

South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, September 13, 2022 @ 5:00 p.m.

Agenda

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

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- II. Review and Action as Necessary on Purchases, Renewals, and Interlocal Agreements.....32-51
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 - b. Non-Instructional Items
 - 2) Audio Visual Equipment and Supplies (Purchase)
 - 3) Computer Components, Peripherals, Software, and Supplies (Purchase)
 - 4) Maintenance Equipment, Parts, and Supplies (Purchase)
 - 5) Mobile Hotspot Devices and Services (Purchase)
 - 6) Institutional Membership – TACC (Renewal)
 - c. Technology Items
 - 7) Student Enrollment Management System Agreement (Renewal)
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 - 8) Facility Usage Interlocal Agreement (Lease/Rental)
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Approval of August 9, 2022 and August 23, 2022 Finance, Audit, and Human Resources Committee Minutes

The Minutes for the Finance, Audit, and Human Resources Committee Meetings of August 9, 2022 and August 23, 2022 are presented for Committee approval.

**South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, August 9, 2022 @ 4:30 p.m.**

Minutes

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, August 9, 2022 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:00 p.m. with Mr. Rene Guajardo presiding.

Members present: Mr. Rene Guajardo, Dr. Alejo Salinas, Jr., and Mr. Paul R. Rodriguez

Other Trustees Present: Ms. Rose Benavidez and Mrs. Dalinda Gonzalez-Alcantar

Members absent: None

Also present: Dr. Ricardo J. Solis, Mrs. Mary Elizondo (via teleconference), Mr. Matthew Hebbard, Dr. Rodney Rodriguez, Mr. Javier Villalobos, Mrs. Rebecca Cavazos (via teleconference), Mrs. Myriam Lopez, Mr. George McCaleb, Mr. Khalil Abdullah, Mr. Lucio Gonzalez, Mrs. Laura Requena, Ms. Alicia Correa, Dr. Jesus Campos, Ms. Lynda Lopez, Ms. Amanda Sotello, Mrs. Gardenia Perez, Dr. Miguel De Los Santos, Mr. Bobby Villarreal, and Mr. Andrew Fish.

**Approval of July 12, 2022 Finance, Audit, and Human Resources
Committee Minutes**

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Minutes for the Finance, Audit, and Human Resources Committee Meeting of July 12, 2022 were approved as written. The motion carried.

Review and Action as Necessary on Solicitation of Proposals, Purchases, Renewals, and Interlocal Agreement

Approval of the following solicitation of proposals, purchases, renewals, and interlocal agreement will be requested at the August 23, 2022 Board meeting.

The Director of Purchasing has reviewed each item and recommends approval as follows:

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources Committee recommended Board approval of the solicitation of proposals, purchases, renewals, and interlocal agreement as listed below:

A. Solicitation of Proposals

- 1) Campus Dining Services – Food Trucks (Solicit):** solicit a request for proposals for campus dining services – food trucks for the Starr County Campus and the Regional Center for Public Safety Excellence for services as needed;
- 2) District Wide Network Equipment Upgrade (Solicit):** solicit a request for proposals for the district wide network equipment upgrade using the Higher Education Emergency Relief Funds (HEERF) grant, at a total amount of \$900,000.00;
- 3) Purchase of Portable Air Purifiers (Solicit):** solicit a request for proposals for the purchase of portable air purifiers using the Higher Education Emergency Relief Funds (HEERF) grant, at a total amount of \$200,000.00;

B. Purchases and Renewals (B-a. Technology Items)

- 4) Banner Application Maintenance Agreement (Renewal):** renew the Banner application maintenance agreement with Ellucian, Inc. through **Texas A&M University – Corpus Christi** (Corpus Christi, TX), acting by and through the State of Texas Department of Information Resources (DIR) for the Texas Connection Consortium (TCC), for the period beginning September 1, 2022 through August 31, 2023, at an estimated total amount of \$415,774.05;
- 5) Communication Software Agreement (Renewal):** renew the communication software agreement with **Hit Labs, Inc.** (Lehi, UT), a sole source vendor, for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$75,038.91;
- 6) Data Hosting and Maintenance Agreement (Renewal):** renew the data hosting and maintenance agreement with **TouchNet Information Systems, Inc.** (Atlanta, GA), a sole source vendor, for the period beginning September 1, 2022 through August 31, 2023, at a total amount of \$259,763.00;
- 7) Data Storage Hardware Maintenance Agreement (Renewal):** renew the data storage hardware maintenance agreement with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning August 1, 2022 through August 31, 2023, at a total estimated amount of \$34,242.22;

- 8) **Email Backup Online License Subscription (Renewal):** renew the email backup online license subscription with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning August 31, 2022 through August 30, 2023, at an estimated amount of \$37,141.01;
- 9) **Email Security Software License Agreement (Renewal):** renew the email security software license agreement with **Software House International (SHI) Government Solutions** (Austin, TX), The Interlocal Purchasing System (TIPS) approved vendor, for the period beginning September 30, 2022 through September 29, 2023, at a total estimated amount of \$41,260.62;
- 10) **Enterprise Software Licenses and Maintenance Agreements (Renewal):** renew the enterprise software licenses and maintenance agreements with **Software House International (SHI) Government Solutions** (Austin, TX), a Purchasing Association of Cooperative Entities (PACE), Texas Association of School Boards – Buyboard, and The Interlocal Purchasing System (TIPS) approved vendor, for the period beginning September 1, 2022 through September 20, 2023, at an estimated total amount of \$93,396.89;
- 11) **Internet Service Agreement – District Wide (Renewal):** renew the internet service agreement – district wide with Charter Communications Operating, LLC./dba Spectrum Gulf Coast, through the State of Texas **Department of Information Resources (DIR) – TEXAN** (Austin, TX), for the period beginning September 1, 2022 through August 31, 2023, at an estimated monthly total amount of \$15,000.00 and estimated annual total amount of \$180,000.00;
- 12) **Network Hardware and Software Maintenance Agreement (Renewal):** renew the network hardware and software maintenance agreement with **Netsync Network Solutions, Inc.** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2022 through August 31, 2023, at a total amount of \$139,248.59;
- 13) **Oracle License Maintenance Agreement (Renewal):** renew the Oracle license maintenance agreement with **Oracle America, Inc.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2022 through August 31, 2023, at a total amount of \$550,248.65;
- 14) **Public Website Hosting Services Agreement (Renewal):** renew the public website hosting services agreement with **Rackspace US, Inc.** (San Antonio, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2022 through August 31, 2023, at a total estimated amount of \$79,999.92;
- 15) **Server Hardware Maintenance and Support Agreement (Renewal):** renew the server hardware maintenance and support agreement with **Dell Marketing, Inc.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2022 through August 31, 2023, at a total amount of \$147,724.67;

16)Support Services Agreement (Renewal): renew the support services agreement with **Ellucian Company, LP.** (Fairfax, VA), a sole source vendor, for the period beginning September 1, 2022 through August 31, 2023, at an estimated total amount of \$31,186.00;

17)System Appliances Maintenance Agreement (Renewal): renew the system appliances maintenance agreement with **Netsync Network Solutions, Inc.** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2022 through August 31, 2023, at an estimated total amount of \$22,437.20.

C. Interlocal Agreement

18) Service Agreement (Interlocal Agreement): approve a service agreement with **Hidalgo County - Women, Infants, and Children (WIC) Program** (Edinburg, TX), through an interlocal agreement, for the period beginning September 1, 2022 through August 31, 2023, at no charge to the College.

Recommend Action - The total for all solicitation of proposals, purchases, renewals, and interlocal agreement was \$3,207,461.73.

The motion carried.

Review and Recommend Action on Vendor Registration on the Electronic Bids and Proposals System for Receiving Notification of College Solicitations

Approval of vendor registration on the Electronic Bids and Proposals System for receiving notification of College Solicitations will be requested at the August 23, 2022 Board of Trustees meeting.

Purpose – To allow vendors the option to register on the College's Electronic Bids and Proposal System, Bonfire, to receive notifications of College solicitations. Vendors would be notified via email when solicitations of the services or products they are registered for are available. Vendors would also receive due date reminders via email from the System.

Justification – The College's Bonfire Electronic Bids and Proposal System that was currently used for the online evaluation of bids and proposals by the evaluation committee and to store and manage contracts electronically, would also be used as an option to notify registered vendors of College solicitations, such as Request for Proposals (RFPs) or Request for Qualifications (RFQs).

Background - On May 10, 2022, the Facilities Committee members instructed Administration to discontinue the practice of using vendor information previously gathered entirely and solely rely on the legally required public advertisement for issuing bids, proposals, and qualifications.

Due to the recent decline in vendor responses to College solicitations, Administration requested that in addition to the required advertisement, vendors be granted the option to register online in the College's Bonfire system to receive email notifications of the solicitations. Once registered in the system, vendors would receive email notifications of solicitations related to their selected commodities

The Purchasing Department purchased the Bonfire system in November 2020 to receive bids and proposals electronically, conduct committee online evaluations, and maintain and manage contracts. The system was not currently used to receive bids and proposals electronically.

The vendors that do not wish to register online, may submit a hard copy of the registration information to the Purchasing Department via email, mail, or in person.

Mary Elizondo, Vice President for Finance and Administrative Services and Becky Cavazos, Director of Purchasing attended the Committee meeting to address any questions by the Committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of vendor registration on the Electronic Bids and Proposals System for receiving notification of College Solicitations as presented. The motion carried.

Review and Recommend Action on Evaluation Criteria for Competitive Procurement of Products, Services, and Products and Services

Approval of evaluation criteria for competitive procurement of products, services, and products and services will be requested at the August 23, 2022 Board meeting.

Purpose –To update the evaluation criteria used by the College to evaluate the competitive procurement of products, services, and products and services.

Justification – The criteria listed in Section 44.031 of the Texas Education Code was updated to also include:

- (8) for a contract for goods and services, other than goods and services related to telecommunications and information materials, whether the vendor or the vendor's ultimate parent company or majority owner:
- a. has its principal place of business in this state; or
 - b. employs at least 500 persons in this state;

This criterion can be considered in addition to the previously Board approved criteria used by the College. Administration requested to add the new criteria when evaluating the competitive procurement of products, services, and products and services.

Background – The criteria used by the College for evaluating competitive proposals for the purchase of products, services, and products and services, and approved by the Board of Trustees on November 26, 2013, are listed in Section 44.031 of the Texas Education Code and are as follows:

The Board approved criterion is as follows:

#	Criteria
1	the purchase price
2	the reputation of the vendor and of the vendor's goods or services
3	the quality of the vendor's goods or services
4	the extent to which the goods or services meet the district's needs
5	the vendor's past relationship with the district
6	the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses
7	the total long-term cost to the district to acquire the vendor's goods or services
8	any other relevant factor specifically listed in the request for bids or proposals.

An evaluation point scale or rubric was also approved for each criterion and follows in the packet. Each point scale also includes a score key to assist evaluators in scoring each evaluation criterion.

The current and proposed criteria is as follows:

#	Criteria	Product	Services	Product and Services
Current Criteria				
1	the purchase price	50	40	45
2	the reputation of the vendor and of the vendor's goods or services	10	18	15
3	the quality of the vendor's goods or services	18	18	16
4	the extent to which the goods or services meet the district's needs	18	15	20
5	the vendor's past relationship with the district	3	3	3
6	the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses	1	1	1
7	the total long-term cost to the district to acquire the vendor's goods or services	**	5	**
Total Points		100	100	100
Proposed Criteria				
8	for a contract for goods and services, other than goods and services related to telecommunications and information materials, whether the vendor or the vendor's ultimate parent company or majority owner: a. has its principal place of business in this state; or b. employs at least 500 persons in this state.	5	5	5
Current Additional Criteria		It is recommended that 3 points be reduced from Criterion 1 and that 2 points be reduced from Criterion 3 for all types of procurement.		
9	any other relevant factor specifically listed in the request for bids or proposals.	**Up to 5 points will be used from the purchase price if applicable		

It was requested that the Committee recommend that the Board consider adding the additional criterion to those already in use. Inclusion of this criterion was reasonable as almost all other states' procurement law allows for an advantage to vendors in their state. If the new criterion was adopted, the weight provided may be kept at no greater than five (5) points out of the total one hundred (100) points currently distributed among all the criteria. All vendors, including out-of-state vendors, were a valuable resource to South Texas College for meeting its product and service needs, and assignment of a higher weight may discourage bidding by some out-of-state vendors.

It was further requested that the Committee recommend that the use of the new criterion not be used for those purchases made with federal funds but instead continue to use the criteria and weights previously approved by the Board in 2013. While it was reasonable that vendors from Texas have an advantage when funds were generated from taxpayers within the state, this would not be the case for federal funds. Federal procurement requirements required that competition be encouraged to the maximum extent practical.

Enclosed Documents - The current evaluation criteria and weighted points for the solicitation of products, services, and products and services were provided in the packet for Committee's information and review.

Mrs. Mary G. Elizondo, Vice President for Finance and Administrative Services and Becky Cavazos, Director of Purchasing, attended the Committee meeting to address any questions by the Committee.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources Committee recommended Board approval, of the evaluation criteria for competitive procurement of products, services, and products and services, as presented, and to be further considered with legal counsel. The motion carried.

Update on Staffing Plan and Pay Plan for FY 2022 – 2023

The Office of Human Resources continued to incorporate the results and recommendations of the TASB Compensation Study into a new Staffing Plan and a new Pay Plan for FY 2022 – 2023. This process included a thorough review of each employee for compensation equity, as well as a significant restructuring of position classifications at South Texas College.

Administration was still working to finalize details in both the Staffing Plan and Pay Plan, and they were not yet ready for presentation to the Finance, Audit, and Human Resources Committee for a recommendation of Board approval. Once these documents were finalized, the compensation totals would be incorporated into the Budget, which would be balanced before presentation to the Committee. This would not be accomplished in time for the August 9, 2022 committee meeting date.

Administration would request a special Finance, Audit, and Human Resources Committee meeting on Tuesday, August 23, 2022 to thoroughly discuss the Staffing Plan, Pay Plan, and Budget prior to formal action by the Board of Trustees.

No action was requested at this time.

Discussion and Action as Necessary to Extend the Current Pilot for the Four-and-a-Half-Day Work Week Schedule Starting August 1, 2022 and Ending on August 31, 2023

Approval to extend the current pilot for the four-and-a-half-day work week schedule starting August 1, 2022 and ending August 31, 2023, will be presented at the August 9, 2022 Special Board Meeting.

Purpose – To revise working hours starting on August 1, 2022 and ending on August 31, 2023, to a four-and-a-half-day work week schedule, while still meeting the forty (40) hour work week requirement. This time period would address the entire Fiscal Year of 2022-2023.

Justification – The modified work week schedule was a common practice in community colleges and was recognized as a cost reduction measure and an incentive for employees.

Background – On April 13, 2022, a survey was released to all employees to gain feedback regarding interest in the four-and-a-half-day work week. Feedback was positive and the four-and-a-half-day work week pilot was launched on May 16, 2022 after Board approval at the May 12, 2022 Special Board meeting. At that May 2022 meeting, the Board instructed administration to provide an update and any recommendation regarding potential extension of the schedule into the following academic year.

To prepare the Board update, second survey was released on June 27, 2022 to gain feedback from employees regarding the actual experience of the four-and-a-half-day work week. Feedback was again positive and 83% of employees who responded showed interest in extending the schedule and 7% of employees responded that they were neutral.

At the July 26, 2022 Regular Board Meeting, the Board requested additional information, specifically regarding potential adverse impact to the students, if this schedule were to be extended through the following year. The Board approved an extension of the four-and-a-half-day work week for two weeks, to provide time for further review, asking for an update at the August 9, 2022 Special Board Meeting.

Anticipated Student Impact

Administration continually collects and monitors student traffic, including usage of specific resources and services and periods of high demand. Areas that see periods of high demand included registration, advising, and financial aid during enrollment periods, and library and tutoring services throughout the academic semester.

Prior to any four-and-a-half-day work week scheduling, administration provided teams the flexibility to schedule as necessary to meet anticipated student demand, including extended hours into evenings and on weekends as necessary. During the recent pilot period utilizing the four-and-a-half-day work week, leadership continued to monitor traffic to ensure students' needs were met.

Online and after-hours services were also provided to ensure student requests for services are received, tracked, and responded to by appropriate departments.

Administration noted that historically, there had been a very low demand for student facing services on Friday afternoons throughout most of the year. During those periods when high student demand was expected, flexible scheduling was routinely used to meet that demand. Additionally, online and on-call options were provided to students who require services after-hours, including on Friday afternoons.

Administration anticipated no significant negative impact to students from the proposed continuation of the four-and-a-half-day work week into the Fall 2022 semester or beyond.

While the data was not yet ready at the time of publication of the packet, Mr. Matthew Hebbard, Vice President for Student Affairs and Enrollment Management, and Dr. Jesus Campos, Dean for Library and Learning Support Services, were available at the August 9, 2022 Committee meeting to present current data regarding the booking of appointments for financial aid and enrollment offices to help identify trends in student traffic during a high-enrollment period.

Adjustments to schedules would be made at the discretion and approval of individual supervisors responsible to ensure students' needs are met, and monitored by executive administration.

Reviewers - The proposed modified work week schedule was reviewed by administrative staff and cabinet members.

Mary Elizondo, Vice President for Finance and Administrative Services, and Matthew Hebbard, Vice President for Student Affairs and Enrollment Management, attended the Committee meeting to address any questions by the Committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval to extend the current for the four-and-a-half-day work week schedule for August 1, 2022 through August 31, 2023. The motion carried.

The Finance, Audit, and Human Resources Committee went into recess at 5:31 p.m. to accommodate a special Board Meeting called for 5:30 p.m.

The Finance, Audit, and Human Resources Committee reconvened at 5:56 p.m. on Tuesday, August 9, 2022, and resumed deliberation and action as necessary on the posted agenda.

Review and Discussion of South Texas College Proposed 2022 Tax Year Tax Rate

Chapter 26 of the Property Tax code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws have two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to roll back or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates, no-new-revenue tax rate and the voter-approval tax rate, after receiving its certified appraisal roll from the chief appraiser.

Comparing a proposed tax rate to these two (2) rates determines which truth-in-taxation steps apply. A taxing unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the no-new-revenue rate and/or the voter-approval rate. The College is proposing to adopt a tax rate that does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate and therefore, is required to hold a public hearing.

The Texas Tax Code 26.04(e) requires the taxing units to publish a Notice of Tax Rate and sets out the requirement for the format and content of the notice. The notice shall be posted prominently on the home page of the taxing unit's website in the form prescribed by the Texas State Comptroller's office that include the statutory requirements. In addition, the Texas Tax Code 26.06(c) requires the taxing unit to publish a Notice of Public Hearing in newspaper, website and on TV, if available, if the taxing unit proposes a tax rate that:

- Exceeds the no-new-revenue tax rate and the voter-approval tax rate;
- Exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate; or
- Does not exceed the no-new-revenue tax rate but exceeds the voter-approval tax rate.

The compiled data for both counties and the Truth-in-Taxation calculation used to determine the tax rates is reflected below:

	M&O RATE	DEBT RATE	RATE	REVENUE
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)			\$0.1572	\$79,363,113
Voter-Approval Tax Rate	\$0.1388	\$0.0227	\$0.1615	\$81,351,314

(Formerly Rollback Tax Rate)				
Proposed Tax Rate	\$0.1388	\$0.0227	\$0.1615	\$81,351,314

On November 5, 2013, the voters approved a maximum rate for maintenance and operations (M&O) tax rate of \$0.1400 for the College. The proposed Levy 2022 maintenance and operations (M&O) tax rate of \$0.1388 was lower than the maximum rate approved by the voters.

The proposed debt rate of \$0.0227 was the amount necessary to fully fund all the debt service payments for the 2013 Limited Tax Bonds that consist of the Bonds Series 2014 and Series 2015, and the Refunding Bonds Taxable Series 2020 and Taxable Series 2021.

Use of Interest and Sinking Reserve Funds

The Vice President for Financial Administrative Services and Business Office staff met with Estrada Hinojosa & Company, Inc. to address options to continue using the Interest and Sinking reserved funds available. The following options were discussed with Estrada Hinojosa & Company, Inc.:

- Option 1 – Use the Interest and Sinking reserve funds to lower the debt tax rate.
- Option 2 – Do not use the Interest and Sinking reserve for potential bond election to be held prior to FY 2025 when the tax rate will decrease because two bond issuances will be paid off resulting in a decreased debt requirement.

All calculations were based on Option 1, using the Interest and Sinking reserve funds.

Dr. Miguel De Los Santos, Estrada Hinojosa & Company, Inc. attended the Committee meeting to discuss the options of using the Interest and Sinking Reserve funds.

South Texas College was required to hold a public hearing and publish special notices before adopting the proposed tax rate of \$0.1615 since this tax rate did exceed the no-new-revenue tax rate but did not exceed the voter-approval tax rate.

In fiscal year 2022, South Texas College held a public hearing and published special notices before adopting the tax rate of \$0.1715. The tax rates in 2021 were \$0.1400 cents for M&O and \$0.0315 for I&S.

The Notice of 2022 Tax Rates and a presentation on Proposed 2022 Property Tax Rate follow in the packet for the Committee's information and review.

No action was required from the Board. This item was presented for information and feedback to staff.

Review and Recommend Action To Recommend Record Vote and Schedule A Public Hearing Regarding Adoption of the Proposed Tax Rate that Exceeds the No-New-Revenue Tax Rate and/or the Voter-Approval Tax Rate

Approval to recommend a record vote and schedule a public hearing regarding adoption of the proposed tax rate that exceeds the no-new-revenue tax rate and/or the voter-approval tax rate will be requested at the August 23, 2022 Board meeting.

A taxing unit is required to hold a public hearing and publish newspaper ads before adopting a tax rate if that tax rate exceeds the no-new-revenue tax rate and/or the voter-approval tax rate. The Tax Assessors for Hidalgo County and Starr County determined South Texas College's rates to be the following:

	M&O RATE	DEBT RATE	RATE	REVENUE
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)			\$0.1572	\$79,363,113
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1388	\$0.0227	\$0.1615	\$81,351,314
<i>Proposed Tax Rate</i>	<i>\$0.1388</i>	<i>\$0.0227</i>	<i>\$0.1615</i>	<i>\$81,351,314</i>

The proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate and, therefore, the Board must take record vote and schedule a public hearing.

The Notice of Public Hearing and the Roll Call Vote of Members of the Board form follow in the packet for the Committee's information and review.

The Finance, Audit, and Human Resources Committee declined to take action on this item, deferring to the Board of Trustees to review options outlined by administration and the financial advisor.

Review and Recommend Acceptance of Internal Auditor's Annual Statement of Organizational Independence

Mr. Khalil Abdullah, Internal Auditor, confirmed the organizational independence of the internal audit activity to the Finance, Audit, and Human Resources Committee as required by applicable IIA *Standard* 1110 as listed below.

The audit organization and the individual auditor should be free in both fact and appearance from personal, external, and organizational impairments to independence. Internal auditors

are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render the impartial and unbiased judgments essential to the proper conduct of audits. It is achieved through organizational structure and objectivity.

South Texas College's Office of Internal Audits expects our auditors to comply with professional standards and internal policies and procedures; maintain independence of mental attitude in the conduct of all assigned work; to be objective, fair, and impartial; and to conduct themselves so that auditees and third parties will see our office in this way. Each staff member must promptly notify the Chief Audit Executive (CAE), in writing, concerning any situation that would impair the staff member's or the office's independence on an audit, or that might lead others to question it. The Chief Audit Executive (CAE) describes the person responsible for effectively managing the internal audit activity. At South Texas College, those responsibilities reside with the Internal Auditor.

IIA Standard 1110 *Organizational Independence* – The CAE must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The CAE must confirm to the board, at least annually, the organizational independence of the internal audit activity.

IIA Standard 1100 *Independence and Objectivity* – The internal audit activity must be independent, and internal auditors must be objective in performing their work.

Interpretation of Standard 1100 – “Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the chief audit executive has direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship. Threats to independence must be managed at the individual auditor, engagement, functional, and organizational levels. Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional, and organizational levels.”

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board acceptance of the Internal Auditor's Statement of Organizational Independence as presented. The motion carried.

Review and Recommend Action on Internal Audit Charter

Approval of the Internal Audit Charter for the period of September 1, 2022 through August 31, 2023 will be requested at the August 23, 2022 Board meeting.

Purpose – An Internal Audit Charter is required by the Institute of Internal Auditors (IIA) *Standards*. Specifically, IIA Attribute Standard 1000 states that “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the *Standards*. The chief audit executive must periodically review the Internal Audit Charter and present it to senior management and the board for approval.”

Justification – Approval of the Internal Audit Charter aligns South Texas College’s internal audit function with the IIA *Standards* as prescribed in Manual of Policy 5460.

Background – The Internal Audit Charter is a formal document that defines the internal audit activity’s purpose, authority, and responsibility. The charter establishes the internal audit activity’s position within the organization, including the nature of the internal auditor’s functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter resides with the board.

Enclosed Documents – The Internal Audit Charter was provided in the packet for the Committee’s review and discussion.

Dr. Ricardo J. Solis, President, Mary Elizondo, Vice President for Finance and Administrative Services, and Khalil Abdullah, Internal Auditor, attended the August 9, 2022 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the Internal Audit Charter for the period of September 1, 2022 through August 31, 2023 as presented. The motion carried.

Review and Recommend Action on Proposed Projects for Internal Auditor for FY 2022 – 2023

Approval of proposed projects for the Internal Auditor for FY 2022 - 2023 will be requested at the August 23, 2022 Board meeting.

Purpose – Staff recommended projects for the Board’s consideration for the Internal Auditor’s review for Fiscal Year 2022 - 2023. The projects listed below were proposed as the assignments for the Internal Auditor.

- FY 2022 - 2023 (Scheduled)

1. Fraud Survey

2. Financial Aid – Federal Awards
3. Faculty Overloads & Stipends
4. Business Continuity / Disaster Recovery
5. Title IX
6. HR Processes – Employee Hiring and Staffing
7. Emergency Medical Technology (EMT) Program
8. Surprise Cash Counts
9. Purchasing – Proposal Evaluation Criteria
10. Quality Assurance Review – External QAR

Enclosed Documents - The list of Internal Audits conducted for FY 2012 through FY 2022 was provided in the packet for the Committee's information and review.

Dr. Ricardo J. Solis, President, Mary Elizondo, Vice President for Finance and Administrative Services, and Khalil Abdullah, Internal Auditor, attended the August 9, 2022 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed projects for the Internal Auditor for FY 2022 - 2023 as presented. The motion carried.

Review and Recommend Action to Adopt New Policies and Retire Current Policies

Approval to adopt new policies and retire current policies as listed below will be requested at the August 23, 2022 Board meeting.

Purpose – The proposed adoption of new policies and retirement of current policies was necessary to align with the Texas Association of School Boards (TASB) policy manual.

Justification – The request to adopt and retire policies was needed to align the policies with the comprehensive, current, and legally sound policy manual, to strengthen the policies' language, and transition policies to a standardized format. The adoption of new and/or retired policies was requested as follows:

Adopt New Policy	Retired Policy(ies)
A-1. AB College District – Name and Definitions	A-2. Policy #1000: Preamble & Definitions <ul style="list-style-type: none"> Replaced by AB (Local), BA (Local), and BBB (Local)
B-1. BA Board Legal Status	
C-1. BBB Board Members - Elections	C-2. Policy #1300: Single-Member Districts <ul style="list-style-type: none"> Replaced by BBB (Local) C-3. Policy #1400: Elections <ul style="list-style-type: none"> Replaced by BBB (Local) C-4. Policy #1410: Oath of Office <ul style="list-style-type: none"> Replaced by BBB (Legal)
D-1. BBD Board Members – Orientation and Training	D-2. Policy #1520: Orientation and Training of Trustees <ul style="list-style-type: none"> Replaced by BBD (Local) and BBH (Local)
E-1. BBE Board Members - Authority	E-2. Policy #1001: Authority & Functions of the Board, Committees and Individual Trustees <ul style="list-style-type: none"> Replaced by BBE (Local) and BCG (Local) E-3. Policy #1630: Texas Open Meetings Act <ul style="list-style-type: none"> Replaced by BBE (Local) and BDB (Local)
F-1. BBF Board Members - Ethics	F-2. Policy #1020: Goals for Trustees <ul style="list-style-type: none"> Replaced by BBF (Local) F-3. Policy #1510: Code of Ethics for Board Members <ul style="list-style-type: none"> Replaced by BBF (Local)
G-1. BBG Board Members – Compensation and Expenses	G-2. Policy #1530: Compensation and Expenses <ul style="list-style-type: none"> Replaced by BBG (Local)
H-1. BBH Board Members – Conventions, Conferences, and Workshops	
I-1. BCA Board Internal Organization – Board Officers and Officials	I-2. Policy #1100: Board Officers <ul style="list-style-type: none"> Replaced by BCA (Local)
J-1. BCB Board Internal Organization – Board Committees	J-2. Policy #1110: Board Committees <ul style="list-style-type: none"> Replaced by BCB (Local)

Adopt New Policy	Retired Policy(ies)
K-1. BCC Board Internal Organization – Attorney	K-2. Policy #2200: Legal Counsel <ul style="list-style-type: none"> • Replaced by BCC (Local)
L-1. BCG Board Internal Organization – Board Evaluation	
M-1. BD Board Meetings	M-2. Policy #1610: Types of Meetings <ul style="list-style-type: none"> • Replaced by BD (Local) M-3. Policy #1620: Meeting Procedures <ul style="list-style-type: none"> • Replaced by BD (Local) and BDB (Local) M-4. Policy #1625: Notice of Meeting: Contents of Notice <ul style="list-style-type: none"> • Replaced by BD (Local) M-5. Policy #1640: Agenda <ul style="list-style-type: none"> • Replaced by BD (Local) M-6. Policy #1645: Consent Agenda <ul style="list-style-type: none"> • Replaced by BD (Local) M-7. Policy #1650: Quorum <ul style="list-style-type: none"> • Replaced by BD (Local) M-8. Policy #1660: Minutes <ul style="list-style-type: none"> • Replaced by BD (Local)
N-1. BE Policy and Bylaw Development	N-2. Policy #1700: Board Policies <ul style="list-style-type: none"> • Replaced by BE (Local) N-3. Policy #2300: Developing, Recommending, and Implementing Policy <ul style="list-style-type: none"> • Replaced by BE (Local)
O-1. BFA Chief Executive Officer Qualifications and Duties	O-2. Policy #1010: Authority & Functions of the College President <ul style="list-style-type: none"> • Replaced by BFA (Local) O-3. Policy #Policy 2100: Duties and Responsibilities of the President <ul style="list-style-type: none"> • Replaced by BFA (Local) O-4. Policy #Policy 2110: Qualifications of the President <ul style="list-style-type: none"> • Replaced by BFA (Local) and Move to Procedure
P-1. BFD Chief Executive Officer – Retirement or Resignation	P-2. Policy #2160: Retirement or Resignation of the President <ul style="list-style-type: none"> • Replaced by BFD (Local)

The following policies were also recommended for retirement. They were duplicative with existing legal policies as maintained for South Texas College by TASB, or TASB recommended transitioning to a procedure, as deemed appropriate, by College staff based on internal operations and functions:

- Q-1. Retire Current Policy #1011: Relationship Between Board and President
 - TASB recommends development as a Procedure Document instead of a Board Policy
- R-1. Retire Current Policy #1200: Qualifications for Service as Trustee
 - Replaced by BBA (Legal) – Board Members – Eligibility/Qualifications
- S-1. Retire Current Policy #1210: Resignation of Trustee
 - Replaced by BBC (Legal) – Board Members – Vacancies and Removal from Office
- T-1. Retire Current Policy #1220: Vacancy on the Board of Trustees
 - Replaced by BBC (Legal) – Board Members – Vacancies and Removal from Office
- U-1. Retire Current Policy #1230: Removal from Office
 - Replaced by BBC (Legal) – Board Members – Vacancies and Removal from Office
- V-1. Retire Current Policy #1511: Trustee Duty to Disclose Substantial Interests in a Business Entity or in Real Estate; Disclosure Requirements and Abstention
 - Replaced by BBFA (Legal) – Conflict of Interest Disclosures
- W-1. Retire Current Policy #1512: Nepotism: Public Officials
 - Replaced by DBE (Legal) – Employment Requirements and Restrictions – Nepotism
- X-1. Retire Current Policy #1670: Executive Sessions
 - Replaced by BDA (Legal) – Board Meetings – Closed Meetings
- Y-1. Retire Current Policy #1671: Executive Session Certified Agenda
 - Replaced by BDA (Legal) – Board Meetings – Closed Meetings
- Z-1. Retire Current Policy #1800: Position on Legislative Matters
 - TASB recommends development as a Procedure Document instead of a Board Policy

Background – On March 31, 2020, the Board of Trustees approved an interlocal agreement with TASB for Policy Management Service. Throughout FY 2022 and FY 2023, current College board policies would be reviewed, retired, and transitioned into the TASB formatted

policies. TASB would then provide a comprehensive, current, and legally sound Policy Manual.

Reviewers – The new and retired policies were reviewed by staff, administrators, TASB staff, College staff, and STC Legal Counsel.

Enclosed Documents - The new and or retired policies were provided in the packet for the Committee's information and review.

Andrew Fish, Board Relations Officer, and Gardenia Perez, Chief of Staff, attended the Committee meeting to address questions by the Committee.

The Committee members and attending trustees discussed the procedure for review and deliberation of policies, and asked that they be presented for review only at the August 23, 2022 Regular Board Meeting, and scheduled for Board action at the September 27, 2022 Regular Board Meeting.

No action was taken.

Adjournment

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 6:40 p.m.

I certify that the foregoing are the true and correct Minutes of the August 9, 2022 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

Mr. Rene Guajardo
Committee Chair

**South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, August 23, 2022 @ 4:00 p.m.**

Minutes

The Finance, Audit, and Human Resources Committee Special Meeting was held on Tuesday, August 23, 2022 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 4:04 p.m. with Mr. Paul R. Rodriguez presiding.

Members present: Dr. Alejo Salinas, Jr., and Mr. Paul R. Rodriguez

Other Trustees Present: Ms. Rose Benavidez, Mrs. Victoria Cantú, and Mrs. Dalinda Gonzalez-Alcantar (via teleconference)

Members absent: Mr. Rene Guajardo

Also present: Dr. Ricardo J. Solis, Mrs. Mary Elizondo, Dr. David Plummer, Mr. Matthew Hebbard, Dr. Anahid Petrosian, Dr. Rodney Rodriguez, Mr. Javier Villalobos, Mrs. Myriam Lopez, Mr. George McCaleb, Mrs. Gardenia Perez, Mrs. Laura Requena, Ms. Alicia Correa, Dr. Rachel Sale, Dr. Miguel De Los Santos, and Mr. Andrew Fish.

Review and Recommend Action on Proposed Budget for FY 2022 – 2023

Approval of the proposed Budget for FY 2022 – 2023 would be requested at the August 23, 2022 Board meeting.

Dr. Ricardo J. Solis, President and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, presented the proposed budget for FY 2022 – 2023 to the Committee.

The revenues and expenditures for FY 2022 – 2023 were based on the following:

Unrestricted Fund Revenues:

- State appropriations are expected to decrease \$8,959,879 in FY 2022 - 2023. The projected decrease is mainly due to the removal of the other state appropriation revenues consisting of Optional Retirement Plan (ORP), Teacher Retirement System (TRS), and the Higher Education Employees Group Insurance (HEGI). **The state appropriations for the ORP, TRS, and HEGI allocations will be recorded in the College's Restricted Fund instead of the Unrestricted Fund to comply with the annual financial report requirements.** The state contract hour appropriation revenue is based on the state allocation schedules and other state revenues are based on projected funding for eligible employees.
- Tuition for FY 2022 - 2023 is based on projected enrollment of 17,500 traditional students, a 12.4% decrease from Fall 2021, and 11,100 dual enrollment tuition free students for Fall 2022. In total, tuition revenue is projected to decrease \$928,476 in FY 2022 – 2023 due mainly to a decrease in the projected traditional student enrollment.
- Fees for FY 2022 - 2023 are based on projected enrollment of 17,500 traditional students, a 12.4% decrease from Fall 2021, and 11,100 dual enrollment tuition free students for Fall 2022. The projections indicate a decrease in fees revenue of \$2,069,260 in FY 2022 – 2023 mainly due to a decrease in the projected traditional student enrollment.
- M&O Property Tax revenue for FY 2022 - 2023 is expected to increase \$7,615,335, due to an anticipated increase in tax collections, property values, and based on FY 2021 – 2022 actual revenues.
- Other revenue is expected to increase \$1,502,291, due to increase in interest revenue and administrative costs and indirect processing fees for ITED.
- The HEERF Lost Revenue is projected to decrease \$3,655,461 in FY 2022 – 2023. The decrease is due to the decrease in the Higher Education Emergency Relief Fund (HEERF) Lost Revenue the College expects to utilize. The HEERF Lost Revenue represents the revenues expected by the College that will be reduced or eliminated as a result of the COVID-19 pandemic. The HEERF Lost Revenue is funded from the HEERF III Institutional Portion allocated to the College.
- Carryover Allocations are projected to decrease \$1,045,162 in FY 2022 - 2023. The decrease resulted from the decrease of \$2,845,336 in the Unexpended Construction Plant Transfer allocation, the decrease of \$1,000,000 in the Renewals & Replacements Plant Transfer allocation, the removal of \$231,448 for the One-Time Return to Campus Safely COVID-19 Training and Response Strategies Payment

allocation, the removal of \$1,346 for the Retention Incentive Payment allocation, and the decrease of \$900 for the Continuing, Professional, and Workforce Education allocation being partially offset by the addition of the Welding Equipment allocation of \$2,100,058 and the Capital Purchases allocation of \$933,810.

Unrestricted Fund Expenditures, Transfers and Reserves:

- The Salary expenditures budget for FY 2022 - 2023 is proposed to increase by \$6,231,320. The increase is due to the removal of the COVID-19 Training and Retention Incentive Payments in the amount of \$401,250 and the decrease due to vacancies and new hires in the amount of \$140,805 being offset by the increase in funding for the restoration of Nursing and Allied Health faculty positions in the amount of \$274,995, the increase in funding for position salary adjustments implemented in FY 2021 – 2022 in the amount of \$248,637, the addition of salaries due to the ITED restructure from the Restricted Fund to the Unrestricted Fund in the amount of \$558,973, the increase in funding for the Dual Credit and Adjunct pool pay increase in the amount of \$300,000, the increase in funding for the compensation study adjustments in the amount of \$4,828,978, and Board approved divisional adjustments and new positions in the amount of \$561,792.
- The Benefits expenditures budget for FY 2022 - 2023 is proposed to decrease by \$6,621,898 primarily due to the additional funding for the restoration of Nursing and Allied Health faculty positions, funding for position salary adjustments, the addition of salaries due to the ITED restructure from the Restricted Fund to the Unrestricted Fund, funding for the Dual Credit and Adjunct pool pay increase, funding for compensation study adjustments, and funding for the Board approved divisional adjustments and new positions being offset by the removal of the COVID-19 Training and Retention Incentive Payments, the decrease due to vacancies and new hires, and the removal of on-behalf retirement and insurance expenditures that will be recorded in the College's Restricted Fund.
- The Operating expenditures budget for FY 2022 - 2023 is proposed to increase by \$3,892,425 based on the needs of the College's departments.
- The Travel expenditures budget for FY 2022 - 2023 is proposed to increase by \$117,814. Approximately 25 percent of the travel budget represents local mileage reimbursement for faculty.
- The Capital Outlay expenditures budget for FY 2022 - 2023 is proposed to increase by \$1,759,810 based on the needs of the College's departments.
- The Transfers and Reserves budget for FY 2022 - 2023 is proposed to decrease by \$12,920,083. The decrease is due to the decrease in the Transfer to the Unexpended

Plant fund in the amount of \$2,000,000, the removal of the Transfer to the Continuing Education Unexpended Plant Fund of \$845,336, the decrease in the Transfer to the Renewals & Replacements Plant fund in the amount of \$1,000,000, the removal of the Transfer to the Office of ITED in the amount of \$865,581, the removal of the Fund Balance Reserve in the amount of \$4,553,705, and the decrease in the HEERF Fund Balance Reserve of \$3,655,461.

Auxiliary Fund Revenues:

- Auxiliary HEERF Revenue Loss Reimbursement revenue is expected to decrease \$244,189 in FY 2022 – 2023. The decrease is due to a reduction in the projected revenues expected by the College that will be reduced or eliminated as a result of the COVID-19 pandemic. The HEERF Lost Revenue is funded from the HEERF III Institutional Portion allocated to the College.
- Bookstore Commission revenue is expected to increase \$71,515 in FY 2022 – 2023 due to an increase in the projected sales commission from Barnes and Noble.
- Interest revenue and Vending Machine revenues are expected to increase \$36,000 in FY 2022 – 2023. The decrease in the interest revenue in the amount of \$4,000 is partially offset by the increase in vending machine revenue in the amount of \$40,000.
- The Food Service revenues are expected to decrease \$480,625 in FY 2022 – 2023 due to the suspension of operations of the College's Food Services department.
- The Nursing and Allied Health (NAH) Pinning Fees revenue is expected to increase \$32,290 in FY 2022 – 2023 due to the addition of the NAH Pinning Fees in the Auxiliary Fund. The NAH Pinning Fees will be recorded in the College's Auxiliary Fund instead of the Agency Fund to comply with the annual financial report requirements.
- The Carryover Fund Balance revenue is expected to increase \$140,179 in FY 2022 – 2023. The increase is due to the addition of the Carryover Fund Balance revenue to the Auxiliary Fund based on the needs of the College's departments.
- The Student Activity Fee revenue and the Child Care & Development revenues are projected to remain at their FY 2021 – 2022 levels.
- The FY 2022 – 2023 increase for the Self-Supporting Conferences revenue, and the decrease for the Non-Public Fund revenue are based on the projected remaining funds.

Auxiliary Fund Expenditures:

- The FY 2022 – 2023 expenditure budgets are proposed to adjust as necessary according to their funding source, the needs of the College's departments, and the salary adjustments related to the Compensation Plan provided by the Texas Association of School Boards (TASB).

Restricted Fund Revenues:

- State and Federal Financial Aid revenue for FY 2022 – 2023 is projected to decrease \$10,805,247. The decrease is mainly due to the projected decrease in funds the College will receive for Federal Pell financial aid assistance to students.
- Higher Education Emergency Relief Fund (HEERF) revenue for FY 2022 – 2023 is projected to decrease \$67,567,479. The projected decrease is due to the College expending HEERF II and HEERF III funds by the ending date of the grant period.
- State and Federal Grants revenue for FY 2022 – 2023 is projected to increase \$1,735,773. The increase is due to a projected increase in state and federal grants that will be awarded to the College.
- Private and Local Grants and Scholarship revenue for FY 2022 – 2023 is projected to increase \$310,715. The increase is due to new private and local grants and scholarships and the projected remaining funds for grants and scholarships continuing in FY 2022 – 2023.
- On Behalf revenue for FY 2022 – 2023 is projected to increase \$9,538,852. The increase is due to the Optional Retirement Plan (ORP), Teacher Retirement System (TRS), and the Higher Education Employees Group Insurance (HEGI) allocations being recorded in the Colleges Restricted Fund instead of the Unrestricted Fund to comply with the annual financial report requirements.

Restricted Fund Expenditures:

- The FY 2022 – 2023 expenditure budgets were proposed to adjust as necessary according to their funding source.

Plant Fund Revenues:

- The Unexpended – Construction Fund revenue is proposed to increase \$6,071,386 in FY 2022 – 2023. The projected increase is due to funding needed for new renovation and construction projects termed Capital Improvements Projects (CIPs).
- The Unexpended – Renewals and Replacements Fund revenue is proposed to increase \$728,916 in FY 2022 - 2023. The projected increase is due to funding needed for capital renewal and replacement construction projects needed at each campus.
- The Unexpended – Retirement of Indebtedness Fund revenue is proposed to decrease \$525,644 in FY 2022 – 2023. The projected decrease is due to funding needed for the College's bond indentures principal, interest, and related costs.

Plant Fund Expenditures:

- The Unexpended – Construction Fund expenditure budget for FY 2022 – 2023 is proposed to increase \$6,071,386. The projected increase is due to an increase in facility improvement projects needed by the College and that support the College's Strategic Directions.
- The Unexpended – Renewals and Replacements Fund expenditure budget for FY 2022 – 2023 is proposed to increase \$728,916. The projected increase is due to an increase in deferred maintenance projects needed by the College.
- The Unexpended – Retirement of Indebtedness Fund expenditure budget for FY 2022 – 2023 is proposed to decrease \$525,644. The projected decrease is due to a decrease in expenditures related to the College's bond indentures and related costs.

Financial managers submitted their anticipated expenditure budgets through the budget database for operating, travel, and capital. These expenditures were included in the Proposed Budget for FY 2022 – 2023.

The Unrestricted Fund Preliminary FY 2022 – 2023 (Next Year) Budget Summary of Projected Revenues and Expenditures with Comparison to the FY 2021 – 2022 (Current Year) amended budget and the Proposed Budget PowerPoint presentation were provided in the packet for the Committee's review and information. Copies of the Proposed Draft Budget for FY 2022 – 2023 were included under separate cover.

The Resolution Adopting the Budget for FY 2022 – 2023 would also be presented at the August 23, 2022 Special Board meeting for approval.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, presented the Proposed Budget for FY 2022 – 2023 at the August 23, 2022 Finance, Audit, and Human

Resources Committee meeting and was available to address any questions by the committee.

As the sole Committee member present at the start of the meeting, Mr. Paul R. Rodriguez, acted on behalf of the Finance, Audit, and Human Resources committee to recommend Board approval of the proposed Budget for FY 2022 – 2023 as presented.

Dr. Alejo Salinas, Jr. arrived at the meeting and participated in the deliberation of the following item.

Review and Recommend Action on Proposed Employee Pay Plan for FY 2022 – 2023

Approval of the Proposed Employee Pay Plan for FY 2022 - 2023 will be presented at the August 23, 2022 Special Board meeting.

Purpose - The Proposed Employee Pay Plan for FY 2022 - 2023 for all employee groups was presented for the Committee's review and consideration. The Proposed Employee Pay Plan included the proposed pay grade ranges and other compensation information.

Justification - On July 13, 2022, the Board of Trustees approved the Texas Association of School Boards (TASB) Compensation Study and to proceed with recommended results at a Special Board of Trustees Meeting. As a result, the Office of Human Resources incorporated the TASB recommended compensation plan and prepared the Proposed Employee Pay Plan information to reflect the College's proposed and approved new compensation structure for FY 2022 – 2023.

Background – The Proposed Employee Pay Plan for FY 2022 – 2023 that incorporated the TASB recommended compensation plan was approved on an annual basis and includes information to comply with State and Federal compensation regulations, ensure compensation consistency, enhance the ability to attract and retain qualified faculty and staff and to provide a clear and concise reference for compensation decisions as follows:

- Guidelines for Recruiting, Screening, and Hiring Support Staff
- Educational Supplements
- New Pay Grades for Faculty, Operation Support (OS), Administrative Technical Professional (ATS), Technology (Tech), and Executive Administrative Professional (EAP) employees (see chart below)

Pay Grades
Faculty
Executive Administrative Professional
Technology
Administrative Technical Support
Operations Support

- Centers for Learning Excellence (CLE) Salary Plan
- Faculty Roles, Compensation Rates, and Faculty Salary Plan

The College hosted two open forums to provide Luz Cadena, the TASB Analyst, the opportunity to present the compensation study methodology and answer questions.

Reviewers - The President and all the Vice Presidents reviewed the Employee Pay Plan.

Enclosed Documents - A copy of the Proposed Employee Pay Plan for FY 2022 - 2023 was included in the Employee Pay Plan and Staffing Plan binder for the Committee's review and information.

Dr. Ricardo J. Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the Committee meeting to address any questions by the Committee.

During the discussion, administration noted that there was an ongoing review to ensure that the compensation study was implemented equitably, and advised that there may be specific instances in which administration would recommend further changes, retroactive to the September 1, 2022 start of the fiscal year. They advised that no change would lead to a lower compensation for any affected employee.

Dr. Salinas acknowledged that the ongoing review would be acceptable, and agreed that changes should be retroactively applied to the start of the fiscal year when appropriate, and should not lead to any decrease in compensation for any affected employee.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Employee Pay Plan for FY 2022 – 2023 as presented, and to be monitored continuously. The motion carried.

Review and Recommend Action on Proposed Employee Staffing Plan for FY 2022 – 2023

Approval of the Proposed Employee Staffing Plan for FY 2022 - 2023 will be presented at the August 23, 2022 Special Board Meeting.

Purpose - The Proposed Employee Staffing Plan for FY 2022 – 2023 for all employee groups was presented for the Committee's review and consideration. The Employee Staffing Plan includes all positions, titles, classifications, salaries, and salary pools under each Division and Organization of the College.

Justification - The Proposed Employee Staffing Plan information was prepared by the Office of Human Resources, in collaboration with Business Office and all other organizational divisions of the College, to reflect the College's comprehensive proposed staffing and salary structure for FY 2022 - 2023. The Office of Human Resources incorporated the Texas Association of School Boards (TASB) recommendations and prepared the Employee Staffing Plan to reflect the College's proposed and approved new compensation structure for FY 2022 – 2023.

Background – As indicated in Policy #4100, College Employee Staffing Plan, the Employee Staffing Plan is the official document listing position titles, classifications, employees, and salaries for each fiscal year. The Employee Staffing Plan is not a contract between the College and any person listed on it, and neither the Employee Staffing Plan nor any action taken by the Board of Trustees concerning it should be considered creating contract rights, expectations of continued employment, or a property interest for any person listed in the Employee Staffing Plan.

At the July 13, 2022 Special Board Meeting, the Board of Trustees approved Staffing Plan revisions, which were included within the Plan

Funding Source – The budget to fund each position was reflected in the appropriate department and listed on the Proposed Staffing Plan and is subject to Board approval of the FY 2022 – 2023 Budget.

Reviewers – The President and all the Vice Presidents reviewed the Employee Staffing Plan.

Enclosed Documents - A copy of the Proposed Employee Staffing Plan for FY 2022 - 2023 was included in the Employee Pay Plan and Staffing Plan binder for the Committee's review and information.

Dr. Ricardo J. Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the Committee meeting to address any questions by the Committee.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Employee Staffing Plan for FY 2022 – 2023 as presented. The motion carried.

Adjournment

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Special Meeting of the South Texas College Board of Trustees adjourned at 4:47 p.m.

I certify that the foregoing are the true and correct Minutes of the August 23, 2022 Finance, Audit, and Human Resources Committee Special Meeting of the South Texas College Board of Trustees.

Mr. Rene Guajardo
Committee Chair

Review and Action as Necessary on Purchases, Renewals, and Interlocal Agreements

Approval of the following purchases, renewals, and interlocal agreements will be requested at the September 27, 2022 Board meeting.

The Director of Purchasing has reviewed each item and recommends approval as follows:

A. Purchases and Renewals

a. Instructional Item

b. Non-Instructional Items

c. Technology Items

B. Interlocal Agreements

A. Purchases and Renewals (A-a. Instructional Item)

1) Industrial Supplies, Materials, and Accessories (Renewal)

Renew the industrial supplies, materials, and accessories contracts for the period beginning November 25, 2022 through November 24, 2023, at an estimated amount of \$90,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
American Industrial Supplies & Tool Repair, Inc. (McAllen, TX)	Burton Companies (Weslaco, TX)
Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co. (Brownsville, TX)	Sid Tool Company/ dba MSC Industrial Supply (Melville, NY)
Triple-S Steel Supply, LLC./ dba Alamo Iron Works (San Antonio, TX)	

Purpose – The Institute for Advanced Manufacturing and Advanced Manufacturing Technology Program are requesting to purchase industrial supplies, materials, and accessories as needed for student instruction. Some of the courses are as follows: Basic Machine Shop I, Intermediate Machining I, Manufacturing Materials and Processes, Advanced Machining, and Tool & Die Technology.

Justification and Benefit – The industrial supplies, materials, and accessories include some of the following items: steel rods, aluminum rods, and drill rods which are used in the required course labs.

Background – The Board awarded the contract for industrial supplies, materials, and accessories at the September 28, 2021 Board of Trustees meeting for one year with two one-year option annual renewals. The first renewal period begins November 25, 2022 and ends November 24, 2023.

Award	Board Meeting Date	Original Term	Renewal Term
Original	9/28/21	11/25/21 – 11/24/22	2 – one year options
1 st Renewal	9/27/22		11/25/22 – 11/24/23

The vendors have complied with all the terms and conditions of the contract, and services have been satisfactory.

Funds for this expenditure are budgeted in the Institute for Advanced Manufacturing and Advance Manufacturing Technology Program budgets for FY 2022 - 2023.

A. Purchases and Renewals (A-b. Non – Instructional Items)

2) Audio Visual Equipment and Supplies (Purchase)

Purchase audio visual equipment and supplies for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$225,000.00, which is based on prior year expenditures, with the following purchasing cooperative approved vendors:

Vendor/Purchasing Cooperative	Amount
Audio Visual Aids (San Antonio, TX) – Texas Association of School Boards (TASB) – Buyboard, and The Interlocal Purchasing System (TIPS)	\$70,000.00
AVI-SPL (Tampa, FL) – E&I Cooperative Services, Omnia Partners, and The Interlocal Purchasing System (TIPS) (New)	\$20,000.00
B&H Foto & Electronics, Corp./ dba B&H Photo Video (New York, NY) – E&I Cooperative Services, Omnia Partners, and Texas Association of School Boards (TASB) – Buyboard	\$75,000.00
Conference Technologies, Inc. (Maryland Heights, MO) – The Interlocal Purchasing Systems (TIPS) (New)	\$20,000.00
Howard Technology Solutions (Ellisville, MS) –The Interlocal Purchasing System (TIPS) and Texas Association of School Boards (TASB) - Buyboard	\$40,000.00

Purpose – The purchase of audio-visual equipment and supplies is requested districtwide as needed to support classroom instruction, staff presentations, office operations, and communication with internal and external individuals or groups.

Justification and Benefit – The audio-visual equipment and supplies are purchased for the day-to-day operation of support services departments and instruction programs. Below are some of the items requested by departments and programs:

- Headphones – Distance Education, Educational Technologies, and Academic programs
- Digital Cameras, Lenses, Camera Cases – Art Program, Public Relations and Marketing, Facilities Planning and Construction, and all other requesting departments and academic programs

- Dome Cameras / Camcorders – Nursing and Allied Health Programs, Public Relations and Marketing, and Educational Technologies
- Computer Cables, Printer Cables, and Projector Cables – Information Technology, Educational Technologies, and all other requesting departments and academic programs
- Sound Equipment – Educational Technologies and all other requesting departments and academic programs
- Projector Screens and Parts – Educational Technologies and all other requesting departments and academic programs

Funds for this expenditure are budgeted in the requesting department/program budgets for FY 2022 – 2023.

3) Computer Components, Peripherals, Software, and Supplies (Purchase)

Purchase computer components, peripherals, software, and supplies for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$350,000.00, which is based on prior year expenditures, with the following purchasing cooperative approved vendors:

Vendor/Purchasing Cooperative	Amount
AVI-SPL (Tampa, FL) – E&I Cooperative Services, Omnia Partners, and The Interlocal Purchasing System (TIPS) (New)	\$20,000.00
B&H Foto & Electronics, Corp./ dba B&H Photo Video (New York, NY) – E&I Cooperative Services, Omnia Partners, and Texas Association of School Boards (TASB) – Buyboard	\$80,000.00
CDW Government, LLC. (Vernon Hill, IL) – Choice Partners, E&I Cooperative Services, Omnia Partners, Sourcewell, Purchasing Association of Cooperative Entities (PACE), and The Interlocal Purchasing System (TIPS)	\$50,000.00
Dell Marketing, LP. (Dallas, TX) – Texas Department of Information Resources (DIR)	\$45,000.00
Reyna Enterprise, Inc./ dba Computer Repair Center (CRC) (McAllen, TX) – Texas Department of Information Resources (DIR)	\$80,000.00
SHI Government Solutions (Austin, TX) – Choice Partners, Sourcewell, Omnia Partners, Purchasing Association of Cooperative Entities (PACE), Texas Association of School Boards (TASB) – Buyboard, Texas Department of Information Resources (DIR), and The Interlocal Purchasing System (TIPS)	\$75,000.00

Purpose – The computer components, peripherals, software, and supplies purchases are requested districtwide as needed to support classroom instruction, staff office operations, and communication with internal and external individuals or groups.

Justification and Benefit – The computer components, peripherals, software, and supplies are purchased districtwide for the day-to-day operation of departments and instructional programs. Below are some of the items requested by departments and programs:

- Scanners, Printers, Storage Media, Surge Protectors, Toner Cartridges, and Cables – All programs and departments districtwide
- Barcode Scanners – Library Services, Security, Central Receiving, and Educational Technologies
- Memory – Business Computer Systems Program and all departments districtwide
- Head Phones – Open Labs, Center for Learning Excellence, and Distance Education
- Web Cameras – Distance Education, Academic Programs, and departments districtwide
- Computer Parts – Business Computer Systems Program and other departments and programs
- Software (Instructional and Business packages) – All departments and programs districtwide

Funds for this expenditure are budgeted in the Educational Technologies, Library Services, Central Receiving, Distance Education, Information Technology, and other departments and academic programs budgets for FY 2022 – 2023.

4) Maintenance Equipment, Parts, and Supplies (Purchase)

Purchase maintenance equipment, parts, and supplies from **McCoy's Building Supply** (San Marcos, TX/Pharr, TX), a Texas Association of School Boards (TASB) – Buyboard approved vendor, for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$50,000.00, which is based on prior year expenditures.

Purpose – Facilities Operations and Maintenance is requesting the purchase of maintenance equipment, parts, and supplies for districtwide daily work order requests as needed and small in-house renovations.

Justification and Benefit – The maintenance equipment, parts, and supplies are needed for the day-to-day maintenance, repairs, and improvements in the areas of plumbing, painting, irrigation, electrical, door locks, vehicle and equipment batteries, lumber, and air conditioning.

Funds for this expenditure are budgeted in the Facilities Maintenance budget for FY 2022 – 2023.

5) Mobile Hotspot Services (Purchase)

Purchase mobile hotspot services from **AT&T Mobility, LLC**. (Carol Stream, IL), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning October 1, 2022 through August 31, 2023, at an estimated total amount of \$33,000.00. The monthly service subscription cost for two hundred (200) mobile hotspots is \$15.00 per device.

Purpose – Library Services is requesting to procure monthly service for two hundred (200) mobile broadband hotspot devices that will be utilized by Career and Technical Education (CTE) students. These devices are funded by the FY2023 Carl D. Perkins federal grant.

Justification and Benefit – The pandemic increased the College's reliance on online and hybrid instruction as a safe option for teaching and learning. This, in turn, has increased the need for students to access STC services from home. Many students do not have access to reliable internet when taking online or hybrid courses. These devices will provide reliable broadband internet service to students, allowing home access to online courses and learning resources. Based on data, students receiving a hotspot have achieved a higher-grade point average and higher pass rate.

Funds for this expenditure are budgeted in the Carl Perkins grant budget for FY 2022 - 2023.

6) Institutional Membership – TACC (Renewal)

Renew the institutional membership - TACC with the **Texas Association of Community Colleges** (TACC) (Austin, TX), a sole source vendor, for the period beginning September 1, 2022 through August 31, 2023, at an estimated total amount of \$75,000.00.

Purpose – The Office of the President is requesting to renew the institutional membership, which includes the annual association membership, telecommunication membership, building assessment, and mathways assessment.

Justification and Benefit – TACC is comprised of all fifty (50) public community college districts in the state and represents the interests of the colleges before the Texas Legislature and state agencies. The General Appropriations Bill and legislation affecting public community colleges, in general, have been and remain the principal concern of TACC.

Funds for this expenditure are budgeted in the Non-Public Fund Project budget in the auxiliary fund for FY 2022 – 2023.

A. Purchases and Renewals (A-c. Technology Items)

7) Student Enrollment Management System Agreement (Renewal)

Renew the student enrollment management system agreement with **Admissions US, LLC., a wholly owned subsidiary of Anthology, Inc. (fka Campus Management, Corp.)** (Boca Raton, FL), a sole source vendor, for the period beginning September 27, 2022 through September 26, 2023, at a total estimated amount of \$57,000.00.

Purpose – The Division of Student and Enrollment Management is requesting to renew the Radius Constituent Relationship Management (CRM) agreement along with chat services.

Justification and Benefit – The College currently utilizes a Constituent Relationship Management system. This system provides the tools needed to support students at all stages of their student lifecycle, from recruitment, enrollment, admission, and through graduation.

Funds for this expenditure are budgeted in the Division of Student Affairs and Enrollment Management budget for FY 2022 – 2023.

B. Interlocal Agreements

8) Facility Usage Interlocal Agreements (Lease/Rental)

Ratification and approval of Lease/Rentals through facility usage interlocal agreements with the **City of McAllen – McAllen Convention Center and Quinta Mazatlan** (McAllen, TX), for the period beginning September 8, 2022 through January 27, 2023, at an estimated total amount of \$19,307.60.

Purpose – The Office of Professional and Organizational Development is requesting to lease/rental of the McAllen Convention Center Quinta Mazatlan for faculty and staff professional development events in September 2022 and January 2023.

Justification and Benefit - The two (2) facility usage interlocal agreements are for South Texas College's Professional Development events held throughout the year for faculty and staff. The events are as follows:

Date	Events	Amount
9/8/22 (Ratification)	Distinguished Leadership Academy (DLA) (Quinta Mazatlan)	\$250.00
9/22/22 and 9/23/22 (Ratification)	College-Wide Professional Development for Faculty and Staff (half day) (Convention Center)	\$6,751.80
1/26/22 and 1/27/22	College-Wide Professional Development for Faculty and Staff (full day) (Convention Center)	\$12,305.80

Funds for this expenditure are budgeted in the Professional and Organizational Development budget for FY 2022 – 2023.

Recommendation:

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the September 27, 2022 Board meeting the purchases, renewals, and interlocal agreements as listed below:

A. Purchases and Renewals

a. Instructional Item

b. Non-Instructional Items

c. Technology Items

B. Interlocal Agreements

A. Purchases and Renewals (A-a. Instructional Item)

- 1) Industrial Supplies, Materials, and Accessories (Renewal):** renew the industrial supplies, materials, and accessories contract for the period beginning November 25,

2022 through November 24, 2023, at an estimated total amount of \$90,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
American Industrial Supplies & Tool Repair, Inc. (McAllen, TX)	Burton Companies (Weslaco, TX)
Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co. (Brownsville, TX)	Sid Tool Company/ dba MSC Industrial Supply (Melville, NY)
Triple-S Steel Supply, LLC./ dba Alamo Iron Works (San Antonio, TX)	

A. Purchases and Renewals (A-b. Non-Instructional Items)

- 2) **Audio Visual Equipment and Supplies (Purchase):** purchase audio-visual equipment and supplies for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$225,000.00, which is based on prior year expenditures, with the following purchasing cooperative approved vendors:

Vendor/Purchasing Cooperative	Amount
Audio Visual Aids (San Antonio, TX) – Texas Association of School Boards (TASB) – Buyboard, and The Interlocal Purchasing System (TIPS)	\$70,000.00
AVI-SPL (Tampa, FL) – E&I Cooperative Services, Omnia Partners, and The Interlocal Purchasing System (TIPS) (New)	\$20,000.00
B&H Foto & Electronics, Corp./ dba B&H Photo Video (New York, NY) – E&I Cooperative Services, Omnia Partners, and Texas Association of School Boards (TASB) – Buyboard	\$75,000.00
Conference Technologies, Inc. (Maryland Heights, MO) – The Interlocal Purchasing Systems (TIPS) (New)	\$20,000.00
Howard Technology Solutions (Ellisville, MS) –The Interlocal Purchasing System (TIPS) and Texas Association of School Boards (TASB) - Buyboard	\$40,000.00

- 3) **Computer Components, Peripherals, Software, and Supplies (Purchase):** purchase computer components, peripherals, software, and supplies for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$350,000.00, which is based on prior year expenditures, with the following purchasing cooperative approved vendors:

Vendor/Purchasing Cooperative	Amount
AVI-SPL (Tampa, FL) – E&I Cooperative Services, Omnia Partners, and The Interlocal Purchasing System (TIPS) (New)	\$20,000.00
B&H Foto & Electronics, Corp./ dba B&H Photo Video (New York, NY) – E&I Cooperative Services, Omnia Partners, and Texas Association of School Boards (TASB) – Buyboard	\$80,000.00

Vendor/Purchasing Cooperative	Amount
CDW Government, LLC. (Vernon Hill, IL) – Choice Partners, E&I Cooperative Services, Omnia Partners, Sourcewell, Purchasing Association of Cooperative Entities (PACE), and The Interlocal Purchasing System (TIPS)	\$50,000.00
Dell Marketing, LP. (Dallas, TX) – Texas Department of Information Resources (DIR)	\$45,000.00
Reyna Enterprise, Inc./ dba Computer Repair Center (CRC) (McAllen, TX) – Texas Department of Information Resources (DIR)	\$80,000.00
SHI Government Solutions (Austin, TX) – Choice Partners, Sourcewell, Omnia Partners, Purchasing Association of Cooperative Entities (PACE), Texas Association of School Boards (TASB) – Buyboard, Texas Department of Information Resources (DIR), and The Interlocal Purchasing System (TIPS)	\$75,000.00

- 4) **Maintenance Equipment, Parts, and Supplies (Purchase):** purchase maintenance equipment, parts, and supplies from **McCoy's Building Supply** (San Marcos, TX/Pharr, TX), a Texas Association of School Boards (TASB) – Buyboard approved vendors, for the period beginning September 1, 2022 through August 31, 2023, at an estimated amount of \$50,000.00, which is based on prior year expenditures;
- 5) **Mobile Hotspot Services (Purchase):** purchase mobile hotspot services from **AT&T Mobility, LLC.** (Carol Stream, IL), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning October 1, 2022 through August 31, 2023, at an estimated total amount of \$33,000.00. The monthly service subscription cost for two hundred (200) mobile hotspots is \$15.00 per device;
- 6) **Institutional Membership – TACC (Renewal):** renew the institutional membership – TACC with the **Texas Association of Community Colleges (TACC)** (Austin, TX), a sole source vendor, for the period beginning September 1, 2022 through August 31, 2023, at an estimated total amount of \$75,000.00;

A. Purchases and Renewals (A-c. Technology Items)

- 7) **Student Enrollment Management System Agreement (Renewal):** renew the student enrollment management system agreement with **Admissions US, LLC., a wholly owned subsidiary of Anthology, Inc. (fka Campus Management, Corp.)** (Boca Raton, FL), a sole source vendor, for the period beginning September 27, 2022 through September 26, 2023, at a total estimated amount of \$57,000.00;

B. Interlocal Agreements

- 8) **Facility Usage Interlocal Agreements (Lease/Rental):** ratification and approval of lease/rental through facility usage interlocal agreements with the **City of McAllen – McAllen Convention Center and Quinta Mazatlan** (McAllen, TX) for the period beginning September 8, 2022 through January 27, 2023, at an estimated amount of \$19,307.60.

Recommend Action - The total for all purchases, renewals, and interlocal agreements is \$899,307.60.



Purchasing and Distribution Services
3201 W. Pecan Blvd., McAllen, TX 78501

t (956) 872-4681
f (956) 872-4688

1a

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

September 27, 2022

American Industrial Supplies & Tool Repair, Inc.
Attn: Mr. Ruben Diaz
225 N McColl Rd
McAllen, TX 78501

Dear Mr. Diaz:

On September 28, 2021, South Texas College awarded a contract to American Industrial Supplies & Tool Repair, Inc. for Industrial Supplies, Materials, and Accessories. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2022 through November 24, 2023.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through November 24, 2023 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____



Purchasing and Distribution Services
3201 W. Pecan Blvd., McAllen, TX 78501

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f (956) 872-4688

1b

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

September 27, 2022

Burton Companies
Attn: Mr. Scott Vaughan
529 E Highway 83
Weslaco, TX 78596

Dear Mr. Vaughan:

On September 28, 2021, South Texas College awarded a contract to Burton Companies for Industrial Supplies, Materials, and Accessories. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2022 through November 24, 2023.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through November 24, 2023 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____



1c

Purchasing and Distribution Services
3201 W. Pecan Blvd., McAllen, TX 78501

t (956) 872-4681
f (956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

September 27, 2022

Industrial Supplier Larey, Inc./dba
International Industrial Supply, Co.
Attn: Mr. Moises Lara
3620 E 14th St
Brownsville, TX 78521

Dear Mr. Lara:

On September 28, 2021, South Texas College awarded a contract to Industrial Supplier Larey, Inc./dba International Industrial Supply, Co. for Industrial Supplies, Materials, and Accessories. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2022 through November 24, 2023.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through November 24, 2023 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____



1d

Purchasing and Distribution Services
3201 W. Pecan Blvd., McAllen, TX 78501

t (956) 872-4681
f (956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

September 27, 2022

Sid Tool Company / dba
MSC Industrial Supply
Attn: Mr. Frank Escamilla
75 Maxess Rd
Melville, NY 11747

Dear Mr. Escamilla:

On September 28, 2021, South Texas College awarded a contract to Sid Tool Company / dba MSC Industrial Supply for Industrial Supplies, Materials, and Accessories. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2022 through November 24, 2023.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through November 24, 2023 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____



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3201 W. Pecan Blvd., McAllen, TX 78501

t (956) 872-4681
f (956) 872-4688

1e

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

September 27, 2022

Triple-S Steel Supply, LLC. / dba
Alamo Iron Works
Attn: Mr. Wayne Dennis
943 AT&T Center Pkwy
San Antonio, TX 78219

Dear Mr. Dennis:

On September 28, 2021, South Texas College awarded a contract to Tripe-S Steel Supply, LLC. / dba Alamo Iron Works for Industrial Supplies, Materials, and Accessories. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2022 through November 24, 2023.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through November 24, 2023 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____

SOUTH TEXAS COLLEGE
2. AUDIO VISUAL EQUIPMENT AND SUPPLIES

NAME			Audio Visual Aids		AVI-SPL		B & H Foto & Electronics, Corp./ dba B&H Photo Video		Conference Technologies, Inc.		Howard Technology Solutions	
ADDRESS			2903 N Flores St		6301 Benjamin Rd Ste 101		420 9th Ave		11653 Adie Rd		36 Howard Dr	
CITY/STATE/ZIP			San Antonio, TX 78212		Tampa, FL 33634		New York, NY 10001		Maryland Heights, MO 63043		Ellisville, MS 39437	
PHONE			800-422-1282		800-282-6733		800-947-8003		866-839-8477		800-912-3151	
FAX			800-854-8140		800-244-8630		800-743-0895		866-839-8472		601-399-5835	
CONTACT			Ron George		Michael Mast		Robert Meskin		Charlie Martin		Krystal Avery	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	1	Audio Visual Equipment and Supplies Period: 9/1/22 - 8/31/23	\$ 70,000.00	\$ 70,000.00	\$ 20,000.00	\$ 20,000.00	\$ 75,000.00	\$ 75,000.00	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 40,000.00
TOTAL AMOUNT			\$ 70,000.00		\$ 20,000.00		\$ 75,000.00		\$ 20,000.00		\$ 40,000.00	

SOUTH TEXAS COLLEGE
3. COMPUTER COMPONENTS, PERIPHERALS, SOFTWARE, AND SUPPLIES

NAME			AVI-SPL		B&H Foto & Electronics, Corp/ dba B&H Photo Video		CDW Government, LLC.		Dell Marketing, LP.		Reyna Enterprise, Inc./ dba Computer Repair Center (CRC)		SHI Government Solutions	
ADDRESS			6301 Benjamin Rd Ste 101		420 9th Ave		230 N Milwaukee Ave		P O Box 676021		131 E Pecan Blvd		1301 S Mo-Pac Expway	
CITY/STATE/ZIP			Tampa, FL 33634		New York, NY 10001		Vernon Hills, IL 60061		Dallas, TX 75267		McAllen, TX 78501		Austin, TX 78746	
PHONE			800-282-6733		800-947-8003		877-708-8009		512-647-6341		956-631-2321		888-764-8888	
FAX			800-244-8630		800-743-0895		312-705-8262		512-283-0352		956-631-4696		512-732-0232	
CONTACT			Michael Mast		Robert Meskin		Michael Swartz		Dennis Bradandt		Daniel Reyna		Victoria Pubylski	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	1	Computer Components, Peripherals, Software, and Supplies Period: 9/1/22 - 8/31/23	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00	\$ 80,000.00	\$ 50,000.00	\$ 50,000.00	\$ 45,000.00	\$ 45,000.00	\$ 80,000.00	\$ 80,000.00	\$ 75,000.00	\$ 75,000.00
TOTAL AMOUNT			\$ 20,000.00		\$ 80,000.00		\$ 50,000.00		\$ 45,000.00		\$ 80,000.00		\$ 75,000.00	

SOUTH TEXAS COLLEGE
4. MAINTENANCE EQUIPMENT, PARTS, AND SUPPLIES

NAME			McCoy's Building Supply	
ADDRESS			1350 IH 35 North	
CITY/STATE/ZIP			San Marcos, TX 78667	
LOCAL ADDRESS			1120 W US Hwy 83 Pharr, TX	
PHONE			512-395-6644	
CONTACT			Tina McArthur	
#	Qty	Description	Unit Price	Extension
1	1	Maintenance Equipment, Parts, and Supplies Period: 9/1/22 - 8/31/23	\$ 50,000.00	\$ 50,000.00
TOTAL AMOUNT			\$ 50,000.00	

SOUTH TEXAS COLLEGE
5. MOBILE HOTSPOT SERVICES

NAME			AT&T Mobility, LLC.	
ADDRESS			P O Box 6463	
CITY/STATE/ZIP			Carol Stream, IL 60197	
PHONE			956-605-4849	
CONTACT			Hector Orellana	
#	Qty	Description	Unit Price	Extension
1	200	Mobile Hotspot Services for Students Monthly Amount: \$15.00 per device Period: 10/1/22 - 8/31/23	\$ 165.00	\$ 33,000.00
TOTAL AMOUNT			\$ 33,000.00	

SOUTH TEXAS COLLEGE
6. INSTITUTIONAL MEMBERSHIP - TACC

NAME			Texas Association of Community Colleges (TACC)	
ADDRESS			1304 San Antonio Ste 201	
CITY/STATE/ZIP			Austin, TX 78701	
PHONE			512-476-2572	
FAX			512-476-0262	
CONTACT			Jacob Fraire	
#	Qty	Description	Unit Price	Extension
1	1	Association Membership Dues Period: 9/1/22 - 8/31/23	\$ 72,500.00	\$ 72,500.00
2	1	Mathematics Pathways	\$ 2,500.00	\$ 2,500.00
TOTAL AMOUNT			\$ 75,000.00	

SOUTH TEXAS COLLEGE
7. STUDENT ENROLLMENT MANAGEMENT SYSTEM AGREEMENT

NAME			Admissions US, LLC., a wholly owned subsidiary of Anthology, Inc. (fka Campus Management, Corp.)	
ADDRESS			5201 Congress Ave	
CITY/STATE/ZIP			Boca Raton, FL 33487	
PHONE			415-999-3592	
FAX			561-999-0096	
CONTACT			Tiffany Armer	
#	Qty	Description	Unit Price	Extension
1	1	Chat Services and Radius by Campus Management CRM and Application Period: 9/27/22 - 9/26/23	\$ 57,000.00	\$ 57,000.00
TOTAL AMOUNT			\$ 57,000.00	

SOUTH TEXAS COLLEGE
8. FACILITY USAGE INTERLOCAL AGREEMENTS

NAME			City of McAllen - McAllen Convention Center and Quinta Mazatlan	
ADDRESS			1300 W Houston Ave	
CITY/STATE/ZIP			McAllen, TX 78501	
PHONE			(956) 681-3111	
CONTACT			Karla Puente	
#	Qty	Description	Unit Price	Extension
1	1	Distinguished Leadership Academy (DLA) (Quinta Mazatlan) - September 8, 2022	\$ 250.00	\$ 250.00
2	1	College-Wide Professional Development for Faculty and Staff (half day) (Convention Center) - September 22, 2022 and September 23, 2022	\$ 6,751.80	\$ 6,751.80
3	1	College-Wide Professional Development for Faculty and Staff (full day) (Convention Center) - January 26, 2023 and January 27, 2023	\$ 12,305.80	\$ 12,305.80
TOTAL AMOUNT			\$ 19,307.60	

Review and Recommend Action on Resolution 2023-002 to Cease Collection Efforts for Delinquent Student Accounts Outstanding More than Ten Years

Approval of Resolution 2023-002 to cease collection efforts for delinquent student accounts outstanding more than ten (10) years will be requested at the September 27, 2022 Board meeting.

Purpose – To approve Resolution 2023-002 to cease collection efforts for delinquent student accounts with outstanding tuition and fee debt for more than ten years.

Justification – As of July 31, 2022, the College had approximately 13,530 delinquent student accounts for the period of Fiscal Year 1996 - 1997 through Fiscal Year 2011 - 2012 totaling \$6,562,954.43.

During Fiscal Year 2021 - 2022, collections were received for 139 accounts in the amount of \$78,578.02 (1.18%) from student delinquent accounts older than ten years (Fiscal Year 1996 - 1997 to Fiscal Year 2011 - 2012).

Background - The College uses extensive resources to manage student delinquent accounts. These accounts are sent to the approved collection agencies and records are updated on the College's subsidiary Campus Receivables Collector (CRC) system to keep track of the updated balances. Also, students with delinquent accounts requesting to register request payment arrangements requiring resources to monitor and manage through the system holds process and the CRC system.

The College uses the allowance for doubtful accounts method to write-off delinquent accounts whereby a percentage of receivables expected to be uncollectible and a bad debt expense are recorded on an annual basis.

In addition, the College maintains records for all delinquent student accounts outstanding since FY 1996 – 1997. Holds are placed on delinquent student accounts and students are not allowed to register or receive official transcripts unless the account is paid in full or a payment arrangement is established. The College is proposing to discontinue these collection efforts for student accounts from FY 1996 - 1997 through FY 2011 – 2012 and remove holds placed on the students.

Reviewers – Resolution 2023-002 and the eligibility information to cease collection efforts for delinquent student accounts have been reviewed by College staff and STC Legal Counsel.

Enclosed documents – Resolution 2023-002 and the Summary of Delinquent Balances report follow in the packet for the Committee's information and review.

Presenters – Mary Elizondo, Vice President for Finance and Administrative Services, and Myriam Lopez, Comptroller, will be present at the Committee meeting to address questions by the Committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend Board approval at the September 27, 2022 Board meeting on Resolution 2023-002 to cease collection efforts for delinquent student accounts outstanding more than ten years as presented.

Resolution No. 2023-002

A RESOLUTION BY SOUTH TEXAS COLLEGE RELATING TO THE COLLEGE'S ADOPTION TO CEASE COLLECTION EFFORTS FOR DELINQUENT STUDENT ACCOUNTS OUTSTANDING MORE THAN TEN YEARS PURSUANT TO SECTION 51.010 COLLECTION OF DELINQUENT OBLIGATIONS; AND AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the Board of Trustees (the "Board") of the South Texas College (the "College") has adopted a written Collection of Delinquent Accounts Policy which primarily describes the consequences imposed by the College to students with delinquent accounts; and

WHEREAS, the Admissions Office will not release transcripts, diplomas, certificates of completion, degrees or any other student records until the student clears all financial obligations with the College; and

WHEREAS, Students with delinquent accounts will be denied registration; and

WHEREAS, The Business Office, after exhausting all alternatives to collect from the student, will refer all students with unliquidated College debts to a collection agency; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SOUTH TEXAS COLLEGE THAT:

SECTION 1: The Board has reviewed the Summary of Student Delinquent Balances outstanding more than ten years, and the Board further wishes to memorialize this review by the adoption of this Resolution.

SECTION 2: Delinquent Student Accounts outstanding more than ten years will be purged based on Texas Education Code Sec. 51.010 Collection of Delinquent Obligations on the basis of ceasing further collection efforts due to the likelihood of collection, expenses incurred and use of resources.

SECTION 3: This Resolution may be relied upon by all appropriate government officials and others interested in this Resolution and establishes the College's compliance with the requirements of Education Code Sec. 51.010.

SECTION 4: All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5: This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6: If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

PASSED AND APPROVED this the ____ day of _____, 2022.

SOUTH TEXAS COLLEGE

Rose Benavidez, Chair
Board of Trustees

ATTEST:

Victoria Cantú, Secretary
Board of Trustees

(COLLEGE SEAL)

South Texas College
Summary of Student Delinquent Balances
For Fiscal Years 1997 through 2022
July 31, 2022

	YTD (1997-2022) Total	10 Years or Less Old FY 2017-2022	Older Than 10 Years FY 1997-2012
Student Original Delinquent Balance	\$ 43,681,312.70	\$ 27,627,166.38	\$ 16,054,146.32
Less Collections Received:			
FY 1998	(25,359.67)	0.00	(25,359.67)
FY 1999	(54,476.52)	0.00	(54,476.52)
FY 2000	(88,880.01)	0.00	(88,880.01)
FY 2001	(141,478.77)	0.00	(141,478.77)
FY 2002	(189,952.07)	0.00	(189,952.07)
FY 2003	(242,127.71)	0.00	(242,127.71)
FY 2004	(292,092.71)	0.00	(292,092.71)
FY 2005	(458,125.50)	0.00	(458,125.50)
FY 2006	(315,588.64)	0.00	(315,588.64)
FY 2007	(539,311.57)	0.00	(539,311.57)
FY 2008	(663,176.91)	0.00	(663,176.91)
FY 2009	(864,494.08)	0.00	(864,494.08)
FY 2010	(986,632.48)	0.00	(986,632.48)
FY 2011	(888,723.10)	0.00	(888,723.10)
FY 2012	(1,066,132.37)	0.00	(1,066,132.37)
FY 2013	(1,186,059.89)	(237,474.49)	(948,585.40)
FY 2014	(1,665,201.73)	(1,219,678.08)	(445,523.65)
FY 2015	(1,798,452.48)	(1,489,064.04)	(309,388.44)
FY2016	(1,964,737.63)	(1,754,014.49)	(210,723.14)
FY2017	(2,014,939.71)	(1,828,344.72)	(186,594.99)
FY2018	(2,109,231.87)	(1,972,550.73)	(136,681.14)
FY2019	(2,210,689.03)	(2,102,083.17)	(108,605.86)
FY2020	(2,343,669.69)	(2,230,221.65)	(113,448.04)
FY2021	(2,242,285.89)	(2,105,774.79)	(136,511.10)
FY2022	(1,294,258.79)	(1,215,680.77)	(78,578.02)
Collections Received Subtotal	(25,646,078.82)	(16,154,886.93)	(9,491,191.89)
	<u>\$ 18,035,233.88</u>	<u>\$ 11,472,279.45</u>	<u>\$ 6,562,954.43</u>

Discussion and Action as Necessary to Mandate Direct Deposit for Employee Payroll and Expense Reimbursements

Approval to mandate direct deposit for employee payroll and expense reimbursements will be presented at the September 27, 2022 Board meeting.

Purpose – To have 100% of employees of South Texas College receive payroll and expense reimbursement via direct deposit by March 2023.

Justification – There are many benefits of direct deposit for payroll and expense reimbursements for employees, including, but not limited to, the following:

- Cost – reduce the cost of the College for printing paper checks
 - ⇒ Labor Hours
 - ⇒ Paper checks and special ink
 - ⇒ Postage
- Security – reduce the number of lost paper payroll or other disbursement checks
- Disaster Planning – direct deposit is part of the Business Office Disaster Planning since payroll could be processed from remote locations outside of the College campus
- Fraud Prevention – avoid the risk of duplicate cashing of checks via paper and online deposits since paper checks can be cashed and deposited remotely now, some employees try cashing both the paper check and deposit electronically, which would cause a duplicate payment.
- Reduce re-issuing of paper checks when they are not received by the employee in the mail
- Decrease Unclaimed Payroll and other costs related to remaining compliant with the State of Texas due diligence efforts and reporting.

Background – Employees currently have the option to receive payroll and other disbursements via direct deposit and paper checks. Approximately 3,000 payroll paper checks were printed in fiscal year 2022. In 2017, the percentage of employees receiving payroll via direct deposit was 72%. After implementing different initiatives and improvements to the direct deposit enrollment process, the percentage of employees receiving payroll via direct deposit has increased to 91%.

This trend is shown graphically in Exhibit A.

Many other Texas Community Colleges and Universities mandate direct deposit for all employees for payroll payments and other disbursements. The College will collaborate with ADP, LLC to offer a Payroll Card option starting January 2023 for employees who are unbanked or underbanked, or do not possess a bank account. This Payroll Card option will allow employees to receive both payroll payments along with other disbursements.

There are no fees associated with the pay card, with the exception of a replacement card (1 free per year) and overdraft fees.

Automatic Data Processing (ADP, LLC) is an American provider of human resource management software and services. They were founded in 1949 and are now one of the top global leaders in Payroll and Human Resource management. Wisely by ADP, LLC is the pay card offered and offers many benefits to users of the pay card.

A summary of the benefits of a Payroll Card option is shown in Exhibit B.

Recommendation – Administration recommends that the College mandate direct deposit for payroll and other disbursement payments for all employees.

Reviewers - The proposed mandate of direct deposit for payroll payments and other disbursements has been reviewed by administrative staff and cabinet members.

Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the Committee Meeting to address any questions by the Committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the September 27, 2022 Board meeting to mandate direct deposit for employee payroll and expense disbursements as presented.

Exhibit A

Number of Paper Checks and Direct Deposits for Payroll Payments from FY2017 - FY2022:

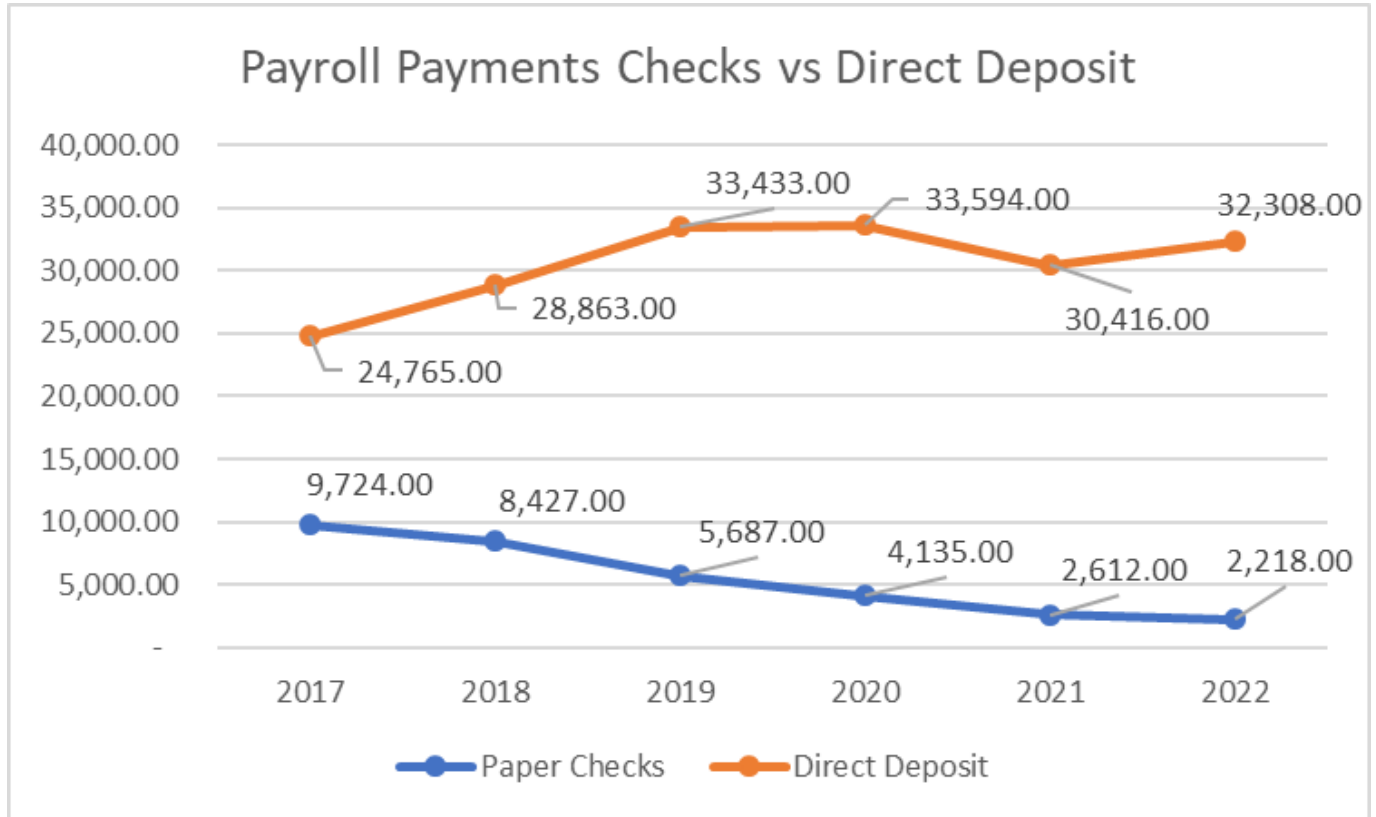


Exhibit B

Summary of the benefits of a Payroll Card option:

ADP Wisely Pay | Advance your organization

Employee Benefits of WiselyPay

Mobile-first experience

Provide access to pay info, money management and financial wellness tools

Map your future

Secure your funds

Manage your money

- ✓ Tips
- ✓ EWA w/ DailyPay (Free once a week up to \$1000 a week)
- ✓ Companion cards
- ✓ Rewards
- ✓ Savings tool

- ✓ Travel protection
- ✓ Card lock
- ✓ Biometric security
- ✓ Instant notifications

- ✓ Bill pay
- ✓ Money transfers
- ✓ Check deposit
- ✓ Cash access

Copyright © 2022 ADP, Inc.

Wisely Pay by ADP | Cash Access

Unlike many other payroll cards, Wisely has no fees for:

Access to nearly 84,000 in-network, surcharge-free (\$0) **ATMs***



Over-the-counter (OTC) teller cash **withdrawals** at nearly 99,000 Visa member banks



Unlimited **purchases**—including cash-back PIN code transactions



Purchase **declines**



In store or online **bill payment**



Replacement card (1 free per year)



Spending limited to available funds—avoid **overdraft fees**



24/7 Toll-free Cardholder Services



Wisely card **website & mobile app**



Review and Recommend Action to Revise Policy #4213: Drug-Free and Alcohol-Free Workplace and Campus

Approval to revise Policy #4213: Drug-Free and Alcohol-Free Workplace and Campus will be requested at the September 27, 2022 Board meeting.

Purpose – To revise the policy to include a provision that the College President is authorized by the Board to approve the serving and consumption of alcohol at appropriate College facilities and/or functions and instructional programs or classes as permitted by law.

Justification – The revisions to the policy are necessary to be able to serve alcohol at appropriate College facilities and/or functions and instructional programs or classes as permitted by law.

Background – South Texas College adopted Policy #4213: Drug-Free and Alcohol-Free Workplace and Campus on November 09, 1995. The policy was then amended on June 22, 2021.

The key revisions to the policy are as follows:

- To authorize the College President to approve the serving and consumption of alcohol at:
 - ⇒ College facilities and/or functions
 - ⇒ Instructional programs and classes as permitted by law.

Procedures will be maintained by the Office of Human Resources, the Department of Public Safety, and Instructional Programs, and controls will be implemented, including a review by Legal Counsel for each specific event or instructional program or class offered.

Reviewers – The revised policy has been reviewed by College administrators and staff.

At the time of the Committee Meeting agenda publication, feedback from Legal Counsel was pending, however, any proposed updates received will be provided at the Committee meeting.

Enclosed Documents - The revised policy follows in the packet for the Committee's information and review.

The additions to the policies are highlighted in yellow, and the deletions are designated with a red strikeout.

Mary Elizondo, Vice President for Finance and Administrative Services, Laura Requena, Director of Human Resources, and Ruben Suarez, South Texas College Chief of Police for the Department of Public Safety, will be present at the Committee Meeting to address questions by the Committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend Board approval at the September 27, 2022 Board meeting to revise Policy #4213: Drug-Free and Alcohol-Free Workplace, as presented and which supersedes any previously adopted Board policy.

MANUAL OF POLICY

Title	Drug-Free and Alcohol-Free Workplace and Campus	4213
Legal Authority	Approval of the Board of Trustees	Page 1 of 2
Date Approved by Board	As Amended by Board Minute Order dated September 27, 2022	

I. Purpose

South Texas College (College) is committed to maintaining a drug-free and alcohol-free workplace and campus for employees. The following policy is established for employees at South Texas College, with this goal in mind.

II. Policy

All College employees shall be provided a copy of this policy. As a condition of employment, all College employees must comply with this policy.

It is the policy of South Texas College to prohibit the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance or alcohol in the workplace or campus, by any College employee.

South Texas College prohibits any employee from being under the influence of alcohol or any non-prescribed controlled substance while in the workplace or campus.

South Texas College prohibits any employee from being under the influence of any legally prescribed drug while on duty with the College at any workplace or campus if it impairs the employee's ability to perform the essential functions of the position or if such impairment jeopardizes the safety of the employee or any other person.

Permissible Use

The use of alcohol is permitted as part of the Culinary Arts Program, Enology or Wine Technology Program, Brewing, or Beer Technology Program, where the alcohol is used solely for instructional purposes. A student who is 18 years of age or older may taste the alcohol for educational purposes as part of the curriculum for the Culinary Arts Program, Enology or Wine Technology, Brewing or Beer Technology Program, provided that the service and tasting of the alcohol is supervised by a faculty or staff member who is at least 21 years of age in accordance with Sec. 106.16 of the Alcoholic Beverage Code. For this purpose, "taste" means to draw the alcohol into the mouth without swallowing or otherwise consuming the alcohol. The Culinary Arts Program, Enology or Wine Technology Program, and the Brewing and Beer Technology Program shall maintain written procedures regarding the use and safeguarding of alcohol.

The College President is authorized by the Board to approve the serving and consumption of alcohol at College facilities and/or functions and instructional programs or classes as permitted by law.

Sanctions

1. An employee who engages in conduct prohibited by this policy shall be subject to disciplinary action, suspension, or other adverse action, including termination or expulsion under this policy and/or under Board Policy 4901: Standards of Conduct. The decision to discipline an employee should be made in accordance with Board Policy 4911: Disciplinary Action Procedures.
2. An employee who engages in conduct prohibited by this policy may be subject to referral for prosecution.

MANUAL OF POLICY

Title	Drug-Free and Alcohol-Free Workplace and Campus	4213
Legal Authority	Approval of the Board of Trustees	Page 2 of 2
Date Approved by Board	As Amended by Board Minute Order dated September 27, 2022	

- Any College employee who has been convicted under any criminal drug statute for a violation occurring in the workplace, as defined by this policy, must report that conviction to the Office of Human Resources no later than 5 days after the conviction in accordance with Board Policy 4112: Self-Reporting of Criminal Conduct. If the convicted employee was performing work pursuant to a federal grant or to a federal contract for the procurement of goods or services valued at \$25,000 or more, the administration shall notify the federal contracting or granting agency of the conviction from the employee. Within 30 days after receiving notice of the conviction described in this paragraph, the College shall impose discipline on the employee, or require the employee to enroll in a College-approved drug abuse assistance or rehabilitation program. A convicted employee shall be required to satisfactorily complete the College-approved drug abuse assistance or rehabilitation program, as a condition of continued employment.

Drug and Alcohol Testing

The College shall conduct testing to bus drivers in accordance with federal regulations, 49 CFR Part 655 (Federal Transit Administration funding received through agreement with the Lower Rio Grande Valley Development Council), and 49 C.F.R. Part 40, and in accordance with South Texas College Department of Public Safety's Student Transportation Services Drug and Alcohol-Free Workplace Procedures.

All applicants recommended for employment into safety-sensitive positions or individuals being transferred into safety-sensitive positions from non-safety sensitive positions are required to be given a pre-employment drug and alcohol test before making an offer of employment or transfer. Random, reasonable suspicion, and post-accident drug testing shall be conducted on all safety-sensitive employees. The South Texas College Department of Public Safety maintains written procedures regarding drug and alcohol testing.

III. Definitions:

For purposes of this policy:

- Alcohol – shall mean alcoholic beverages, distilled spirits, liquor, wine or vinous liquor, ale, malt liquor, wine cooler, mixed beverage, or beer, as these terms are defined in Chapter 1 of the Texas Alcoholic Beverages Code, as amended.
- Controlled substances – as defined by Title 21 U.S.C. Controlled Substances Act, Chapter 13, Part A, Section 802, shall mean a drug or other substance, or immediate precursor, included in schedule I, II, III, IV, or V, as amended; the Texas Controlled Substances Act, the Texas Dangerous Drugs Act, and the Texas Simulated Control Substances Act.
- Safety Sensitive Positions – shall mean a duty position or job category that requires the performance of a safety-sensitive function of Police Officers and Police Dispatchers.
- Workplace or campus – shall mean any property or premises owned or otherwise under the possession and control of the College, any College-sponsored activity, or any other site used for the performance of work for the College or for teaching College students.

IV. History

Origination Date Approved by Board	November 9, 1995
Date Amended and Approved by Board	June 22, 2021 September 27, 2022

Presentation and Action as Necessary on Acceptance of South Texas College Chief Executive Officer Reporting Requirements for Academic Year 2021 – 2022 of Sexual Harassment, Sexual Assault, Dating Violence, and Stalking Incidents Under Texas Education Code, Section 51.253(c)

Acceptance of South Texas College Chief Executive Officer Reporting Requirements for Academic Year 2021 - 2022 of Sexual Harassment, Sexual Assault, Dating Violence, and Stalking Incidents Under Texas Education Code, Section 51.253(c) will be requested at the September 27, 2022 Board Meeting.

Purpose – Under the Texas Education Code (TEC), Section 51.253(a), the institution's Title IX Coordinator is required to submit a written report no less than every three months to the Institution's Chief Executive Officer regarding reports ***received from employees*** who are required to report under the TEC, Section 51.252.

The Chief Executive Officer of every higher education institution must also submit a data report at least once during each fall or spring semester to the Board of Trustees and submit the report to the Texas Higher Education Coordinating Board and certify that it has been presented to the Board and posted on the College's website.

Justification -- During academic year 2021 - 2022 (commencing September 1, 2021), the College has received reports concerning sexual harassment, sexual assault, dating violence, or stalking incidents from employees.

Background – TEC Section 51.252 requires ***employees*** of higher education institutions to report incidents of sexual harassment, sexual assault, dating violence, or stalking allegedly committed by or against a student or employee to a Title IX Coordinator or Deputy Title IX Coordinator. If an employee fails to report or falsely reports such incidents, SB212 subjects these employees to criminal liability (misdemeanor) and termination of employment.

Thus, these reports **only include incidents submitted by employees** and does not include incidents submitted by students or others. Therefore, this is not a summary of all sexual harassment or sexual misconduct cases received by the College. Any additional reports received by the Title IX Coordinator that do not meet the required reporting criteria in the TEC have been omitted for compliance purposes of this specific report.

The College President is now presenting the FY 2021 - 2022 Annual Report.

The Annual Report for the period of September 2021 through August 2022 includes incidents defined in the TEC, Section 51.251 as "sexual harassment," "sexual assault," "dating violence," or "stalking," which are also violations of the sexual misconduct provisions of South Texas College Policy #4216: Sex Discrimination, Sexual Harassment, Domestic Violence, Dating Violence, Stalking and Retaliation Prohibited.

For the purposes of complying with the reporting requirements under TEC Section 51.253(a), these reports have been modeled following guidance by the Texas Higher Education Coordinating Board.

Reviewers – The Vice President for Finance and Administrative Services and Title IX Coordinator have reviewed the information being presented.

Enclosed documents – The South Texas College's CEO's SB212 Annual Report for the period of September 2021 through August 2022 follows in the packet for the Board's information and review.

Dr. Ricardo J. Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services and Title IX Coordinator, will be present at the Finance, Audit, and Human Resources Committee Meeting to address any questions by the Committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the September 27, 2022 Board meeting, the Acceptance of South Texas College Chief Executive Officer Reporting Requirements for Academic Year 2021 - 2022 of Sexual Harassment, Sexual Assault, Dating Violence, and Stalking Incidents Under Texas Education Code, Section 51.253(c) as presented.



Office of the President

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South Texas College
SB212 Annual Report, 2021-2022
(commencing September 1, 2021 through August 31, 2022)

TO: South Texas College Board of Trustees
FROM: Dr. Ricardo Solis, Ph.D., South Texas College President
DATE: September 27, 2022
RE: President Reporting Requirements under Tex. Educ. Code § 51.253(c)

Under the Texas Education Code (TEC), Section 51.253(c), each institution's President is required to submit a data report at least once during each fall or spring semester to the institution's governing body and post on the institution's internet website a report concerning the reports *received by employees* under the TEC, Section 51.252. This requires reporting of incidents constituting "sexual harassment," "sexual assault," "dating violence," or "stalking" as defined in the TEC, Section 51.251, and any disciplinary actions taken under TEC, Section 51.255.

For the purposes of complying with the President's reporting requirements under TEC, Section 51.253(c), the attached summary data report¹ (Appendix A) includes all of the required reporting information to the Board of Trustees for the 2021-2022 academic year, commencing September 1, 2021 and through August 31, 2022. The summary data in Appendix A is categorized based on the reporting requirements under TEC, Section 51.253(c). The reports received may be applicable in multiple reporting categories, and therefore, the summary data in the categories may not add up to the totals of other categories.

The summary data report is also posted on the South Texas College Title IX Webpage as per the public reporting requirements under TEC, Section 51.253(c) at:

<https://www.southtexascollege.edu/title-ix/index.html>.

Note: Any additional reports received by the Title IX Coordinator that do not meet the required reporting criteria in the Texas Education Code have been omitted for the compliance purposes of this specific report.

¹ When identifiable, duplicate reports were consolidated and counted as one report in the summary data, and confidential employee reporting is noted as a sub-set to the total number of reports received.

Appendix A
Summary Data Report
2021-2022 Academic Year
(commencing September 1, 2021 through August 31, 2022)

Texas Education Code, Section 51.252	
Number of reports received under Section 51.252	20
Number of confidential reports ² under Section 51.252	0
Number of investigations conducted under Section 51.252	0
Disposition ³ of any disciplinary processes for reports under Section 51.252:	
a. Concluded, No Finding of Policy Violation	0
b. Concluded, with Employee Disciplinary Sanction	0
c. Concluded, with Student Disciplinary Sanction	0
d. SUBTOTAL	0
Number of reports under Section 51.252 for which the institution determined not to initiate a disciplinary process	13

Texas Education Code, Section 51.255	
Number of reports received that include allegations of an employee's failure to report or who submits a false report to the institution under Section 51.255(a)	0
Any disciplinary action taken, regarding failure to report or false reports to the institution under Section 51.255(c) :	
a. Employee termination	
b. Institutional intent to termination, in lieu of employee resignation	--

² "Number of confidential reports" is a sub-set of the total number of reports that were received under Section 51.252, by a confidential employee or office (e.g., Counseling Center, Student Health Center, Victim Advocate for Students, or Student Ombuds).

³ "Disposition" means "final result under the institution's disciplinary process" as defined in the Texas Higher Education Coordinating Board's (THECB) rules for TEC, Section 51.259 [See 19 Texas Administrative Code, Section 3.6(3) (2019)]; therefore, pending disciplinary processes will not be listed until the final result is rendered.

**Review and Recommend Acceptance of Internal Audit Reports in the Areas of
HR Processes – Faculty Credentials and the Science Lab Safety and Storage
Compliance**

Acceptance of the Internal Audit Reports in the areas of HR Processes – Faculty Credentials and the Science Lab Safety and Storage Compliance will be requested at the September 27, 2022 Board meeting.

Mr. Khalil Abdullah, Internal Auditor, will be attending the Committee meeting to discuss the results provided in the HR Processes – Faculty Credentials audit report and the Science Lab Safety and Storage Compliance audit report.

Enclosed Documents - A copy of the Internal Audit Reports follow in the packet for the Committee's information and review.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the September 27, 2022 Board meeting, the acceptance of the Internal Audit Reports in the areas of HR Processes – Faculty Credentials and the Science Lab Safety and Storage Compliance as presented.



OFFICE OF INTERNAL AUDITS

SOUTH TEXAS COLLEGE

3201 W. Pecan Blvd. • McAllen, Texas 78501 • Office (956) 872-6709

August 4, 2022

Dr. Ricardo J. Solis, President
South Texas College
3201 W. Pecan Blvd.
McAllen, TX 78501

Dr. Solis,

As part of our fiscal year 2022 Audit Plan, the Office of Internal Audits completed the HR Processes – Faculty Credentials Audit.

The objective of the audit was to evaluate the adequacy and effectiveness of internal controls over the acquisition and retention of faculty credentials and to verify that faculty met necessary educational requirements.

We appreciated the assistance provided by South Texas College's management and other personnel. We hope the information and analyses presented in our report are helpful.

Respectfully submitted,

Khalil M. Abdullah CPA, CIA, CGAP, MAcc
Internal Auditor

cc: Ms. Mary Elizondo, Vice President Finance and Administrative Services
Ms. Laura Requena, Director of Human Resources
Dr. Anahid Petrosian, Interim Vice President of Academic Affairs
Finance, Audit, and Human Resources Committee, South Texas College Board of Trustees

HR PROCESSES – FACULTY CREDENTIALS AUDIT REPORT



**SOUTH TEXAS
COLLEGE**

OFFICE OF INTERNAL AUDITS

August 4, 2022

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EXECUTIVE SUMMARY

The Faculty Credentials Audit was included in the South Texas College Board of Trustee's approved fiscal year 2022 Audit Plan. The audit included a review of Policy 4151 *Academic and Professional Credentials of Faculty*, Policy 4152 *Documentation of Official Transcripts for All Employees*, and the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Standard 6.2.a *Faculty Qualifications of the Principles of Accreditation*.

The objective of the audit was to evaluate the adequacy and effectiveness of internal controls over the acquisition and retention of faculty credentials and to verify that faculty met necessary educational requirements.

The scope of the audit included activity from September 1, 2018 through August 31, 2019. The audit was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, any opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made. The audit generally conformed to guidelines set forth by the Institute of Internal Auditor's *Standards* and South Texas College's Policy 5460 *Internal Audit Function*.

Overall, we determined that the Division of Academic Affairs and the Office of Human Resources established an adequate system of internal controls over faculty credentials. We observed the following opportunities to improve internal controls:

- 7 out of 54 (12%) tested transcripts were submitted late (e.g. after the employee began employment). Completion of the transcript extension request approval form was not retained on file;
- The Office of Human Resources was unable to provide information on 8 faculty assignment dates;
- In 8 out of 54 (14%) tested files, envelopes addressed to the College from the issuing institution were not retained to substantiate that the employees' transcripts were official.

BACKGROUND

South Texas College makes every effort to recruit and employ the most qualified faculty. When determining acceptable qualifications of its faculty, the College gives primary consideration to the highest earned degree in the discipline. In its recruiting efforts, the College also considers competence, effectiveness, and capacity. For example, the College considers undergraduate and graduate degrees; related work experience; professional licensure; certifications; honors and awards; documented excellence in teaching; and other demonstrated competencies and achievements. For all cases, the College is responsible for justifying and documenting the qualifications of all its faculty. Both full and part-time faculty must possess the appropriate credentials in their respective teaching discipline. They must also possess credentials in the specific area/topic being taught and meet or exceed the minimum requirements provided in Policy 4151 and SACSCOC, regardless of the location of the course offering or mode of delivery.

Relevant College policies for this engagement included:

- Policy 4151 *Academic and Professional Credentials for Faculty* which establishes standards related to faculty qualifications based on the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) guidelines in the Principles of Accreditation; and
- Policy 4152 *Documentation of Official Transcripts for All Employees* which details the requirements for the acquisition of official transcripts issued to HR.

The responsibilities for faculty credential administration are shared by the Division of Academic Affairs and the Office of Human Resources (HR). The Division of Academic Affairs establishes the criteria for faculty qualifications while HR oversees the acquisition and retention of credentials and related support documentation. Criteria established by the Division of Academic Affairs to ensure compliance with College policies 4151 and 4152 includes the *Handbook of Faculty Credentials Requirements for Courses by Discipline/Program (Handbook)*, and the *Faculty Credentials and Qualifications Guidelines and Procedures Manual (Manual)*.

AUDIT OBJECTIVE

The objective of the audit was to evaluate the adequacy and effectiveness of internal controls over the acquisition and retention of faculty credentials and to verify that faculty met necessary educational requirements.

AUDIT SCOPE & METHODOLOGY

The scope of the audit included activity from September 1, 2018 through August 31, 2019. To accomplish the audit objective, we performed the following:

- Reviewed policy 4151 *Academic and Professional Credentials for Faculty*;
- Reviewed policy 4152 *Documentation of Official Transcripts for All Employees*;
- Reviewed the *South Texas College Faculty Credentials and Qualifications Guidelines and Procedures Manual*;
- Reviewed the *Instructional Staff Roster*;
- Reviewed the *Handbook of Faculty Credential Requirements for Course by Discipline/Program*;
- Reviewed applicable criteria in the Faculty Credentials Database;
- Reviewed information on the Texas Board of Nursing certification website;
- Reviewed foreign transcript evaluations from the National Association of Credential Evaluation Services (NACES).

AUDIT RESULTS

For all tests, we randomly selected a sample of thirty-one (31) faculty and judgmentally selected an additional twenty-three (23) nursing instructors for a total sample of fifty-four (54) faculty.

Acquisition & Retention of Faculty Transcripts:

HR is responsible for the acquisition and retention of transcripts and any related support documentation that supports faculty qualifications to teach. Policy 4152 *Documentation of Official Transcripts for All Employees* establishes that official transcripts must be on file prior to beginning employment. Policy 4152 allows for a seven (7) week extension under emergency circumstances, and states the following:

“Official transcripts must be sent directly from the issuing institution to the College’s Office of Human Resource. This requirement must be met before beginning employment with the College. An extension for submitting the official transcript may be granted in an emergency, provided copies of the transcripts are on file in the Office of Human Resources. This extension cannot exceed beyond the first seven weeks of employment with the College.”

We found that 7 of the 54 (12%) sampled faculty began employment with the College prior to the acquisition of their official transcript. Under existing HR procedures within the scope of this engagement, qualifying for the additional 7-week extension, permitted under policy 4152, requires the completion of an ‘Official Transcript Extension Request Approval’ form. None of the files we reviewed contained the completed ‘Official Transcript Extension Request Approval’ form.

Recommendation:

1. Management should ensure that official transcripts are submitted directly to the Office of Human Resources prior to faculty beginning employment. Documentation to support that the prospective employee will be granted a 7-week extension should be completed and retained on file.

Management Response:

Accept audit recommendation, but with alternative corrective action

1. On November 23, 2021, the Board of Trustees approved a revision to Policy #4152 Documentation of Official Transcripts for All Employees and grants a 7-week extension to submit official transcripts. The Policy #4152 now states the following:

“If the official transcript has not been received before beginning employment, an extension for submitting the official transcripts will be granted provided copies of the unofficial transcripts are on file in the Office of Human Resources. This extension cannot exceed beyond the first seven weeks of employment with the College. The Office of Human Resources will monitor compliance and maintain procedures.”

Responsible Individual:

Dir. of Human Resources

Implementation Date:

11/23/2021

We requested information related to faculty employment dates, HR was unable to provide us with the employee’s job assignment dates in 8 of the 54 (14%) tested files. Because this information was unavailable we could not assess full compliance with Policy 4152.

Recommendation:

2. Information should be maintained (e.g. preservation of an audit trail) to support when faculty begin their teaching assignment(s).

Management Response:

Accept audit recommendation, but with alternative corrective action

2. The 8 employees were hired before 2005 (legacy employees) and their assignment dates were not populated in Banner during the implementation. However, Argos reports are utilized to generate employee job assignment start and end dates for those legacy employees. Any additional information regarding the job assignment date, can also be obtained from the Notice of Employment record(s). Information was requested and provided to Internal Auditor.

Responsible Individual:

Dir. of Human Resources

Implementation Date:

N/A

Official Transcripts:

College Policy 4152 states that, “Official transcripts must be sent directly from the issuing institution to the College’s Office of Human Resource.” HR procedures established to determine whether a transcript is “official” are provided below:

- Transcript(s) must be submitted from the issuing institution directly to HR;
- Transcript(s) must be addressed to South Texas College’s Office Human Resources; South Texas College; or the HR Faculty/Staffing Specialist Evaluator (the name of the evaluator is acceptable);
- If the transcript does not display HR’s address, the envelope showing HR’s address must be attached to the transcript and maintained on file;

Based on testing, we found that 8 of 54 (14%) transcripts did not meet at least one of the College’s requirements to classify it as “official.” In most cases, sufficient audit evidence was not available to support that the transcript was sent directly from the issuing institution (e.g. the envelope from the issuing institution was not kept on file).

Recommendation:

3. Management should ensure the retention of all documentation that substantiates that the transcripts maintained on file are ‘official.’

Management Response:

Accept audit recommendation, but with alternative corrective action

3. The Office of Human Resources ensures all official transcripts (e-transcripts/paper transcripts) are received directly from the issuing institution. Official transcript issuance/delivery from institutions vary. Human Resources’ procedure is to ensure all envelopes are include with official transcripts once received by mail. The procedures were updated to include that Human Resources further validates official transcripts with student name as the issuer by contacting the issuing institution to verify issuance. Official e-Transcripts have authentication measures (email received with a pass code and expiration date) in place to where the issuer and receiver must be a valid institution. The Human Resources’ procedures will be updated to include these methods used to verify the transcripts.

Responsible Individual:

Dir. of Human Resources

Implementation Date:

12/1/2021

Additionally, official transcripts are required to be date stamped upon receipt. It’s important to include the date transcripts are received to support that the documentation was obtained prior to faculty beginning employment or to support that the transcript was received within the 7-week extension period. Based on testing, we found that 52 out of 54 (97%) of the transcripts were date stamped. No exceptions were noted in this area.

Foreign Transcripts:

Transcripts submitted from a foreign college or university are required to be evaluated by the National Association of Credential Evaluation Services (NACES). Within our sample we identified five (5) transcripts submitted from a foreign college or university and found that HR

maintained documentation to support that each of the foreign transcripts was evaluated by members of NACES. No exceptions were noted in this area.

Qualifications to Teach:

College Policy 4151 *Academic and Professional Credentials for Faculty* establishes criteria for faculty by indicating that the College recruits and employs the most competent faculty members qualified to accomplish the mission and goals of the institution. The Division of Academic Affairs (Division) oversees the administration of Policy 4151 and developed criteria for faculty credentials in the *Handbook of Faculty Credentials Requirements for Courses by Discipline/Program*, and the *Faculty Credentials and Qualifications Guidelines and Procedures Manual*. The Division also maintains the *Faculty Credential Database*, which lists courses that faculty have already been approved to teach. Policy 4151 states the following:

“The College will also consider competence, effectiveness, and capacity, including, as appropriate, undergraduate and graduate degrees, related work experience in the field, professional licensure and certifications, honors and awards, continuous documented excellence in teaching, or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes. The College assumes responsibility for justifying and documenting the qualifications of its faculty.”

Faculty credentials (e.g. official transcripts, professional licenses, etc.) are required for placement on the appropriate salary schedule and to demonstrate that faculty qualifications meet the necessary educational requirements for the position. In order to verify that faculty held at least the minimum credential(s) required to teach their assigned course(s), we compared information provided in the *Roster of Instructional Staff* to credentials maintained on file at HR. Based on our testing, we were able to verify that all fifty-four (54) faculty in our sample held the appropriate credential(s) to teach their 2019 fall semester courses. No exceptions were noted in this area.

Nursing instructors are required to maintain a current license from the state of Texas. We sought to verify that the nursing faculty within our sample maintained a current license by reviewing information on the Texas Board of Nursing certification’s website. We were able to confirm that all twenty-three (23) nursing faculty held a current license in the state of Texas. No exceptions were noted in this area.

CONCLUSION

Overall, we determined that the Division of Academic Affairs and the Office of Human Resources established an adequate system of internal controls over the acquisition and retention of faculty credentials. However, opportunities exist to strengthen internal controls by ensuring that HR adheres with existing procedures related to the acquisition and retention of official faculty transcripts.



Khalil M. Abdullah CPA, CIA, CGAP, MAcc
Internal Auditor

8/4/2022



OFFICE OF INTERNAL AUDITS

SOUTH TEXAS COLLEGE

3201 W. Pecan Blvd. • McAllen, Texas 78501 • Office (956) 872-6709

June 9, 2022

Dr. Ricardo J. Solis, President
South Texas College
3201 W. Pecan Blvd.
McAllen, TX 78501

Dr. Solis,

As part of our fiscal year 2022 Audit Plan, the Office of Internal Audits completed the Science Lab Safety and Storage Compliance Audit.

The objective of the audit was to evaluate the adequacy and effectiveness of internal controls designed to ensure compliance with the Texas Hazard Communication Act and South Texas College Policy.

We appreciated the assistance provided by South Texas College's management and other personnel, especially the Science Lab Coordinators. We hope the information and analyses presented in our report are helpful.

Respectfully submitted,

Khalil M. Abdullah CPA, CIA, CGAP, MAcc
Internal Auditor

cc: Dr. Anahid Petrosian, Interim Vice President of Academic Affairs
Dr. Ali Esmacili, Dean Math, Sci, IT & BA Programs
Ms. Mary Elizondo, Vice President Finance and Administrative Services
Mr. Jorge Sanchez, Environmental Health & Safety Manager
Finance, Audit, and Human Resources Committee, South Texas College Board of Trustees

SCIENCE LAB SAFETY AND STORAGE COMPLIANCE AUDIT REPORT



**SOUTH TEXAS
COLLEGE**

OFFICE OF INTERNAL AUDITS

June 9, 2022

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EXECUTIVE SUMMARY

The Science Lab Safety and Storage Compliance Audit was included on the Finance, Audit, and Human Resources Committee's approved FY 2022 Audit Plan. The audit included a review of College's compliance with the Texas Hazard Communication Act Ch. 502, as well as Policy 6225 *Safety*, Policy 4405 *Hazard Communication Program*, and Policy 6820 *Eating Area Designations*.

The objective of the audit was to evaluate the adequacy and effectiveness of internal controls designed to ensure compliance with the Texas Hazard Communication Act and South Texas College Policy.

The scope of the audit included activity from September 1, 2020 – December 31, 2021. The audit was not designed or intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The audit generally conformed to guidelines set forth by the Institute of Internal Auditor's *Standards* and South Texas College's Policy 5460 *Internal Audit Function*.

Overall, the department established a moderate system of internal controls. The audit identified the following areas where improvement could be made:

- Acknowledgement statements substantiating that employees read and understand the Hazard Communication Plan were not maintained;
- Employee training records were not kept to substantiate that the College established an Employee Education & Training Program;
- Workplace chemical lists were not signed and dated by the person responsible for the information;
- A Radioactive Notice to Employees was not posted at a location which housed radioactive materials;
- The notice to employees informing them of their rights under the Texas Hazard Communication Act Ch. 502 were not posted;
- A method of substantiating that chemical hoods and gas valves were routinely inspected was not established;
- Emergency telephone numbers were not always posted in the laboratory;
- Some of the fire extinguishers located in the labs were not inspected within the past year as required.

BACKGROUND

The State of Texas established, through the Health and Safety Code Ch. 502 Hazard Communication Act, that employers in the state shall provide information regarding hazardous chemicals in the workplace to employees who may be exposed to those chemicals. The intention behind Ch. 502 is that the health and safety of persons working in Texas may be improved by providing access to information regarding hazardous chemicals to which those persons may be exposed. South Texas College established several policies and procedures to help ensure that information regarding hazardous chemicals in the workplace is provided to employees.

The College has some eighty-five (85) labs, prep rooms, and chemical waste storage areas overseen by the Biology, Chemistry, Engineering, and Physical Science departments. The science department chairs are responsible for reviewing the information detailed in the Chemical Hygiene Safety Manual or Chemical Hygiene Plan (CHP), reviewing it with faculty and staff, and ensuring the implementation of safety procedures. Additionally, the College's Environmental Safety Manager is responsible for ensuring compliance with regulatory agencies, and ensuring that safety equipment (e.g. fume hoods, fire extinguishers, acid neutralization tanks) are working effectively.

AUDIT OBJECTIVE

The objective of the audit was to evaluate the adequacy and effectiveness of internal controls designed to ensure compliance with the Texas Hazard Communication Act and South Texas College Policy.

AUDIT SCOPE & METHODOLOGY

The audit scope included activity from September 1, 2020 through December 31, 2021. To accomplish the audit objective, the Internal Auditor performed the following:

- Provided management with an internal control questionnaire and reviewed their responses;
- Interviewed the College's Environmental Health and Safety Manager and science lab coordinators on the College's existing procedures;
- Reviewed the following:
 - South Texas College Policy 4405 *Hazard Communication Program*;
 - South Texas College Policy 6225 *Safety*;
 - South Texas College Policy 6820 *Eating Area Designation*;

- South Texas College's Chemical Hygiene Plan;
- The Hazard Communication Act Ch. 502 of the Texas Health and Safety Code;
- The Texas Health and Human Services' Hazard Communication Rules related to Texas Administrative Code (TAC) 25, Ch. 295, Subchapter A Hazard Communication;

The audit generally conformed to guidelines set forth by the Institute of Internal Auditor's *Standards* and South Texas College's Manual of Policy 5460 *Internal Audit Function*.

AUDIT RESULTS

Control Conscience Environment

A control conscious environment encompasses technical competence and ethical commitment, and is necessary for the development of effective internal controls. To establish an adequate control conscious environment, goals and objectives should be in place, procedures should be formally adopted, and an assessment of risks should be performed in order to identify high risk activities as well as develop risk mitigation strategies. These items should be reviewed regularly and updated as needed. Additionally, adequate employee training should be provided to all employees who use or handle hazardous chemicals.

Written Hazard Communication Program:

Policy 4405 *Hazard Communication Program* states that the College shall comply with the requirements of the Hazard Communication Act (Chapter 502 of the Texas Health and Safety Code). The Texas Hazard Communication Act Ch. 502.009(b) states the following:

“An employer shall develop, implement, and maintain at the workplace a written hazard communication program for the workplace that describes how the criteria specified in this chapter will be met.”

To meet this requirement, the College's Environmental Health and Safety Manager developed the Hazard Communication Plan. We reviewed the Hazard Communication Plan to verify that the College's written hazard communication program provides specifics on how it will comply with the requirements presented in the Texas Hazard Communication Act. Based on that review we determined that the College's Hazard Communication Plan was missing the following:

- A statement indicating that the names of the instructors who provide training under the employee education and training program must also be included in the training records;
- A statement indicating that employees are not required to work with hazardous chemicals from an unlabeled container;

Additionally, the College's Hazard Communication Plan indicates that chemical lists will be updated on a monthly basis. However, we were informed that in practice the chemical lists were updated less frequently (e.g. once per semester). It's important to note that the Texas Hazard Communication Act does not require monthly updates of chemical lists. Rather the Texas Hazard Communication Act requires updates to chemical lists "as necessary but at least by December 31 of each year." Lastly, the College's Hazard Communication Plan references information in attachment 'E', however an attachment 'E' is not included in the document.

Recommendation:

1. Management should review the College's Hazard Communication Plan and ensure that it includes a description for how all criteria specified in the Texas Hazard Communication Act will be met. Management should ensure that criteria detailed in the Hazard Communication Plan are actually reflected in practice or consider making appropriate revisions to the plan to reflect current practices.

Management Response:

Accept audit recommendation as presented

1. The Environmental, Health and Safety Manager will update and manage the College's Hazard Communication Plan accordingly to include the criteria required by the Texas Hazard Communication Act and associated roles and responsibilities and current practices.

Responsible Individual:

Environmental Health & Safety Manager

Implementation Date:

9/1/2022

Additional to the establishment of the College's Hazard Communication Plan, the Division of Math and Science developed the Chemical Hygiene Safety Manual, also referred to as the

Chemical Hygiene Plan (CHP). The CHP provides guidance to employees on waste management procedures; safety training requirements; record keeping; use of personal protective equipment (PPE); safe lab practices; chemical procurement and storage requirements; emergency planning; as well as other critical information. The CHP states the following:

“specific guidelines for chemical’s biological materials that are used frequently or are particularly hazardous should be adopted. Every laboratory should develop facility-specific policies and procedures for the highest-risk materials and procedures used in the laboratory.”

In each of the labs selected for testing, we sought to review their specific procedures referenced by the CHP related to the utilization of high-risk materials. Most of the locations we visited maintained written procedures in the laboratory.

Acknowledgment Forms:

All laboratory personnel are required to be familiar with the CHP. Laboratory personnel are required to sign an acknowledgement form stating that they received a copy of the CHP, along with College policy 6225 and 6820. The CHP acknowledgement form also requires that personnel indicate that they understand and agree to their responsibility for becoming familiar with the contents of those documents. We selected a sample of 30 employees and requested to review copies of their signed CHP acknowledgement forms. We were provided a signed acknowledgement form for each of the employees within our sample.

Additionally, employees are required to acknowledge that they have read and understand the College’s Hazard Communication Plan (HCP). The HCP states that supervisors must ensure all employees working with hazardous chemicals or in a work area containing hazardous chemicals read and acknowledge their understanding of the Hazard Communication Plan. However, when we requested to review signed HCP acknowledgment forms, we found that this documentation was not maintained.

Recommendation:

2. Management should develop a Hazard Communication Plan acknowledgement form and ensure that employees working with hazardous chemicals or who work in an area containing hazardous chemicals sign the document.

Management Response:

Accept audit recommendation as presented

2. Management will be developing and implementing an acknowledgement form for employees who work in an area containing hazardous chemicals.

Responsible Individual:

Environmental Health & Safety Manager

Implementation Date:

9/1/2022

Employee Education and Training Program:

The Texas Hazard Communication Act Ch.502.009 states the following:

“An employer shall provide an education and training program for employees who use or handle hazardous chemicals. An employer shall keep the written hazard communication program and a record of each training session given to employees, including the date, a roster of the employees who attended, the subjects covered in the training session, and the names of the instructors. Those records shall be maintained for at least five years by the employer.”

The education and training program must include the following:

- Information on interpreting labels, safety data sheets, and the relationship between those two methods of hazard communication;
- The location by work area, acute and chronic effects, and safe handling of hazardous chemicals known to be present in the employee’s work area and to which the employees may be exposed;
- The proper use of protective equipment and first aid treatment to be used with respect to the hazardous chemical to which employees may be exposed; and
- General safety instructions on the handling, cleanup procedures, and disposal of hazardous chemicals

Additionally, the College’s Chemical Hygiene Plan requires specialized training for the following:

- The proper use of laboratory ventilation equipment;

- How to operate a fire extinguisher;
- Working with ionizing radiation; and
- How to properly respond in an emergency

We requested information related to which trainings included the topics specified by the Texas Hazard Communication Act and were granted access to some of the online training modules used by the College. We were able to confirm that a training included information on the interpretation of labels, safety data sheets and the two methods of hazard communication. However, we were unable to confirm that trainings offered to employees included the other areas specified under the Texas Hazard Communication Act. Upon further inquiry, we were informed that several informal trainings are provided to employees that cover these topics. For example, lab walkthroughs and instructions on the proper use of PPE are provided to employees.

Detailed training records were not maintained in the manner described by the Texas Hazard Communication Act (e.g. documenting each training session given to employees, including the date, a roster of the employees who attended, the subjects covered in the training session, and the names of the instructors) for each of the required training areas. The Environmental Health and Safety Manager was able to provide us with a report that showed which employees completed trainings on reading safety data sheets (SDS) as well as a training on general safety training in the event of a chemical spill. We selected a sample of 30 employees, and found that 11 (36%) failed to complete the SDS/new label elements GHS format training and 15 (50%) failed to complete the training related to responding to chemical spills in the lab.

Recommendation:

3. Management should establish a formal employee education and training program for employees who handle hazardous chemicals. The training program must include each of the topics specified by the Texas Hazard Communication Act Ch.502.009. Detailed records of each training session as described by the Act should be maintained for no less than 5 years.

Management Response:

Accept audit recommendation as presented

3. The Environmental, Health and Safety (EHS) Department previously recommended a training program to the science division using Vector Solutions software. EHS will create and implement a Hazard Communication training program for the institution. In collaboration with Human Resources, we will provide training to employees who handle

chemicals college wide. This training program will be provided through TASB Vector Solutions which will help manage training records and provide certificates of completion. These courses are for hazardous chemicals, not chemical specific, and will be provided annually.

Each science department is reviewing and updating their onboarding process. The update will include a more structured approach to documenting laboratory orientations and department specific trainings.

The EHS Department will expand and formalize its educational and training program for the applicable employees on the required topics and records will be maintained for the required time.

Responsible Individual:

Environmental Health & Safety Manager
Lab Coordinators

Implementation Date:

9/1/2022

Risk & Vulnerability Assessment(s):

Completing a risk assessment of chemical hazards related to on-going activity is a critical element to establishing a control conscience environment. Risk assessments allow management and laboratory personnel to proactively identify and develop appropriate responses (e.g. establish internal controls) to uncertain events that could impact the safety of students as well as employees.

The Division of Math and Science's Chemical Hygiene Safety Manual (e.g. Chemical Hygiene Plan or CHP) requires laboratories to perform risk assessments for handling hazardous chemicals prior to conducting lab work. The CHP also requires the completion of a vulnerability assessment to facilitate emergency planning. We requested copies of lab risk assessments. Completed risk assessments were provided from the Physics, Biology, Chemistry, Engineering, and Physical Science departments. No exceptions were noted in this area.

Operations

Workplace Chemical List

The CHP states that “prudent management of chemicals in any laboratory is greatly facilitated by keeping an accurate inventory of the chemicals used.” Additional relevant criteria state the following:

- ***The Texas Hazard Communication Act Sec. 502.005*** – “the employer shall update the workplace chemical list as necessary but at least by December 31 of each year. Each workplace chemical list shall be dated and signed by the person responsible for compiling the information. An employer shall maintain a workplace chemical list for at least 30 years.”
- ***The College’s Hazard Communication Plan*** – “South Texas College will maintain chemical lists applicable to each work area and update them monthly.”

We requested chemical lists from the science departments (e.g. Chemistry, Physical Science, Biology, etc.). Each department provided a list of chemicals by campus in electronic format (e.g. MS Excel file). Based on a review of the lists provided, we did not observe that they were dated or signed-off by the person responsible for compiling the information as required. Additionally, we were informed that the chemical lists were being updated less frequently than required by the Hazard Communication Plan. Because the chemical lists are not signed or dated, we were unable to determine how frequently the chemical lists were actually being updated.

Recommendation:

4. Management should ensure that the chemical lists are dated and signed-off by the person responsible for compiling the information as required by the Texas Hazard Communication Act. Additionally, management should establish internal controls to require that the chemical lists are updated on a monthly basis as required by the College’s Hazard Communication Plan or consider revising the HCP.

Management Response:

Reject audit recommendation, see mgmt. response for details

4. A chemical inventory software (Safety Stratus) has been implemented to manage all chemicals located in STC premises. This software centralizes all chemical inventory and provides updates as needed. As per previous discussions, HCP will be updated to “update all chemical inventory as needed college wide.”

The Texas Hazard Communication Act Sec. 502.005 “Workplace Chemical List (a) For the purpose of worker right-to-know, an employer shall compile and maintain a workplace chemical list that contains the following information for each hazardous chemical normally present in the workplace or temporary workplace in excess of 55 gallons or 500 pounds or in excess of an amount that the executive commissioner determines by rule for certain highly toxic or dangerous hazardous chemicals:

1. The identity used on the Safety Data Sheet (SDS) and container label; and
2. The work area in which the hazardous chemical is normally present.”

This is also part of our Hazard Communication Plan Sec. XIII – WORKPLACE CHEMICAL LIST – “Departments which store highly toxic or hazardous chemicals in an amount in excess of 55 gallons or 500 pounds (or a lessor amount as specified by the Texas Board of Health for certain highly toxic or dangerous chemicals) shall provide a copy of the workplace chemical list to the Municipal Fire Chief upon request (through the safety Officer). Each department shall also notify the Safety Manager of any significant changes that occur in the workplace chemical list.”

South Texas College science laboratories do not store more than 55 gallons of any hazardous chemical district wide.

Based on our understanding of the Texas Hazard Communication Act, the science departments are not required to maintain a chemical list. However, as best safe practices, the science departments are utilizing the Safety Stratus software to update chemical inventory. These inventory lists are used to track and replenish chemicals as needed. The chemical inventory is used to provide information to the fire department and other regulatory agencies as needed.

Responsible Individual:

Environmental Health & Safety Manager
Lab Specialist II

Implementation Date:

4/21/2022

Safety Data Sheets

Employers are required to maintain a legible copy of a current safety data sheet for each hazardous chemical purchased. The safety data sheets must be readily available (e.g. reviewable at the

workplace during the same work shift in which they are requested). We randomly selected 19 chemicals maintained by various science departments (e.g. Chemistry, Physical Science, and Biology). We were provided a safety data sheet for each chemical selected in our sample. No exceptions noted in this area.

Radioactive Materials

The Chemical Hygiene Plan states that any laboratory possessing or using radioactive isotopes must be licensed by the Nuclear Regulatory Commission (NRC) and/or by a state agency that has been approved by the NRC. The workplace and/or storage area containing radioactive material must have posted warning signage that includes the radioactive material/radiation trefoil symbol and a notice to employees of the Department of State Health Services standards for protection against radiation hazards must be displayed. We confirmed the location of a radioactive isotope stored in one of the laboratories. While we observed the use of radioactive material/radiation trefoil symbol signage marking each of the entry points, we did not observe a notice to employees related to the protection against radiation hazards as required.

Recommendation:

5. Management should ensure that locations that house radioactive materials include a notice to employees from the Department of State Health Services on standards for the protection against radiation hazards.

Management Response:

Accept audit recommendation as presented

5. Based on the information from our collaborating partner, the radioactivity for the radio isotope housed at the Pecan campus was deemed negligible or non-existent requiring no additional safety measures. The program has initiated review of the radioactive isotope safety protocols to determine whether the chemical falls under the exception rule. In the meantime, the notice to employees has been posted. The department chair and lab coordinator will work with appropriate agencies to determine if an exception applies and will file any paperwork as needed.

Responsible Individual:

Department Program Chair or Director
Lab Coordinator

Implementation Date:

9/1/2022

Laboratory Test

Chemical Hoods/Ventilation/Fire Extinguishers & Gas Valves – The Safety Manager oversees an annual inspection of each lab’s chemical hoods/ventilation system. We found that 5 out of 13 (38%) of the labs tested did not have the chemical hoods/ventilation system inspected within the past year. We also found that 4 out of 13 (30%) of the labs tested did not have the fire extinguishers inspection completed within the past year. In addition to the annual inspection of the chemical hoods/ventilation system and gas valves, the CHP states that chemical hoods should be maintained, monitored, and routinely tested for proper performance and that ventilation systems should be inspected and maintained on a regular basis. We found that the science departments have not yet established a way to document that the chemical hoods and gas valves are being routinely tested for proper performance.

Safety Showers/Eye Wash Stations – With the exception of one of the labs that we reviewed each of the labs had a safety shower/eye wash station. In one location, the labs safety shower/eye wash station was obstructed by equipment (e.g. a projector and several chairs were obstructing clear access to the safety shower/eye wash station).

Employee Notices – The Hazard Communication Act requires employers post and maintain adequate notice informing employees of their rights under chapter 502. The College has also established in the Hazard Communication Plan that such notices will be posted in both English and Spanish. Many of the laboratories within our sample prominently displayed an employee notice; however, in 8 of the 13 (61%) tested laboratories, we did not observe a posted notice to employees informing them of their rights under the Texas Hazard Communication Act Ch. 502.

Labels & Signs – We observed labels and signs indicating the location of the safety showers, and eyewash stations. However, emergency telephone numbers were not always displayed.

Recommendation:

6. Management should establish a method for employees to document that chemical hoods/ventilation systems, and gas valves are routinely inspected and that the annual inspections of safety equipment are completed. Safety showers/eye wash stations should be clear of equipment which may impede access to them during an emergency. And an

employee notice informing employees of their rights under Ch. 502 should be prominently displayed in each laboratory.

Management Response:

Accept audit recommendation as presented

6. Inspection of all chemical fume hoods began in Fall 2020. Due to COVID-19, laboratories suspended operations and EHS suspended inspections of all fume hoods. Beginning Fall 2022, we will resume annual preventative maintenance inspections of all chemical fume hoods and gas valves.

Laboratory inspections will be conducted to verify all safety showers/eye wash stations are clear of equipment.

Hazard Communication Notice to employees will be displayed in all laboratories.

Responsible Individual:

Environmental Health & Safety Manager

Implementation Date:

9/1/2022

CONCLUSION

Overall it was determined that the Division of Math and Science along with the Environmental Health and Safety manager established a moderate system of internal controls. Opportunities exist to strengthen internal controls by establishing a formal employee education and training program and ensuring that training records are retained for at least 5 years; making appropriate revisions to the College's Hazard Communication Plan; ensuring that a signed Hazard Communication Plan Acknowledgement form for all employees working with hazardous chemicals is retained on file; requiring that the individual responsible for updating the workplace chemical list sign and date the document; posting a notice to employees at locations that house radioactive materials; and developing procedures for substantiating that chemical hoods and gas valves are routinely inspected.



South Texas College
Office of Internal Audits
Science Lab Safety and Storage Compliance Audit

Khalil M. Abdullah CPA, CIA, CGAP, MAcc
Internal Auditor

6/9/2022

Review and Recommend Acceptance of the Internal Audit Annual Report for FY 2022

Acceptance of the Internal Audit Annual Report will be requested at the September 27, 2022 Board meeting.

Purpose – “Texas Government Code Section 2102.015 *Publication of Audit Plan and Annual Report on Internet* requires state agencies and institutions of higher education to post certain information on their website. To comply with Texas Government Code 2102.015, an Internal Audit Annual Report has been completed.”

Justification – The Internal Audit Annual Report provides the Finance, Audit, and Human Resources Committee with information related to the Internal Audit Function’s activities over the past fiscal year. Specifically, the annual report includes the prior year’s approved projects and audit plan; a summary of findings; management’s plan for corrective action; implementation status of corrective action; and the next fiscal year’s approved projects and audit plan.

Enclosed Documents - A copy of the Internal Audit Annual Report follows in the packet for the Committee’s information and review.

Presenters – Mr. Khalil Abdullah, Internal Auditor, will be present at the September 13, 2022 Finance, Audit, and Human Resources committee meeting to discuss and address any questions by the committee.

The Internal Audit Annual Report includes a summary of audit findings along with management’s planned corrective actions.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the September 27, 2022 Board meeting, the acceptance of the Internal Audit Annual Report as presented.



**SOUTH TEXAS
COLLEGE**

Internal Audit Annual Report Fiscal Year 2022

Prepared by:
The Office of Internal Audits
Khalil M. Abdullah

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I. Compliance with TGC, Sec 2102.015

Texas Government Code Section 2102.015 was added by House Bill 16 (83rd. Legislature) on June 14, 2013. House Bill 16 amended the Internal Auditing Act to require state agencies and institutions of higher education, as defined in the bill, to post agency internal audit plans, internal audit annual reports, and any weaknesses or concerns resulting from the audit plan or annual report on the entities' website, at the time and in the manner provided by the State Auditor's Office. Specifically, the College must post the following information within 30 days of approval by the Board of Trustees:

- The approved audit plan for the current fiscal year;
- The audit plan from the previous fiscal year;
- A detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns raised by the audit plan or annual report; and
- A summary of the action taken by the College to address concerns raised by the audit plan or annual report.

To comply with the requirements, South Texas College's Office of Internal Audits will submit its Internal Audit Annual Report to the website coordinators to be posted on the Internal Audit section of the College's website no later than 30 days after the Board of Trustees approves the current year audit plan at its August 23, 2022 scheduled meeting. This report includes all the elements required by Texas Government Code Section 2102.015.

II. Internal Audit Plan for Fiscal Year 2022

The Board of Trustees approved the internal audit plan for FY 2022 on August 24, 2021. The audit plan was prepared using risk assessment techniques as required by the Institute of Internal Auditor (IIA) *Standards*.

Audits that were not completed in FY 2022 were carried forward and included in the FY 2023 audit plan.

FY 2021 – 2022 (Scheduled)

1. Fraud Survey
2. Teacher Retirement System of Texas (TRS)
3. Science Lab Safety and Storage Compliance
4. Human Resources Processes – Faculty Credentials
5. Financial Aid – Federal Awards
6. Purchasing
7. Faculty Overloads & Stipends
8. Texas Administrative Code (TAC) 202
9. Emergency Medical Technology (EMT) Program
10. IT – Business Continuity / Disaster Recovery
11. Quality Assurance and Improvement Program – External QAR

Office of Internal Audits
Fiscal Year 2022 Audit Plan

FY 2022 Audit Plan - Engagements	Status of Plan
Risk Based Audits	
Teacher Retirement System of Texas (TRS)	11/2/2021
Science Lab Safety and Storage Compliance	6/9/2022
HR Processes - Faculty Credentials	8/4/2022
Financial Aid - Federal Awards	Fieldwork
Purchasing	6/22/2022
Faculty Overloads & Stipends	FY 2023
Texas Administrative Code (TAC) 202	FY 2023
Emergency Medical Technology (EMT) Program	FY 2023
Business Continuity / Disaster Recovery	FY 2023
Quality Assurance and Improvement Program - External QAR	FY 2023
Consulting Engagements	
None	-
Follow Up	
Banner Computer System Security and Access Audit	5/10/2022
MOUs for Early College High School and Dual Credit	3/8/2022
Other Audit Responsibilities and Special Projects	
Fraud Survey	10/6/2021
Administration (e.g. secure resources, budget development, etc.)	In Process
Annual Financial Report	-
Misc. data analytics / fraud detection procedures, fraud risk assessment	6/14/2022
Quality Assurance and Improvement Program (QAIP & QAR)	8/31/2022
Professional Development & Training (40 hrs.CPE)	8/31/2022
Annual Risk Assessment & Risk Based Audit Plan Development	6/14/2022
Annual Report [Texas Govt. Code Sec. 2102.015]	9/13/2022
Unassigned/Unplanned/Mgmt. Special Requests	N/A

III. Consulting and Nonaudit Services

The Office of Internal Audits did not perform any consulting engagements as defined by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal auditing in FY 2022.

IV. Quality Assurance Review

IIA *Standard* 1312 requires an external assessment of an internal audit activity be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The Office of Internal Audits is in its fifth year of operations. IIA *Standards* allows for the completion of a self-assessment that includes a comprehensive and fully documented process completed by the Internal Auditor with independent external validation. The Office of Internal Audits completed a comprehensive self-assessment, the results of which are provided below.

GC – Generally Conforms - The assessor has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects.

PC – Partially Conforms - The assessor has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics, or a section or major category, but falls short of achieving some major objectives.

DNC – Does Not Conform - The assessor has concluded that the internal audit activity is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics.

The results of the self-assessment will be reviewed by a qualified, independent external assessor.



SOUTH TEXAS
COLLEGE

South Texas College

Internal Audit Annual Report

	GC	PC	DNC
Overall Evaluation	X		

Attribute Standards (1000 through 1300)		GC	PC	DNC
1000	Purpose, Authority, and Responsibility	X		
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	X		
1100	Independence and Objectivity	X		
1110	Organizational Independence	X		
1111	Direct Interaction with the Board	X		
1112	Chief Audit Executive Roles Beyond Internal Auditing	X		
1120	Individual Objectivity	X		
1130	Impairment to Independence or Objectivity	X		
1200	Proficiency and Due Professional Care	X		
1210	Proficiency	X		
1220	Due Professional Care	X		
1230	Continuing Professional Development	X		
1300	Quality Assurance and Improvement Program	X		
1310	Requirements of the Quality Assurance and Improvement Program	X		
1311	Internal Assessment	X		
1312	External Assessment		X	
1320	Reporting on the Quality Assurance and Improvement Program	X		
1321	Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"	X		
1322	Disclosure of Nonconformance	X		
Performance Standards (2000 through 2600)		GC	PC	DNC
2000	Managing the Internal Audit Activity	X		
2010	Planning	X		
2020	Communication and Approval		X	
2030	Resource Management	X		
2040	Policies and Procedures	X		
2050	Coordination and Reliance	X		
2060	Reporting to Senior Management and the Board	X		

		GC	PC	DNC
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X		
2100	Nature of Work	X		
2110	Governance	X		
2120	Risk Management	X		
2130	Control	X		
2200	Engagement Planning	X		
2201	Planning Considerations	X		
2210	Engagement Objectives	X		
2220	Engagement Scope	X		
2230	Engagement Resource Allocation	X		
2240	Engagement Work Program	X		
2300	Performing the Engagement	X		
2310	Identifying Information	X		
2320	Analysis and Evaluation	X		
2330	Documenting Information	X		
2340	Engagement Supervision	X		
2400	Communicating Results	X		
2410	Criteria for Communicating	X		
2420	Quality of Communications	X		
2421	Errors and Omissions	X		
2430	Use of "Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing"	X		
2431	Engagement Disclosure of Nonconformance	X		
2440	Disseminating Results	X		
2450	Overall Opinions	X		
2500	Monitoring Progress	X		
2600	Communicating the Acceptance of Risks	X		
Code of Ethics		GC	PC	DNC
	Code of Ethics	X		

V. Summary of Findings and Management's Corrective Action Plan

Report No.	Report Date	Project Name	Summary of Finding	Summary of Corrective Action Plan	Status of Correction Action Plan
22-01	8/4/2022	HR Process - Faculty Credentials	Faculty began employment prior to their official transcript being turned into HR. Documentation to support that prospective employees will be granted a 7 week extension should be completed.	Policy 4152 was revised on 11/23/2021 and grants a 7-week extension to submit official transcripts to HR.	Implemented
22-01	8/4/2022	HR Process - Faculty Credentials	HR was unable to provide us with the employee's job assignment dates in 14% of the tested files.	These 8 employees are legacy employees and their assignment dates didn't transfer over during the Banner implementation back in 2005. HR has other compensating internal controls in place for maintaining legacy employee assignment dates.	Follow up - Pending
22-01	8/4/2022	HR Process - Faculty Credentials	Documentation to support that the transcripts turned in by faculty were 'official' was not maintained on file.	HR ensures all official transcripts are rec. directly from the issuing institution. A procedure was added to further validate by contacting the issuing institution.	Follow up - Pending

Report No.	Report Date	Project Name	Summary of Finding	Summary of Corrective Action Plan	Status of Correction Action Plan
22-03	6/9/2022	Science Lab Safety and Storage Compliance	2 statements related to how the College would meet the required criteria provided in the Texas Hazard Communication Act were not included in the Hazard Communication Plan	Mgmt. will update and manage the Hazard Communication Plan accordingly to include the criteria required by the Texas Hazard Communication Act and associated roles and responsibilities and current practices.	Follow up - Pending
22-03	6/9/2022	Science Lab Safety and Storage Compliance	A Hazard Communication Plan Acknowledgement form has not been established.	Mgmt. will be developing and implementing an acknowledgement form for employees who work in an area containing hazardous chemicals.	Follow up - Pending
22-03	6/9/2022	Science Lab Safety and Storage Compliance	A formal education and training program for employees who handle hazardous chemicals has not been developed.	In collaboration with HR, we will provide training to employees who handle chemicals college-wide. Training will be provided through TASB Vector Solutions.	Follow up - Pending

Report No.	Report Date	Project Name	Summary of Finding	Summary of Corrective Action Plan	Status of Correction Action Plan
22-03	6/9/2022	Science Lab Safety and Storage Compliance	Workplace chemical lists were not signed-off and dated by the person responsible for compiling this information as required by the Act.	Science departments are not required to maintain a chemical list if the aggregate of the chemical is less than 55 gallons. However, as a safe practice software will be used to update chemical inventory.	Follow up - Pending
22-03	6/9/2022	Science Lab Safety and Storage Compliance	An employee notice from the Dept. of State Health Services was not displayed at a location which housed radioactive material.	The notice to employees has been posted. The chair and lab coordinator will work with appropriate agencies to determine if an exception applies and will file any paperwork as needed.	Follow up - Pending
22-03	6/9/2022	Science Lab Safety and Storage Compliance	Internal Controls for documenting that chemical hoods/ventilation systems and gas values are routinely inspected have not yet been established.	Inspections of chemical hoods were suspended due to COVID-19. Beginning Fall 2022, we will resume annual preventative maintenance inspections of all chemical fume hoods and gas valves.	Follow up - Pending
22-04	6/22/2022	Purchasing	Mgmt. should review the College's proposal evaluation criteria and ensure that each of the elements for consideration provided in Texas Education Code Ch. 44.031 are included.	Purchasing will present to the Board, for consideration, the addition of the criteria regarding the vendors principle place of business for non-federal, non-construction goods and services.	Implemented

VI. Internal Audit Plan for Fiscal Year 2023

In accordance with the Institute of Internal Auditor's (IIA) *Standard* 2010, a formal audit plan is required for fiscal year (FY) 2023. An entity-wide risk assessment was conducted to evaluate each area based on current conditions, circumstances, and management concerns. Input to the annual plan was requested from the Board, the President, Vice presidents, and other senior managers. Major goals and institutional objectives were reviewed to identify areas where value-added audit services could be provided.

On August 23, 2022 South Texas College's Board of Trustees approved the following projects for FY 2023.

FY 2022 – 2023 (Scheduled)

1. Fraud Survey
2. Financial Aid – Federal Awards
3. Faculty Overloads & Stipends
4. Business Continuity / Disaster Recovery
5. Title IX
6. HR Processes – Employee Hiring and Staffing
7. Emergency Medical Technology (EMT) Program
8. Surprise Cash Counts
9. Purchasing – Proposal Evaluation Criteria
10. Quality Assurance Review – External QAR

Office of Internal Audits
Fiscal Year 2023 Audit Plan

FY 2023 Audit Plan - Engagements		
Risk Based Audits	Hours	Percent
Financial Aid - Federal Awards	200	7%
Faculty Overloads & Stipends	200	7%
IT - Business Continuity / Disaster Recovery	250	8%
Title IX	250	8%
HR Processes - Employee Hiring and Staffing	250	8%
Emergency Medical Technology (EMT) Program	200	7%
Quality Assurance Review - External QAR	200	7%
Surprise Cash Counts	200	7%
Purchasing - Proposal Evaluation Criteria	150	5%
Subtotal	1900	63%
Other Audit Responsibilities and Special Projects	Hours	Percent
Fraud Survey	100	3%
Administration (e.g. secure resources, align with IIA, QAIP, etc.)	150	5%
Annual Financial Report [CAFR]	25	1%
Data analytics / fraud detection procedures	150	5%
Professional Development & Training (40 hrs.CPE)	75	2%
Annual Risk Assessment & Risk Based Audit Plan Development	225	7%
Annual Report [Texas Govt. Code Sec. 2102.015]	100	3%
Follow-up on reported findings	250	8%
Unassigned/Unplanned/Mgmt. Special Requests	50	2%
Subtotal	1125	37%

VII. External Audit Services – Fiscal Year 2022

All external audit services that were procured or were ongoing in fiscal year 2022 by South Texas College are listed below.

- Carr, Riggs & Ingram - Annual Financial Statement Audit;
- State Auditor Office – Compliance with Public Funds Investment Act

VIII. Reporting Suspected Fraud and Abuse

South Texas College has taken the following actions to implement the fraud detection and reporting requirements of Section 7.09 of the 84th Legislature's General Appropriations Act, and Texas Government Code, Section 321.022:

- A confidential fraud hotline is available for employees to report suspected fraud.
- Solicits feedback from employees related to fraud through an annual fraud survey.
- Established formal guidelines for reporting and investigating suspected or known fraud, waste, abuse and other improprieties;
- South Texas College's *Guidelines for Reporting and Investigating Suspected or Known Fraud, Waste, Abuse and Other Improprieties* describes how to report suspected fraud to the State Auditor's Office and includes information on the State Auditor's Office Fraud, Waste, and/or Abuse Hotline.