to weak market activity in the fourth quarter of 2018 which led to a decrease in the college's investment holdings. These investments represent a significant portion of the overall assets. The college still maintains substantial reserves spread between accounts at local banks as well as with our investment firm. The college continues to have no long-term debt. The Accounts Payable total listed in the liabilities is the total of invoices generated in February that had not been paid by the end of the month. For example, the SCS credit card statement closes on the 17th of each month, but is paid after the first of the following month due to the timing of mailing the invoice, receiving staff expense reports, and submitting the invoice for approval and payment.

The overall financial health of SCS has been steady throughout the fiscal year and shows only minor fluctuations due to normal market volatility and regular business activities.

10. Statement of Financial Activities

As of the end of February, SCS has received more income than was budgeted. Furthermore, total operating expenses are less than revenue. SCS has a net operating income of roughly \$130k. The positive difference in net income is primarily due to greater production from the Borchert estate than what was projected. SCS has also generated more revenue in other areas including tuition revenue and rental income. As of this report, tuition revenue represents 15% of operating revenue. For expenses, SCS is slightly ahead of budget. This is typical at this point in the year as we have had several expenses such as the scholarship banquet, insurance payments, and audit fees that all have been paid and will "even out" as the fiscal year moves forward. One expense line item that may catch your attention is 5306 Rental Expense. The reason for this overage is due to the method of accounting for the two most recently leased vehicles. The vehicles were leased for three years beginning in June 2018, and payment was made via one-time lease payment. Since those vehicles will be used for three years, they are considered prepaid expenses and will be accounted for as an expense in every fiscal year that the vehicles are used. At the close of each fiscal year, an adjusting journal entry will be made to deduct the portion of the expense that was not used during the fiscal year.

Student Experience

11. 2018-2019 Academic Enrollment

By Campus	Students Served
Corpus Christi	159
Crossroads	17
McAllen	52
Total Students Served (Unduplicated)*	228

By Program**	Students Served
Certificate	154
Diploma	38
Undergraduate	31
Graduate	35
Audit Students	13

SCS served 131 churches during the 2018-2019 academic year. *Unduplicated headcount means that if a student is enrolled in both the fall and spring semesters, then he or she is only counted once per academic year. **Forty students enrolled across multiple programs and therefore program counts have duplicated counts.

12. Tuition and Discount Rate

Prior to 2015, only 3% of revenue came from tuition. In the November 2015 trustee meeting, the trustees voted to increase tuition revenue to 20%. Since that meeting, SCS has experienced steady enrollment increases with the following rates:

Tuition Costs

- Certificate in Ministry: \$95 per credit hour
- Diploma in Ministry Studies: \$175 per credit hour
- Bachelor of Arts in Ministry: \$200 per credit hour
- HSU Bachelors: \$250 per credit hour
- Logsdon Masters: \$420 per credit hour

Discount Rates

- SCS Certificate and Diploma in Ministry: 20-30%
- HSU (Bachelor) and Logsdon (Graduate): 5-15%

As we look to future semesters with newly accredited SCS programs, the administration recommends adjusting the tuition and discount rates to encourage students to move from one program to the next program. Beginning with Fall 2019, we recommend these tuition and discount rates:

Recommended Tuition Costs

- Certificate in Ministry: \$100 per credit hour
- Diploma in Ministry Studies: \$150 per credit hour
- Bachelor of Arts in Ministry: \$200 per credit hour
- Master of Arts in Ministry: \$250 per credit hour

Recommended Discount Rates

- Certificate in Ministry: 15%
- Diploma in Ministry Studies: 20%
- Bachelor of Arts in Ministry: 35%
- Master of Arts in Ministry: 25%