



**SOUTH TEXAS
COLLEGE**

Board of Trustees
Public Meeting & Special
Board Meeting

Tuesday, September 12, 2023
4:45 p.m.

Pecan Campus
Ann Richards Administration Building
Board Room
McAllen, Texas

Online Board Packet

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, September 12, 2023 @ 4:45 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501**

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. At this meeting, the Board of Trustees may deliberate on and take any action deemed appropriate by the Board of Trustees on the following subjects:"

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Public Comments**
- IV. Public Hearing on South Texas College Proposed 2023 Tax Rate..... 3 - 12**
 - Presentation on South Texas College Proposed 2023 Tax Rate
 - Public Comments
 - Close of Public Hearing on South Texas College Proposed 2023 Tax Rate
- V. Consideration and Action on Agenda Items**
 - 1. Review and Action as Necessary on Order 2024-001 Adopting the Tax Rate for 2023..... 13 - 17
 - 2. Consideration and Action as Necessary on Resolution 2024-002 Supporting the Establishment of the Rio Grande Valley Recompete Coalition..... 18 - 20
 - 3. Discussion and Action as Necessary to Purchase the Subscription for College's Enterprise Resource Planning (ERP) System 21 - 44
 - 4. Discussion and Action as Necessary to Purchase Deployment Service for the College's Enterprise Resource Planning (ERP) System 45 - 46
 - 5. Review and Action as Necessary on Approval to Purchase Advisory Services for the College's Enterprise Resource Planning (ERP) System 47 - 48
 - 6. Discussion and Action as Necessary on Proposed Budget Amendment for FY 2023 – 2024 49 - 57
 - 7. Consideration and Approval of a Check..... 58

Public Hearing on South Texas College Proposed 2023 Tax Rate

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2023 tax rate for South Texas College to the public and Board of Trustees.

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 rollback or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser, the no-new-revenue tax rate and the voter-approval tax rate.

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 tax rate and/or the voter-approval tax 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 notice concerning the 2023 Property Tax Rates has been published in accordance with the Truth-In-Taxation requirements on the South Texas College website. The Notice of Public Hearing on Tax Increase has been published in accordance with the Truth-In-Taxation requirements on The Monitor, the Starr County Town Crier, and on the South Texas College website. Attached are copies of the Proposed 2023 Tax Presentation, Notice About 2023 Tax Rates, and the Notice of Public Hearing on Tax Increase for your information and review.

The tax rates for the 2022 Tax Year were as follows:

2022 Tax Rate			
	M&O Rate	Debt Rate	Total Rate
2022 Tax Rate	\$0.1388	\$0.0227	\$0.1615

The proposed tax rates for the 2023 Tax Year were as follows:

2023 Tax Rates				
	M&O Rate	Debt Rate	Total Rate	Revenue
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)	-	-	\$0.1437	\$83,752,359
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1335	\$0.0227	\$0.1562	\$90,389,271
Proposed Tax Rate	\$0.1335	\$0.0227	\$0.1562	\$90,389,271

Determination of Tax Rates (M&O Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1335 is the maximum rate that the College can adopt to not exceed the voter-approval tax rate and not be required to hold an election to vote on the proposed tax rate.

Public Hearings Prior to Adoption of the Proposed 2023 Tax Rate

South Texas College is required to hold a public hearing and publish special notices before adopting the proposed tax rate of \$0.1562 since this tax rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate. At the August 22, 2023 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled a public hearing for the proposed tax rate of \$0.1562.

Public Hearing

The Public Hearing on the proposed 2023 tax rate was scheduled for Tuesday, September 12, 2023 at 4:45 p.m. and special notices were published in accordance with state law.

The Board of Trustees of South Texas College is scheduled to take action on the proposed 2023 tax rate at a public meeting to be held on September 12, 2023 at South Texas College, Board Room, Annex Bldg., 2nd Floor, 3201 W. Pecan, McAllen, Texas at 4:45 p.m.

No action is requested of the Board at this time.

Proposed 2023 Property Tax Rates

Board of Trustees
Public Hearing & Special Board Meeting
September 12, 2023



1

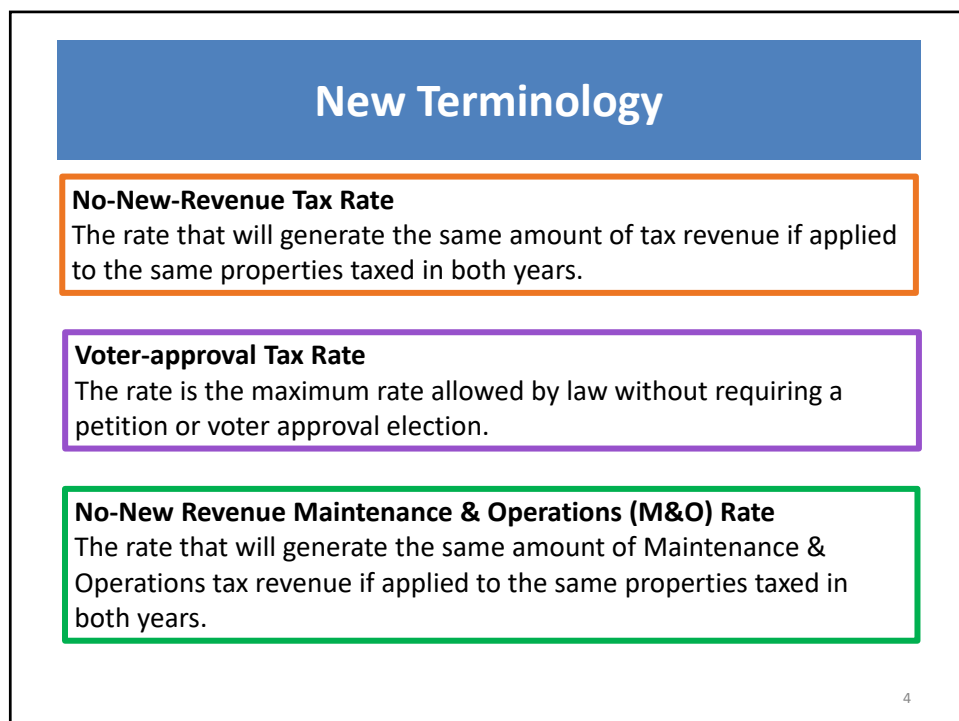
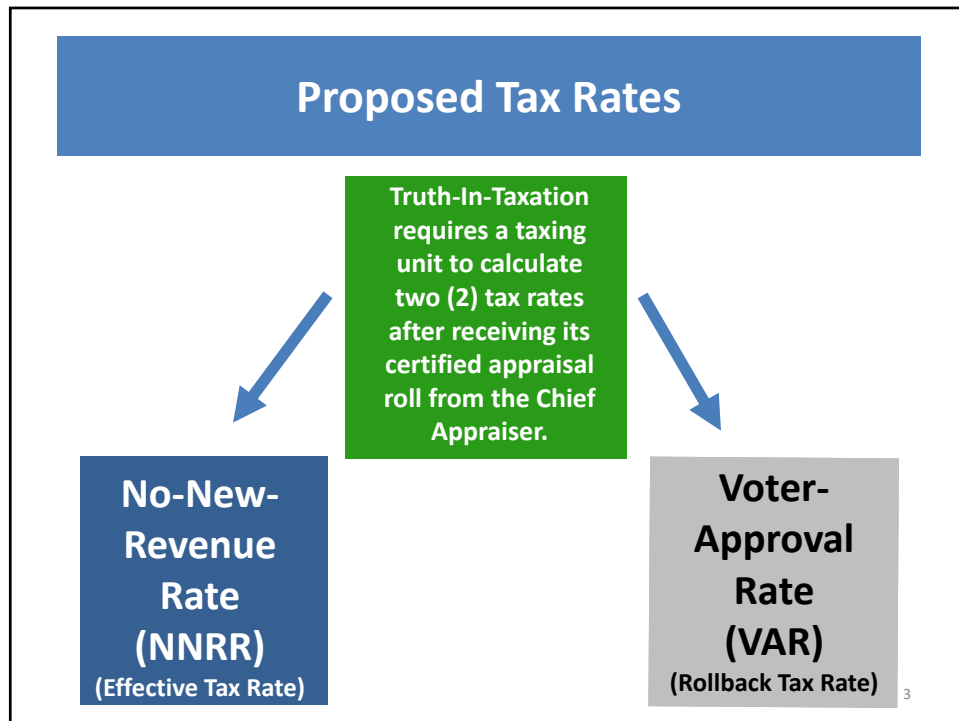
Proposed Tax Rates



Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate.

Truth in taxation is designed to inform the public of increases in total tax revenues assessed by taxing units.

2



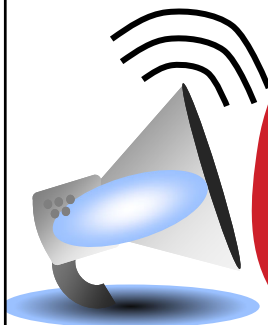
Special Notices & Public Hearing Requirement

A taxing unit must publish special notices and hold a public hearing before adopting a tax rate 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

5

Proposed Total Tax Rate: \$0.1562



The College is required to hold a public hearing and publish special notices before adopting the proposed tax rate since the proposed rate (\$0.1562) does exceed the lower of:

- the no-new-revenue rate of (\$0.1437) but does not exceed
- the voter-approval rate of (\$0.1562)

6

Tax Rates Calculations

	M&O Rate	Debt Rate	Rate	Revenue
No-New-Revenue Rate (Formerly Effective Tax Rate)			\$0.1437	\$83,752,359
Voter-Approval Rate (Formerly Rollback Tax Rate)	\$0.1335	\$0.0227	\$0.1562	\$90,389,271
Proposed Tax Rate	\$0.1335	\$0.0227	\$0.1562	\$90,389,271

7

Required Steps

- July 25, 2023 – Deadline for chief appraiser to certify rolls to taxing units
- Certification of anticipated collection rate by collector
- Calculation of no-new-revenue and voter-approval tax rates
- August 22, 2023 – Meeting of governing body to discuss tax rate
- August 22, 2023 – The recommended proposed tax rate does exceed the lower of the no-new-revenue but does not exceed the voter-approval tax rate, take record vote and schedule one public hearing
- August 24, 2023 – Notice About 2023 Tax Rates published on South Texas College website

8

Required Steps

- August 30, 2023 – Published Notice of Public Hearing on Tax Increase
- September 8, 2023 – Schedule and announce meeting to adopt tax rate
- September 12, 2023 – Public Hearing
- September 12, 2023 – Meeting to adopt tax rate

9

Thank You Questions?



10

Notice About 2023 Tax Rates

Property tax rates in South Texas College.

This notice concerns the 2023 property tax rates for South Texas College. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate	\$0.1437/\$100
This year's voter-approval tax rate	\$0.1562/\$100

To see the full calculations, please visit South Texas College for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balance

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
Interest and Sinking Money Market Account	15,608,882

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues *(or additional sales tax revenues, if applicable)*.

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
South Texas College District Limited Tax Bonds, Series 2015	5,630,000	281,500	0	5,911,500
South Texas College District Limited Tax Bonds, Series 2020	3,295,000	1,662,100	0	4,957,100
South Texas College District Limited Tax Bonds, Series 2021	245,000	2,087,473	0	2,332,473

Total required for 2023 debt service	\$13,201,073
- Amount (if any) paid from funds listed in unencumbered funds	\$1,100,000
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$0
= Total to be paid from taxes in 2023	\$12,101,073
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2023	\$0
= Total debt levy	\$12,101,073

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by Mary G. Elizondo, Vice President for Finance and Administrative Services on 08/23/2023 .

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.1562 per \$100 valuation has been proposed by the governing body of South Texas College.

PROPOSED TAX RATE	\$0.1562 per \$100
NO-NEW-REVENUE TAX RATE	\$0.1437 per \$100
VOTER-APPROVAL TAX RATE	\$0.1562 per \$100

The no-new-revenue tax rate is the tax rate for the 2023 tax year that will raise the same amount of property tax revenue for South Texas College from the same properties in both the 2022 tax year and the 2023 tax year.

The voter-approval rate is the highest tax rate that South Texas College may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that South Texas College is proposing to increase property taxes for the 2023 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 12, 2023 AT 4:45 PM AT SOUTH TEXAS COLLEGE BOARD ROOM ANNEX BLDG 2ND FLOOR 3201 W. PECAN, MCALLEN, TEXAS.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, South Texas College is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Board of Trustees of South Texas College at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED
AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR the proposal:	Rose Benavidez	Alejo Salinas, Jr.
	Paul R. Rodriguez	Dalinda Gonzalez-Alcantar
	Rene Guajardo	Danny Guzman

AGAINST the proposal: N/A

PRESENT and not voting;N/A

ABSENT: Victoria Cantu

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by South Texas College last year to the taxes proposed to be imposed on the average residence homestead by South Texas College this year.

	2022	2023	Change
Total tax rate (per \$100 of value)	\$0.1615	\$0.1562	decrease of -0.0053, or -3.28%
Average homestead taxable value	\$111,009	\$136,768	increase of 25,759, or 23.20%
Tax on average homestead	\$179.28	\$213.63	increase of 34.35, or 19.16%
Total tax levy on all properties	\$74,133,381	\$82,934,850	increase of 8,801,469, or 11.87%

For assistance with tax calculations, please contact the tax assessor for South Texas College at 956-872-3558 or marye@southtexascollege.edu, or visit www.southtexascollege.edu for more information.

Review and Action as Necessary on Order 2024-001 Adopting the Tax Rate for 2023

Approval of Order 2024-001 adopting the tax rate for 2023 by taking record vote of the members of the Board is requested.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2023 tax rate for South Texas College to the public and Board of Trustees.

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 rollback or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser, the no-new-revenue tax rate and the voter-approval tax rate.

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 tax rate and/or the voter-approval tax 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 one public hearing.

The notice concerning the 2023 Property Tax Rates has been published in accordance with the Truth-In-Taxation requirements in the South Texas College website. The Notice of Public Hearing on Tax Increase has been published in accordance with the Truth-In-Taxation requirements on The Monitor, the Starr County Town Crier, and on the South Texas College website.

The tax rates for 2022 Tax Year were as follows:

2022 Tax Rate			
	M&O Rate	Debt Rate	Total Rate
2022 Tax Rate	\$0.1388	\$0.0227	\$0.1615

The tax rates for 2023 Tax Year were as follows:

2023 Tax Rates				
	M&O Rate	Debt Rate	Total Rate	Revenue
No-New-Revenue Rate (Formerly Effective Tax Rate)	-	-	\$0.1437	\$83,752,359
Voter-Approval Rate (Formerly Rollback Tax Rate)	\$0.1335	\$0.0227	\$0.1562	\$90,389,271
<i>Proposed Tax Rate</i>	<i>\$0.1335</i>	<i>\$0.0227</i>	<i>\$0.1562</i>	<i>\$90,389,271</i>

Determination of Tax Rates (M&O Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1335 is the maximum rate that the College can adopt to not exceed the voter-approval tax rate and not be required to hold an election to vote on the proposed tax rate.

The proposed tax rate reflects a tax decrease of \$0.0053 per hundred dollars in property value.

Public Hearings Prior to Adoption of the Proposed 2023 Tax Rate

South Texas College was required to hold one public hearing and publish special notices before adopting the proposed tax rate of \$0.1562 since this rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate. At the August 22, 2023 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled one public hearing for the proposed tax rate of \$0.1562.

Public Hearing

The Public Hearing on the proposed 2023 tax rate was held on Tuesday, September 12, 2023 at 4:45 p.m. and special notices were published in accordance with state law.

The Board of Trustees of South Texas College is scheduled to take action on the proposed 2023 tax rate at a public meeting to be held on September 12, 2023 at South Texas College, Board Room, Annex Bldg., 2nd Floor, 3201 W. Pecan, McAllen, Texas at 4:45 PM.

Voting Requirements

State Tax Code, Sec. 26.05 requires that any action by the South Texas College Board of Trustees to set a tax rate that exceeds the no-new-revenue tax rate must be a record vote, and at least 60 percent of the members of the Board must vote in favor of the ordinance, resolution, or order establishing that rate.

For South Texas College Board of Trustees, this means that successful establishment of the proposed 2023 Tax Rate requires the support of at least five of the seven Trustees. This rule is beyond the normal quorum and voting requirements for other action.

Approval to adopt a debt service rate of \$0.0227 and maintenance and operations rate of \$0.1335 will be required. Approval of the Order 2024-001 will require a roll call vote of the members of the Board. A copy of the Order 2024-001 follows in the packet for the Board's information and review.

While the proposed tax rate has not increased over the past year, the proposed rate does exceed the no-new-revenue tax rate, as defined by the State. Because of this, State tax code requires that the motion to adopt the proposed 2023 Tax Rate be made according to the following script:

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.1562, which is effectively a 8.70 percent increase in the tax rate."

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize by record vote the Order 2024-001 establishing the tax rate for 2023 tax year as presented. The motion must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.1562, which is effectively a 8.70 percent increase in the tax rate.

The Following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees approves and authorizes the Order 2024-001 adopting the tax rate for 2023 by taking record vote of the members of the Board as presented.

Approval Recommended:

Dr. Ricardo J. Solis
President

ORDER 2024-001

AN ORDER ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE SOUTH TEXAS COLLEGE DISTRICT FOR THE FISCAL YEAR ENDING AUGUST 31, 2024 AND THE TAX YEAR 2023 IN CONFORMITY WITH THE PROPERTY TAX CODE OF THE STATE OF TEXAS; AND ORDERING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE SOUTH TEXAS COLLEGE DISTRICT THAT:

SECTION I: There shall be and is hereby levied for the fiscal year ending August 31, 2024, and the Tax Year 2023, upon the assessed value of all property of every description subject to taxation within the South Texas College District on the 1st day of January A.D. 2023, the following taxes rates, to wit:

- (a) An ad valorem tax to be computed at the rate of \$ 0.1335 per \$100 of the assessed value thereof estimated in lawful currency of the United States of America for the purpose of paying the annual maintenance expense of the College for the period ending August 31, 2024 as provided in the Appropriation Order adopted by the Board of Trustees of the South Texas College District, and when collected such monies are to be deposited in the fund therefore and disbursed for the purposes stated in said Order.
- (b) An ad valorem tax of be computed at the rate of \$ 0.0227 per \$ 100 of the assessed value thereof estimated in lawful currency of United States of America for the purpose of paying the interest and principal on the outstanding bonds series 2015, refunding bonds taxable series 2020, and refunding bonds taxable series 2021 issued of the South Texas College District, such levy being in conformity with the requirement of the levy of taxes hereof made by Order of the Board of Trustees of the South Texas College District relating to such indebtedness.
- (c) THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.
- (d) THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.92 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-5.30.

SECTION II: All Orders or parts of Orders in conflict herewith are hereby repealed.

SECTION III: This Order shall be and remain in full force and effect from and after its passage by the Board of Trustees.

SECTION IV: If any part or parts of this Order are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to that extent this Order is considered severable.

CONSIDERED, PASSED, AND APPROVED this 12th day of September, 2023 at a meeting of the Board of Trustees of the South Texas College District at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

SIGNED this 12th September, 2023.

South Texas College District

By: _____
Rose Benavidez, Chair

I hereby certify that the above Order passed on September 12th, 2023 by the following record vote:

Rose Benavidez:	Yea____	Nay____	Absent____
Alejo Salinas, Jr.:	Yea____	Nay____	Absent____
Victoria Cantú:	Yea____	Nay____	Absent____
Paul R. Rodriguez:	Yea____	Nay____	Absent____
Dalinda Gonzalez-Alcantar:	Yea____	Nay____	Absent____
Rene Guajardo :	Yea____	Nay____	Absent____
Danny Guzman:	Yea____	Nay____	Absent____

ATTEST:

By: _____
Alejo Salinas, Jr., Vice-Chair

Consideration and Action as Necessary on Resolution 2024-002 Supporting the Establishment of the Rio Grande Valley Recompete Coalition

Since Fall 2022, South Texas College has been in collaboration with leaders throughout Hidalgo County as part of the Prosperity Task Force coordinated by Judge Ricardo Cortez. This task force brings together more than 160 partnering community leaders and policymakers across the County to address issues of health, food insecurity, educational attainment, underemployment, and other critical components of endemic poverty.

In March 2023, the South Texas College Board of Trustees adopted Proclamation 2023-007 in support of the Hidalgo County Prosperity Task Force.

One strategy that has arisen to help the residents not only of Hidalgo County but also the neighboring counties of Starr, Cameron, and Willacy, is the development of a coalition to apply for a U.S. Economic Development Administration (EDA) Recompete Program grant. This grant would provide significant federal funding to support initiatives to address persistent economic distress by supporting economic development, job creation, and workforce training programs. Programs under this grant will specifically target the Prime-Age Employment Gap (PAEG), helping adults from 25 – 54 years of age seek and attain high paying jobs in our communities.

This Rio Grande Valley Recompete Coalition (RGVRC) is now formalizing partnerships, organized under the University of Texas Rio Grande Valley as the principal applicant and lead member.

Administration requests Board approval of Resolution 2024-002, which pledges South Texas College's support of the establishment of this coalition, and to join and participate in the coalition and the workforce training programs.

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approves and adopts Resolution 2024-002 in support of the Rio Grande Valley Recompete Coalition as presented.

Approval Recommended:

**Dr. Ricardo J. Solis
President**

RESOLUTION NO. 2024-002

RESOLUTION IN SUPPORT OF THE ESTABLISHMENT OF THE RIO GRANDE VALLEY RECOMPETE COALITION, JOINING AS A MEMBER OF THE COALITION, AND SUPPORTING THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY IN SUBMISSION OF THE REGION'S RECOMPETE PLAN

WHEREAS, the U.S. Economic Development Administration (EDA) has established the Distressed Area Recompete Pilot Program (Recompete Pilot Program) which aims to alleviate persistent and economic distress and support long-term, comprehensive economic development and job creation in regions of the U.S. with a high prime-age (25-54 years) employment gap (PAEG); and

WHEREAS, the four-county region of the Lower Rio Grande Valley, commonly referred to as the Rio Grande Valley (RGV) consisting of Cameron, Hidalgo, Starr, and Willacy Counties, located at the southernmost tip of Texas is steeped in history, tradition, and resilience; and

WHEREAS, the RGV is eligible to participate in the Recompete Pilot Program in view of the fact that all four counties in the region have a prime-age employment gap (PAEG) of at least 5% and a median annual household income of less than \$75,000, and a higher than average number of residents, on both a state and national level, live in poverty and fall below average educational attainment and per capita income standards; and

WHEREAS, the RGV aspires to establish the Rio Grande Valley Recompete Coalition (RGVRC) to demonstrate the region's ability to engage broadly within the community and support implementation of a wide range of targeted actions related to reducing the region's PAEG; and

WHEREAS, The University of Texas Rio Grande Valley (UTRGV) shall serve as the principal applicant and lead member organization for application and implementation and shall abide by the requirements of the EDA including managing the governance of the RGVRC, serving as the central coordinator, maintaining effective communications among the members, and ensuring that funding and other assistance provided by the EDA are effectively coordinated and braided within the RGV region; and

WHEREAS, STC provides educational and training services in two of the four counties in the RGV (Service Area) and will support the RGVRC with the alignment of workforce pathways through education and other services which are designed to support long-term comprehensive economic development and job creation to decrease the high prime-age (25-54 years) employment gap in an effort to alleviate persistent economic distress in its Service Area.

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

I. ESTABLISHMENT OF THE COALITION

To the fullest extent permitted by Texas law and STC policies, South Texas College is in full support of the establishment of the Rio Grande Valley Reconnect Coalition (RGVRC) to advance collaboration across the region's four counties, forty-seven municipalities, local higher educational institutions, workforce solutions boards, and partnering establishments for the advancement of job creation through workforce development, business and entrepreneur development, new industry recruitment, and to create and connect RGV residents with good jobs while ensuring resources are shared equitably and across the RGV region.

II. JOINING AS A MEMBER OF THE COALITION

STC seeks to join as a member of the RGVRC and participate in its established governance, promote bottom-up, middle-out competitiveness across the region, enable and accelerate collaboration and support, and actively engage applicable and available resources in coordination with the RGVRC's recompetitiveness plan intervention actions and mission to eliminate and mitigate persistent economic distress across the RGV region.

III. SUPPORT OF UTRGV AS THE LEAD MEMBER OF THE COALITION

South Texas College extends enthusiastic support for UTRGV to serve as the lead member organization of the RGVRC and principal applicant for submission of Phase 1 and Phase 2 (if invited) of the EDA's Reconnect Pilot Program.

EFFECTIVE DATE. Unless and until further action is taken by the Board of Trustees in its sole discretion, this Resolution shall be and remain in full force and effect from and after the date of its passage.

READ, CONSIDERED, PASSED and APPROVED at a Special Board meeting of the Board of Trustees of South Texas College at which a quorum was present and which was held in accordance with applicable Texas Government Code the 12 day of September 2023.

By: _____

Rose Benavidez, Chair

ATTEST:

By: _____

Mrs. Victoria Cantu, Secretary

Discussion and Action as Necessary to Purchase the Subscription for College's Enterprise Resource Planning (ERP) System

Purpose and Justification – The Board of Trustees is asked to authorize the approval for the College Administration to purchase the subscription for Enterprise Resource Planning (ERP) System from **Workday** (New) through Precision Task Group (PTG) from the State of Texas Department of Information Resources (DIR) cooperative contract for the period beginning September 15, 2023, through September 14, 2033, subject to further negotiations related to the Statement of Work and not to exceed a total amount of \$14,896,565.00.

Background – Workday is a cloud-based system that provides responsive Human Capital Management (HCM), Finance, and Student business processes with reduced manual input and interventions, robust real-time analytics and dashboards, and enhanced reporting required by the College for state and federal entities. Workday users benefit from the platform's intuitive, web-based applications with self-service and mobile capabilities. Workday is designed to create a nimbler process-oriented and data-driven organization and to eliminate manual work and third-party applications.

Workday is a fast-growing cloud ERP software company and has an industry-leading cloud Human Capital Management/Finance platform. In addition, Workday has been rapidly growing in the higher education marketplace and has partnered with colleges and universities nationwide including in Texas with Dallas College, Collin College, Austin Community College, Texas State Technical College, University of Texas-Austin, Texas A&M System, and Trinity University.

Workday is proposed to be deployed in two phases after the procurement of the Workday subscription for the period of Fiscal Year 2023 through Fiscal Year 2033, as follows:

Workday ERP Phase 1 and Phase 2		
Phase	Module	Term
Phase 1	HCM/Finance	FY 24 – FY 25
Phase 2	Student	FY 26 – FY 28

Workday Subscription			
Services	Module	Term	Costs
Software subscription	HCM/Finance/Student	FY 24 – FY 33	\$14,896,565.00
Total			\$14,896,565.00

Workday's annual subscription grants the College access to their software-as-a-service applications, specifically the SKUs listed in the Workday Service SKU Descriptions Addendum on our order form. It also includes all cloud hosting needs, access to all future software upgrades, and Workday customer support.

The estimated total costs for the subscription, Phases 1 and 2 deployment, training, and travel over 10 years are as follows:

Total ERP 10-Year Costs Subscription, Deployment, Training, and Travel					
Fiscal Year	Software Subscription	Deployment	Training	Travel	ERP Costs
FY 24	\$912,434.00	\$2,286,261.75	\$72,421.00	\$125,000.00	\$3,396,116.75
FY 25	923,807.00	762,087.25	31,550.00	\$-	1,717,444.25
FY 26	1,545,005.00	6,200,000.00	104,000.00	300,000.00	8,149,005.00
FY 27	1,569,030.00	6,200,000.00	36,250.00	300,000.00	8,105,280.00
FY 28	1,593,535.00	\$-	6,250.00	\$-	1,599,785.00
FY 29	1,618,531.00	\$-	\$-	\$-	1,618,531.00
FY 30	1,644,027.00	\$-	\$-	\$-	1,644,027.00
FY 31	1,670,029.00	\$-	\$-	\$-	1,670,029.00
FY 32	1,696,556.00	\$-	\$-	\$-	1,696,556.00
FY 33	1,723,611.00	\$-	\$-	\$-	1,723,611.00
Total	\$14,896,565.00	\$15,448,349.00	\$250,471.00	\$725,000.00	\$31,320,385.00

The total ERP costs including subscription, deployment, training, travel, advisory services, and additional College costs and contingencies, are as follows:

Fiscal Year	ERP Implementation	Advisory Services	Additional Costs	Total Projected ERP Costs
Y1 - FY24	\$3,396,116.75	\$1,309,350.00	\$1,079,756.59	\$5,785,223.34
Y2 - FY25	1,717,444.25	436,450.00	839,481.42	2,993,375.67
Y3 - FY26	8,149,005.00	918,750.00	1,670,087.78	10,737,842.78
Y4 - FY27	8,105,280.00	1,378,125.00	1,413,521.04	10,896,926.04
Y5 - FY28	1,599,785.00	1,378,125.00	576,895.76	3,554,805.76
Y6 - FY29	1,618,531.00	-	321,877.00	1,940,408.00
Y7 - FY30	1,644,027.00	-	70,765.00	1,714,792.00
Y8 - FY31	1,670,029.00	-	72,180.00	1,742,209.00
Y9 - FY32	1,696,556.00	-	73,624.00	1,770,180.00
Y10 - FY33	1,723,611.00	-	75,096.00	1,798,707.00
Grand Total	\$31,320,385.00	\$5,420,800.00	\$6,193,284.59	\$42,934,469.59

The total cost of \$42,934,469.59 is projected to be partially offset by third-party applications decommissioned as no longer necessary and by efficiencies, including, but not limited to the improvement of the following: payroll, student retention, faculty contracting, and the reduction in audit costs and voluntary turnover.

Funds – A portion of the funds for this expenditure are in the Unrestricted Fund Balance Designated for the ERP project pending Board approval of a budget amendment that follows in the packet for the Board's consideration.

Enclosed Documents – A presentation on Workday follows in the packet for the Board's information and review.

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

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

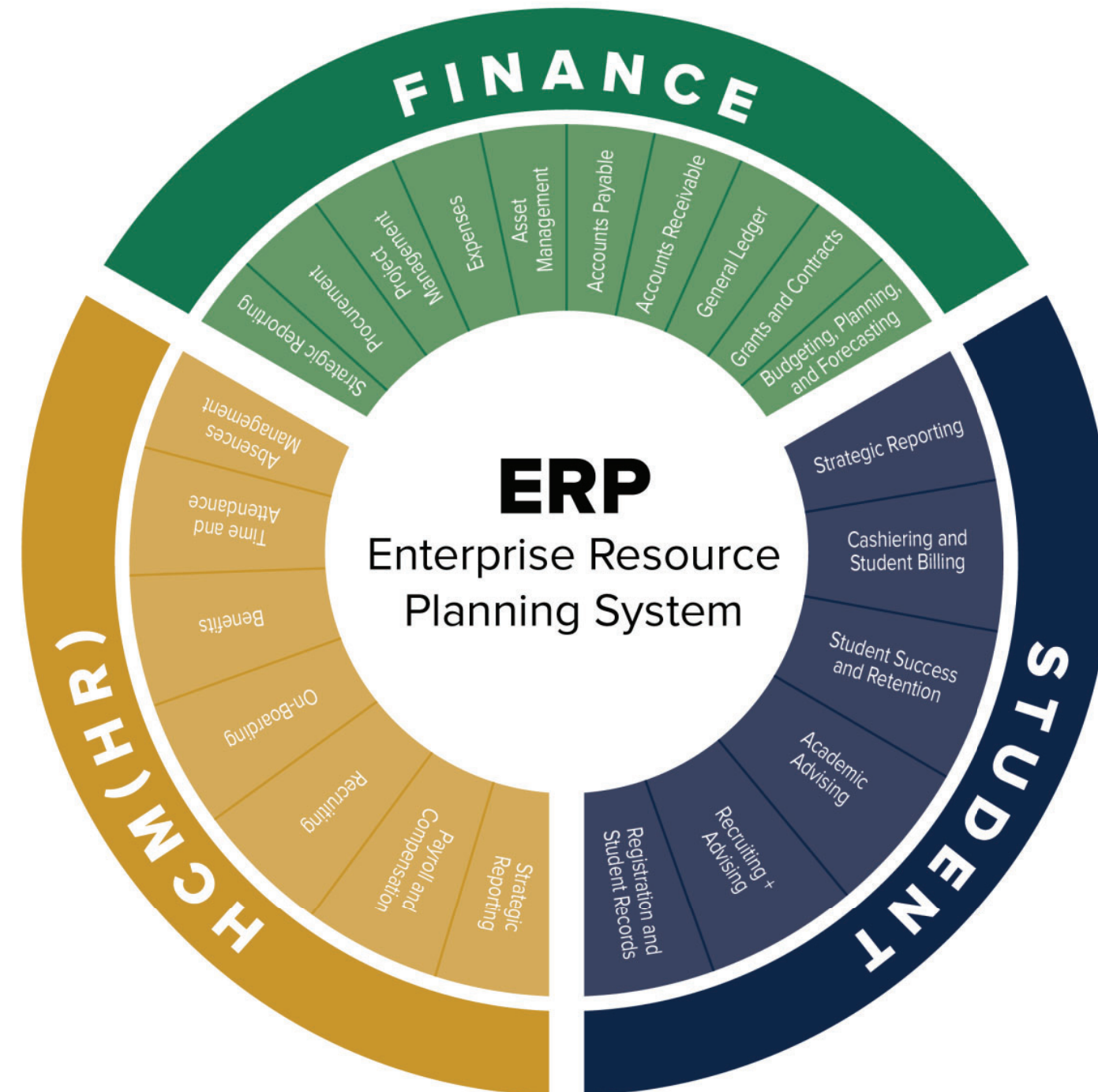
The Board of Trustees is asked to authorize the approval for the College Administration to purchase the subscription for Enterprise Resource Planning (ERP) System from **Workday** (New) through Precision Task Group (PTG) from the State of Texas Department of Information Resources (DIR) cooperative contract for the period beginning September 15, 2023, through September 14, 2033, subject to further negotiations related to the Statement of Work and not to exceed a total amount of \$14,896,565.00.

A decorative graphic consisting of a horizontal line that transitions into two triangles pointing in opposite directions, one above and one below the central text area.

Enterprise Resource Planning (ERP)

Mary Elizondo, MBA, CPA, CFE, CGMA
Vice President for Finance and Administrative Services

ERP System



ERP System Recommendation

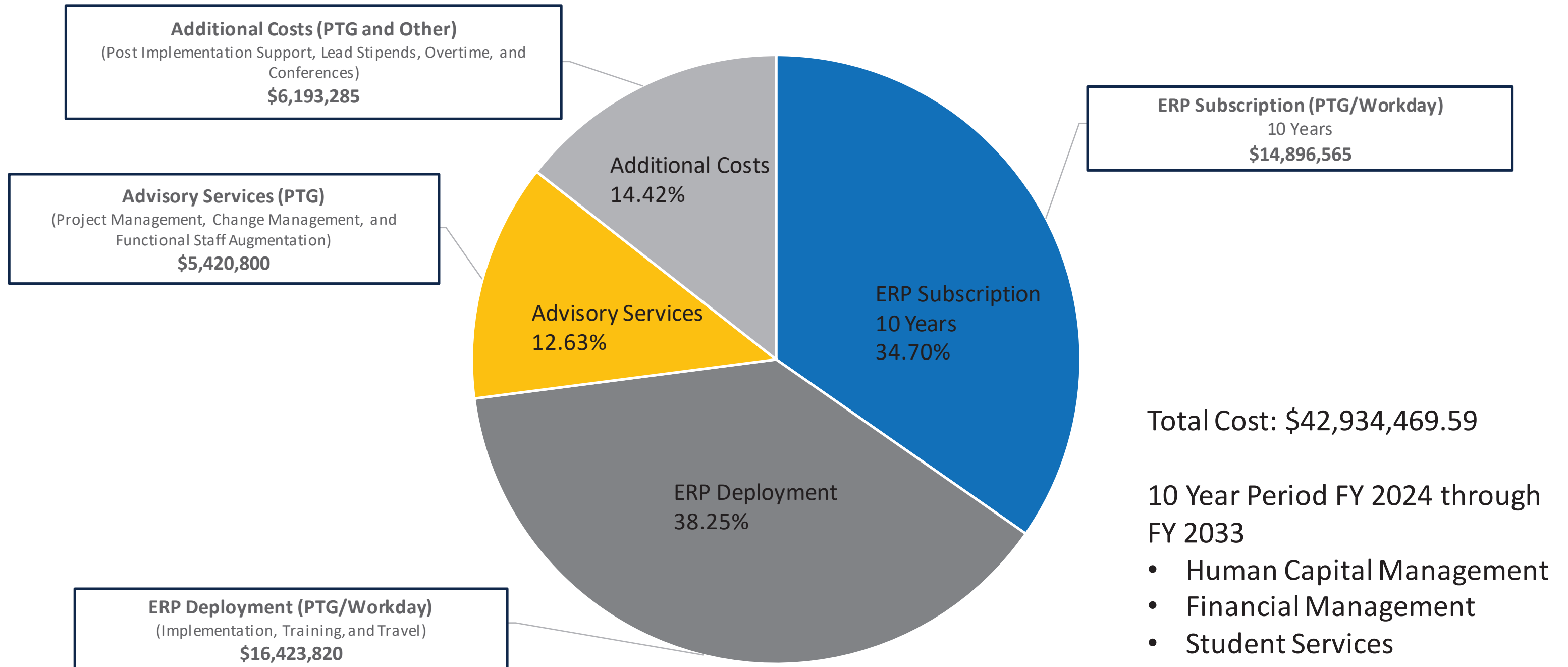
After lengthy research and discovery, as discussed at the Board Retreat and presented on the ERP Business Case report prepared by Peak Performance, College Administration is recommending the Workday ERP System for Board Approval.



Proposed ERP System Cost and Procurement

Total ERP Projected Costs

Workday, PTG, and Additional Costs



ERP Subscription/Deployment (PTG/Workday)

(Subscription, Deployment, Training, and Travel)

10 Year Projection

Fiscal Year	Software Subscription	Deployment: Finance, HR, Student	Training	Travel	Grand Total*
Y1 - FY24	\$912,434.00	\$2,286,261.75	\$72,421.00	\$125,000.00	\$3,396,116.75
Y2 - FY25	923,807.00	762,087.25	31,550.00	-	1,717,444.25
Y3 - FY26	1,545,005.00	6,200,000.00	104,000.00	300,000.00	8,149,005.00
Y4 - FY27	1,569,030.00	6,200,000.00	36,250.00	300,000.00	8,105,280.00
Y5 - FY28	1,593,535.00	-	6,250.00	-	1,599,785.00
Y6 - FY29	1,618,531.00	-	\$-	-	1,618,531.00
Y7 - FY30	1,644,027.00	-	\$-	-	1,644,027.00
Y8 - FY31	1,670,029.00	-	\$-	-	1,670,029.00
Y9 - FY32	1,696,556.00	-	\$-	-	1,696,556.00
Y10 - FY33	1,723,611.00	-	\$-	-	1,723,611.00
Grand Total	\$14,896,565.00	\$15,448,349.00	\$250,471.00	\$725,000.00	\$31,320,385.00
Total Subscription	\$14,896,565.00				\$14,896,565.00
Total Deployment		\$15,448,349.00	\$250,471.00	\$725,000.00	\$16,423,820.00

*Without Contingency

*Phase 1 Contracts - Costs

Advisory Services (PTG)

(Project Management, Change Management, and Functional Staff Augmentation)

10 Year Projection

Fiscal Year	Project Management	Change Management	Functional Staff Augmentation/ Backfill	SIS Staff Augmentation	Grand Total
Y1 - FY24	\$183,750.00	\$87,937.50	\$1,037,662.50	\$-	\$1,309,350.00
Y2 - FY25	61,250.00	29,312.50	345,887.50	-	436,450.00
Y3 - FY26	87,500.00	-	721,875.00	109,375.00	918,750.00
Y4 - FY27	131,250.00	-	1,082,812.50	164,062.50	1,378,125.00
Y5 - FY28	131,250.00	-	1,082,812.50	164,062.50	1,378,125.00
Y6 - FY29	-	-	-	-	-
Y7 - FY30	-	-	-	-	-
Y8 - FY31	-	-	-	-	-
Y9 - FY32	-	-	-	-	-
Y10 - FY33	-	-	-	-	-
Grand Total	\$595,000.00	\$117,250.00	\$4,271,050.00	\$437,500.00	\$5,420,800.00

*Phase 1 Contracts - Costs

Additional Costs

(Post Implementation Support, Lead Stipends, Overtime, Conferences, and other Modules)

10 Year Projection

Fiscal Year	I.T. Technical Staff Augmentation / Backfill	Extend Module	Adaptive Planning Module	Post-Implementati on Support	Incentive for Leads	Overtime (Non-Exempt Staff)	Conferences	Contingency – Training / Consultants Travel	Contingency – Advisory Services & Other Costs	Grand Total
Y1 - FY24	\$-	\$-	\$-	\$-	\$67,320.00	\$405,997.31	\$143,480.00	\$125,000.00	\$337,959.28	\$1,079,756.59
Y2 - FY25	-	-	-	-	22,440.00	134,642.14	219,440.00	125,000.00	337,959.28	839,481.42
Y3 - FY26	43,750.00	107,221.00	133,155.00	252,500.00	30,360.00	265,142.50	-	500,000.00	337,959.28	1,670,087.78
Y4 - FY27	65,625.00	27,765.00	38,918.00	-	45,540.00	397,713.76	-	500,000.00	337,959.28	1,413,521.04
Y5 - FY28	65,625.00	28,321.00	39,696.00	-	45,540.00	397,713.76	-	-	-	576,895.76
Y6 - FY29	-	28,887.00	40,490.00	252,500.00	-	-	-	-	-	321,877.00
Y7 - FY30	-	29,465.00	41,300.00	-	-	-	-	-	-	70,765.00
Y8 - FY31	-	30,054.00	42,126.00	-	-	-	-	-	-	72,180.00
Y9 - FY32	-	30,655.00	42,969.00	-	-	-	-	-	-	73,624.00
Y10 - FY33	-	31,268.00	43,828.00	-	-	-	-	-	-	75,096.00
Grand Total	\$175,000.00	\$313,636.00	\$422,482.00	\$505,000.00	\$211,200.00	\$1,601,209.47	\$362,920.00	\$1,250,000.00	\$1,351,837.12	\$6,193,284.59

*Phase 1 Contracts - Cost

ERP Subscription, Deployment, Advisory Services, Additional Costs

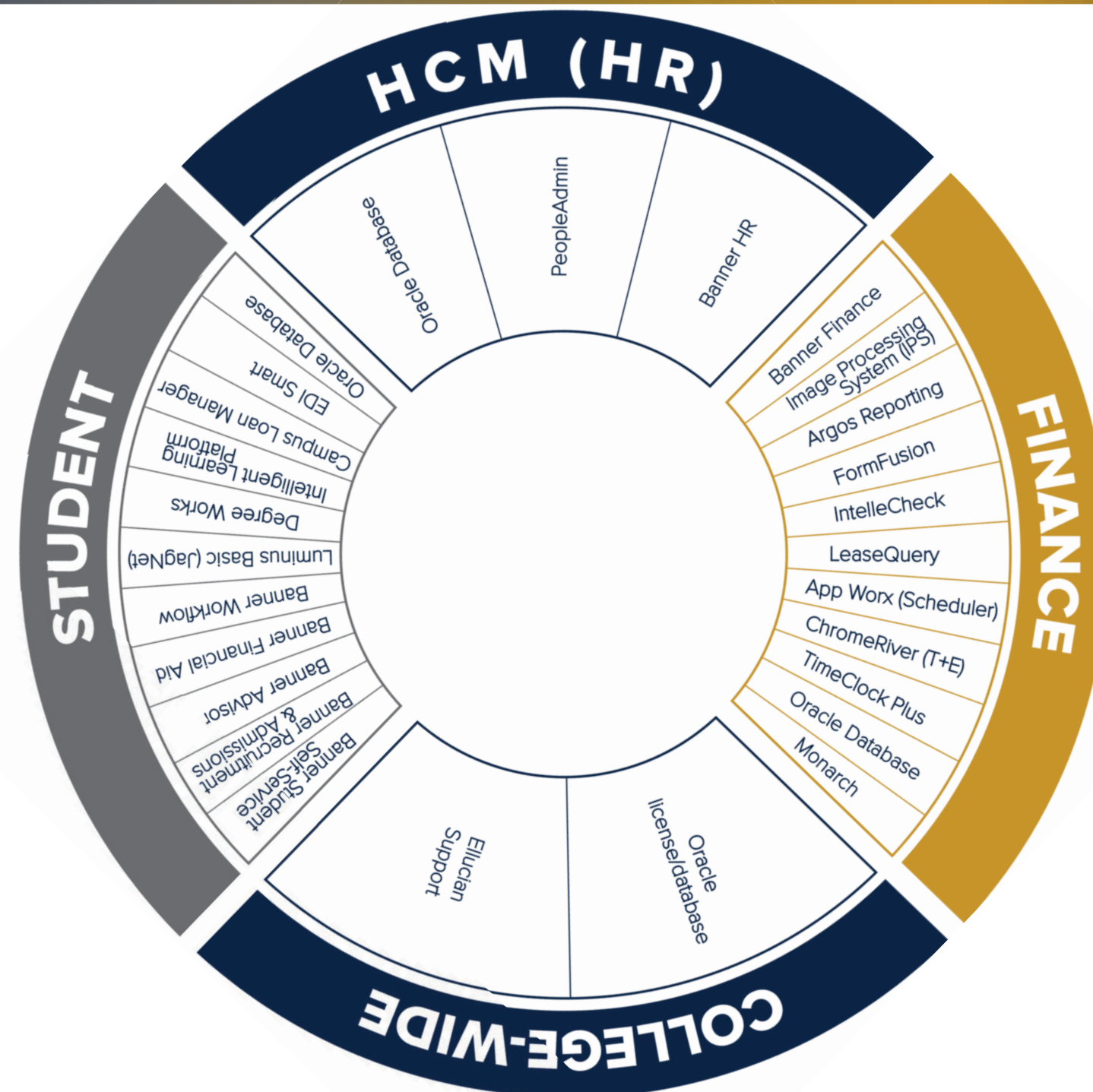
10 Year Projection

FY	ERP Subscription	ERP Deployment	Advisory Services	Additional Costs	Total Projected ERP Costs
Y1 - FY24	\$912,434.00	\$2,483,682.75	\$1,309,350.00	\$1,079,756.59	\$5,785,223.34
Y2 - FY25	923,807.00	793,637.25	436,450.00	839,481.42	2,993,375.67
Y3 - FY26	1,545,005.00	6,604,000.00	918,750.00	1,670,087.78	10,737,842.78
Y4 - FY27	1,569,030.00	6,536,250.00	1,378,125.00	1,413,521.04	10,896,926.04
Y5 - FY28	1,593,535.00	6,250.00	1,378,125.00	576,895.76	3,554,805.76
Y6 - FY29	1,618,531.00	-	-	321,877.00	1,940,408.00
Y7 - FY30	1,644,027.00	-	-	70,765.00	1,714,792.00
Y8 - FY31	1,670,029.00	-	-	72,180.00	1,742,209.00
Y9 - FY32	1,696,556.00	-	-	73,624.00	1,770,180.00
Y10 - FY33	1,723,611.00	-	-	75,096.00	1,798,707.00
Grand Total	\$14,896,565.00	\$16,423,820.00	\$5,420,800.00	\$6,193,284.59	\$42,934,469.59

Gross to Net (After Decommissioned Costs) 10 Year Projection

FY	Total ERP Project Costs	Decommissioned Applications	Projected Net Cost
Y1 - FY24	\$5,785,223.34	\$-	\$5,785,223.34
Y2 - FY25	2,993,375.67	-	2,993,375.67
Y3 - FY26	10,737,842.78	(342,275.93)	10,395,566.85
Y4 - FY27	10,896,926.04	361,343.23)	10,535,582.81
Y5 - FY28	3,554,805.76	2,130,956.41)	1,423,849.35
Y6 - FY29	1,940,408.00	2,236,139.66)	(295,731.66)
Y7 - FY30	1,714,792.00	2,350,241.98)	635,449.98)
Y8 - FY31	1,742,209.00	2,474,419.04)	(732,210.04)
Y9 - FY32	1,770,180.00	2,610,013.87)	(839,833.87)
Y10 - FY33	1,798,707.00	(2,617,728.93)	(819,021.93)
Grand Total	\$42,934,469.59	\$(15,123,119.05)	\$27,811,350.54

HCM, Finance, and Student Decommissioned 3rd Party Applications/Software



ERP Costs After Efficiency Savings 10 Year Projection

FY	Net Cost	Efficiency Savings (Projected by Workday)	Cost After Efficiency Savings
Y1 - FY24	\$5,785,223.34	\$(60,000.00)	\$5,725,223.34
Y2 - FY25	2,993,375.67	(1,033,589.00)	1,959,786.67
Y3 - FY26	10,395,566.85	(2,052,786.00)	8,342,780.85
Y4 - FY27	10,535,582.81	(2,028,732.00)	8,506,850.81
Y5 - FY28	1,423,849.35	(3,782,622.00)	(2,358,772.65)
Y6 - FY29	(295,731.66)	(5,499,625.00)	(5,795,356.66)
Y7 - FY30	635,449.98)	(5,506,358.00)	(6,141,807.98)
Y8 - FY31	(732,210.04)	(5,590,248.00)	(6,322,458.04)
Y9 - FY32	(839,833.87)	(5,758,325.00)	(6,598,158.87)
Y10 - FY33	(819,021.93)	(5,763,619.00)	(6,582,640.93)
Grand Total	\$27,811,350.54	\$(37,075,904.00)	\$(9,264,553.46)

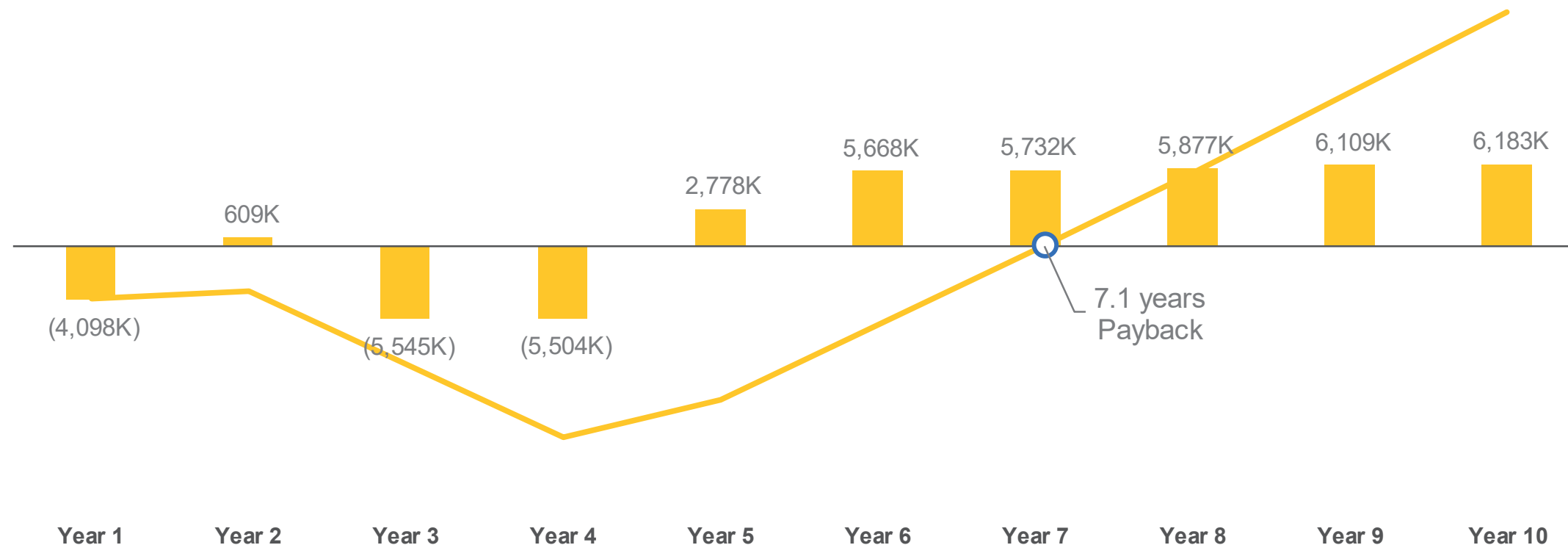
Factors Affecting Cost

- Student Module go-live date
- Support Services Required
- Decommissioned Systems Timeline
- Contingency Funds Use
- Delays in Deployment/Timelines
- Overtime Incurred
- Training Required by Staff
- Travel Required by Consultants

Workday's Financial Return on Investment (ROI) Calculations

Combined Projects: Human Capital Management, Finance, and Students

Yearly and Cumulative Net Benefits - Conservative



Not included in ROI methodology:

- Other implementation related costs such as advisory services (staff augmentation, project management, change management), lead stipends, overtime, travel, and other system purchases
- Cost reductions for discontinued hardware costs unnecessary with a cloud ERP

Methodology of ROI

Combined Projects: Human Capital Management, Finance, and Students

ROI Methodology

Costs – payments to Workday

- Software subscription
- Deployment
- Training
- Consultants' Travel

Benefits - savings due to cost reductions or improved efficiencies

- Cost reductions from third party applications to be decommissioned
- Reduced Banner System modules implemented in Workday
- Cost reductions from IT software/hardware that will be discontinued
- Improvements from process efficiencies and simplifications, reduced employee turnover, reduced overtime expense, improved succession scale, improved faculty contracting, and student retention improvement

History of Unrestricted Fund Balance Designation for the ERP System

Fiscal Year	ERP Infrastructure
FY 2022 - 2023	\$5,000,000
FY 2021 – 2022	2,000,000
FY 2020 – 2021	3,000,000
FY 2016 – 2017	1,500,000
FY 2015 – 2016	2,000,000
FY 2014 – 2015	4,000,000
FY 2013 – 2014	7,500,000
Total Designation for ERP System	\$25,000,000

FY 2024 Budget Amendment

Budget Amendment - FY24	
Workday/PTG Subscription	\$912,434.00
Workday/PTG Deployment	2,286,261.75
Workday/PTG Training/Travel	197,421.00
PTG Advisory Services	1,309,350.00
Additional Costs	1,079,756.59
Total	\$5,785,223.34

FY 24 Budget Amendment

Revenue Summary

Revenue Source and Carryover Allocations	Original Budget	Budget Amendment	Amended Budget
Total State Appropriations	\$ 52,994,625	\$ -	\$ 52,994,625
Total Tuition	55,810,730	-	55,810,730
Total Fees	2,912,740	-	2,912,740
Total M&O Property Taxes	68,095,878	-	68,095,878
Total Other Revenues	9,794,475	-	9,794,475
Total Carryover Allocations	14,543,353	5,785,223	20,328,576
Total Revenues and Carryover Allocations	\$ 204,151,801	\$ 5,785,223	\$ 209,937,024

Expenditures Summary

Expenditures/Transfers & Reserves	Original Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 115,123,059	\$ 383,252	\$ 115,506,311
Total Benefits	26,574,971	90,065	26,665,036
Total Operating	44,815,629	2,113,210	46,928,839
Total Travel	2,535,102	-	2,535,102
Total Capital Outlay	3,103,040	3,198,696	6,301,736
Total Expenditures	\$ 192,151,801	\$ 5,785,223	\$ 197,937,024
Transfers & Reserves			
Transfer to Unexpended Plant Fund - Construction	10,000,000	-	10,000,000
Transfer to Renewals & Replacements Plant Fund	-	-	-
Transfer to CE Unexpended Plant Fund	-	-	-
Contingency Fund	2,000,000	-	2,000,000
Fund Balance Reserve	-	-	-
Total Transfers & Reserves	12,000,000	-	12,000,000
Total Expenditures/Transfers & Reserves	\$ 204,151,801	\$ 5,785,223	\$ 209,937,024

Proposed ERP Procurement

The College proposes to purchase the Workday ERP system and Deployment Services and Advising Services from Precision Task Group (PTG) through the State of Texas Department of Information Resources (DIR) cooperative contract.

September 2023 Contracts

September 2023 Workday/PTG Contract Subscription and Deployment

Workday/PTG Subscription	HCM/Finance/Student	\$14,896,565.00
Workday/PTG Deployment	HCM/Finance	3,048,349.00
Workday/PTG Training	HCM/Finance	72,421.00
PTG Travel	HCM/Finance	125,000.00
Total		\$18,142,335.00

September 2023 PTG Contract Phase 1 – HCM and Finance (Advisory Services)

Project Management	HCM/Finance	\$245,000.00
Change Management	HCM/Finance	117,250.00
HCM/Finance Management	HCM/Finance	269,675.00
Finance Management	HCM/Finance	1,113,875.00
Total		\$1,745,800.00

Thank you



Questions

Discussion and Action as Necessary to Purchase Deployment Service for the College's Enterprise Resource Planning (ERP) System

Purpose and Justification – The Board of Trustees is asked to authorize the purchase of Deployment Service for the Enterprise Resource Planning (ERP) System from **Workday** (New) through Precision Task Group (PTG) from the State of Texas Department of Information Resources (DIR) cooperative contract for the period beginning October 16, 2023 through January 27, 2025, subject to further negotiations related to the Statement of Work and not to exceed a total amount of \$3,245,770.

Background – Workday is proposed to be deployed in two phases with Phase 1 to be implemented during Fiscal Year 2024 and Fiscal Year 2025. Phase 1 entails the deployment, training, and travel costs for the Human Capital Management (HCM) and Finance Modules.

The costs for Phase 1 are as follows:

Phase 1 Workday Costs			
Human Capital Management and Financial Management			
Services	Module	Term	Costs
Deployment	HCM/Finance	FY 24 – FY 25	\$3,048,349.00
Training*	HCM/Finance	FY 24 – FY 25	72,421.00
Travel*	HCM/Finance	FY 24 – FY 25	125,000.00
Total			\$3,245,770.00

**Travel and training costs are subject to the College's needs and are not to exceed the amounts shown in the table.*

The deployment stage entails for the data conversion, plan, architect and configure, testing, implementation and post-production of the ERP software by using tools/techniques and planning documents to effectively implement Workday applications in the college.

Training consists of the ERP implementation team engaging in a training program to support the Workday deployment phase.

Travel includes Workday consultants or subcontractors working on this project who will be willing and able to travel to the primary location for on-site work when required.

Funds – A portion of the funds for this expenditure are in the Unrestricted Fund Balance Designated for the ERP project pending Board approval of a budget amendment that follows in the packet for the Board's consideration.

Enclosed Documents – A presentation on the ERP Project is included in the packet for the Board's information and review.

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

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees is asked to authorize the approval for the College Administration to purchase Phase 1 of the Enterprise Resource Planning (ERP) System from **Workday** (New) through Precision Task Group (PTG) from the State of Texas Department of Information Resources (DIR) cooperative contract for the period beginning October 16, 2023 through January 27, 2025, subject to further negotiations related to the Statement of Work and not to exceed a total amount of \$3,245,770.

Review and Action as Necessary on Approval to Purchase Advisory Services for the College's Enterprise Resource Planning (ERP) System

Purpose and Justification – The Board of Trustees is asked to authorize the approval for the College Administration to purchase advisory services for Phase 1 of the Enterprise Resource Planning (ERP) project from **Precision Task Group (PTG)** (New), a State of Texas Department of Information Resources (DIR) approved cooperative contract vendor for the period beginning September 13, 2023, through January 27, 2025 at total amount subject to further negotiations related to the Statement of Work and not to exceed a total amount of \$1,745,800.00.

Background – The advisory services PTG provides consist of the Workday-related ERP professional services and solutions specifically including Project Management, Change Management, and Functional Staff Augmentation required to implement and execute the new ERP system.

The advisory services are proposed to be provided by PTG for Phase 1 (Human Capital Management (HCM) and Finance Modules) of the ERP project. Phase 1 is scheduled for Fiscal Year 2024 – Fiscal Year 2025 and the associated costs are as follows:

Advisory Services – Phase 1 HCM & Finance Modules	
Type	Total Cost
Project Management	\$245,000.00
Change Management	117,250.00
Staff Augmentation HCM/Finance	269,675.00
Staff Augmentation Finance	1,113,875.00
Total	\$1,745,800.00

The services provided by PTG on Project Management help create a governance model that will allow the College to successfully implement the new technology and associated processes to help drive all client-side tasks, deliverables, and milestones and align the team members to work as effectively and efficiently on project-related tasks.

Change Management aims to educate College leadership on organizational change management principles and prepare the project team members for the project, creating a robust communication strategy to ensure all campus stakeholders are aware of changes to their current way of doing business and prepare them for life in the new platform. Change Management helps drive policy and business process changes and assists with testing, training, and the creation of user procedures to ensure the team can utilize the new technology once the system has been implemented.

Staff Augmentation provides targeted assistance to key departments or team members as the need arises to ensure they are able to perform their expected daily job duties in addition to project responsibilities. Staff augmentation will be strategic in nature and intended to offload “commoditized” activities that are low risk in nature to allow client team members to focus on the more strategic tasks and deliverables.

Funds – A portion of the funds proposed for these expenditures are in the Unrestricted Fund Balance Designation for the ERP project pending Board approval of a budget amendment that follows in the packet for the Board’s consideration.

Enclosed Documents – A presentation on the ERP Project is included in the packet for the Board’s information and review.

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

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

Purpose and Justification – The Board of Trustees is asked to authorize the approval for the College Administration to purchase advisory services for Phase 1 of the Enterprise Resource Planning (ERP) project from **Precision Task Group** (PTG) (New), a State of Texas Department of Information Resources (DIR) approved cooperative contract vendor for the period beginning September 13, 2023, through January 27, 2025 at total amount subject to further negotiations related to the Statement of Work and not to exceed a total amount of \$1,745,800.00.

Discussion and Action as Necessary on Proposed Budget Amendment for FY 2023 – 2024

Purpose and Justification – Administration recommends Board approval of the proposed budget amendment for FY 2023 – 2024.

Background – The proposed budget amendment is necessary to increase the Unrestricted Fund carryover allocations and expenditure budgets for the:

- Proposed purchase of the College’s Enterprise Resource Planning (ERP) System and associated expenditures.

Unrestricted Fund Balance Designations

The total Unrestricted Fund Balance Designations as of August 31, 2023 are \$42,399,942, as follows:

Summary of Unrestricted Fund Balance Designations	
Fund Balance Designations	FY 2022 - 2023
Health Insurance Premiums	\$7,500,000
ERP Procurement and Infrastructure Maintenance & Renewal	25,000,000
Facilities Deferred Maintenance	3,899,942
Business Continuity and Disaster Plan	6,000,000
Total Fund Balance Designations as of August 31	\$42,399,942

Budget Amendment – Increase the Unrestricted Fund Carryover Allocations and Expenditures

A budget amendment is proposed to increase the Unrestricted Fund Carryover Allocations and Expenditures funded from the Unrestricted Fund Balance Designation for the ERP System for the purpose of funding the proposed FY 2023 – 2024 expenditures associated with the implementation of the College’s ERP System by \$5,785,223, as follows:

Fiscal Year 2023 – 2024 Unrestricted Fund Carryover Allocations and Expenditures Increase			
Source	Original Budget	Proposed Amendment	Amended Budget
Revenue			
Total Carryover Allocations	\$14,543,353	\$5,785,223	\$20,328,576
Expenditures			
Total Salaries	115,123,059	383,252	115,506,311
Total Benefits	26,574,971	90,065	26,665,036
Total Operating	44,815,629	2,113,210	46,928,839
Total Capital Outlay	3,103,040	3,198,696	6,301,736
Total Unrestricted Fund Expenditures Increase	\$189,616,699	\$5,785,223	\$195,401,922

ERP Project

As a result of the proposed budget amendment, the total budgeted revenues and carryover allocations and expenditures for the Unrestricted Fund for Fiscal Year 2023 – 2024 will increase as follows:

Fiscal Year 2023 - 2024				
Budgeted Revenues and Carryover Allocations and Expenditures				
Fund	Exh.	Original Budget	Proposed Amendment	Amended Budget
Unrestricted Fund	A	\$204,151,801	\$5,785,223	\$209,937,024

The Salaries expenditure budget is proposed to increase by \$383,252 as follows:

- \$54,510 due to the projected total cost of the stipend incentive for Finance, Human Resources, and Information Technology leads, and
- \$328,742 due to the projected total cost of the overtime for Finance, Human Resources, and Information Technology non-exempt staff.

The Benefits expenditure budget is proposed to increase by \$90,065 as follows:

- \$12,810 due to the projected total cost of stipend incentive for Finance, Human Resources, and Information Technology leads, and
- \$77,255 due to the projected total cost of the overtime for Finance, Human Resources, and Information Technology non-exempt staff.

The Operating expenditure budget is proposed to increase by \$2,113,210 as follows:

- \$197,421 due to the projected total cost of the ERP training and consultant travel,
- \$1,037,663 due to the projected total cost of the functional staff augmentation for Finance and Human Resources,
- \$271,687 due to the projected total cost of project and change management for Finance and Human Resources,
- \$143,480 due to the projected total cost of attending conferences for Finance, Human Resources, Student, and Information Technology, and
- \$462,959 due to the projected total cost of contingency funding for training, travel, advisory services, and other additional costs.

The Capital Outlay expenditure budget is proposed to increase by \$3,198,696 as follows:

- \$912,434 due to the projected total cost of Software Subscription, and
- \$2,286,262 due to the projected total cost of Deployment Phase I for Finance and Human Resources.

Including the proposed budget amendment of \$5,785,223 for Fiscal Year 2023 - 2024, the total Unrestricted Fund Balance Designations would decrease from \$42,399,942 to \$36,614,719 and the ERP Designation would decrease from \$25,000,000 to \$19,214,777, as follows.

Summary of Fund Balance Designations ERP Fund Balance Decrease			
Fund Balance Designations Per Category	FY 2022 - 2023	FY 2023 - 2024	Increase/ (Decrease)
Health Insurance Premiums	\$7,500,000	\$7,500,000	\$-
ERP Procurement and Infrastructure Maintenance & Renewal	25,000,000	19,214,777	(5,785,223)
Facilities Deferred Maintenance	3,899,942	3,899,942	-
Business Continuity and Disaster Plan	6,000,000	6,000,000	-
Total Fund Balance Designation as of August 31	\$42,399,942	\$36,614,719	\$(5,785,223)

Funding Source – The proposed ERP system purchase and associated costs will be funded from the Unrestricted Fund Balance Designation for the ERP System. As of August 31, 2023, the College has designated \$25,000,000 of the Unrestricted Fund Balance for the College's new ERP System.

Enclosed Documents – The budget amendment details and presentation follow in the packet for the Board's information and review.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the Proposed Budget Amendment for FY 2023 – 2024.

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approved and authorizes the Proposed Budget Amendment for FY 2023 – 2024 as presented.

South Texas College Unrestricted Fund

Fiscal Year Ending August 31, 2024
AMENDED

Revenue Summary

Revenue Source and Carryover Allocations	Original Budget	Budget Amendment	Amended Budget
Total State Appropriations	\$ 52,994,625	\$ -	\$ 52,994,625
Total Tuition	55,810,730	-	55,810,730
Total Fees	2,912,740	-	2,912,740
Total M&O Property Taxes	68,095,878	-	68,095,878
Total Other Revenues	9,794,475	-	9,794,475
Total Carryover Allocations	14,543,353	5,785,223	20,328,576
Total Revenues and Carryover Allocations	\$ 204,151,801	\$ 5,785,223	\$ 209,937,024

Expenditures Summary

Expenditures/Transfers & Reserves	Original Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 115,123,059	\$ 383,252	\$ 115,506,311
Total Benefits	26,574,971	90,065	26,665,036
Total Operating	44,815,629	2,113,210	46,928,839
Total Travel	2,535,102	-	2,535,102
Total Capital Outlay	3,103,040	3,198,696	6,301,736
Total Expenditures	\$ 192,151,801	\$ 5,785,223	\$ 197,937,024
Transfers & Reserves			
Transfer to Unexpended Plant Fund - Construction	10,000,000	-	10,000,000
Transfer to Renewals & Replacements Plant Fund	-	-	-
Transfer to CE Unexpended Plant Fund	-	-	-
Contingency Fund	2,000,000	-	2,000,000
Fund Balance Reserve	-	-	-
Total Transfers & Reserves	12,000,000	-	12,000,000
Total Expenditures/Transfers & Reserves	\$ 204,151,801	\$ 5,785,223	\$ 209,937,024

South Texas College

Proposed Budget Amendment for Unrestricted Fund FY 2023 - 2024

**Special Board Meeting
September 12, 2023**

MARIA G. ELIZONDO, MBA, CPA, CFE, CGMA

VICE PRESIDENT FOR FINANCE AND ADMINISTRATIVE SERVICES

1

Background of Proposed Budget Amendment

Proposed budget amendment is necessary to increase the Unrestricted Fund revenue and expenditure budgets for the proposed purchase of the College's Enterprise Resource Planning (ERP) System and associated expenditures.

2

Summary of Fund Balance Designations

Fund Balance Designations Per Category	FY 2022 - 2023
Health Insurance Premiums	\$7,500,000
ERP Procurement and Infrastructure Maintenance & Renewal	25,000,000
Facilities Deferred Maintenance	3,899,942
Business Continuity and Disaster Plan	6,000,000
Total Fund Balance Designation as of August 31	\$42,399,942

Fund Balance Designations Per Category	FY 2022 - 2023	Increase/ (Decrease)	FY 2023 - 2024
Health Insurance Premiums	\$7,500,000	\$-	\$7,500,000
ERP Procurement and Infrastructure Maintenance & Renewal	25,000,000	(5,785,223)	19,214,777
Facilities Deferred Maintenance	3,899,942	-	3,899,942
Business Continuity and Disaster Plan	6,000,000	-	6,000,000
Total Fund Balance Designation as of August 31	\$42,399,942	\$(5,785,223)	\$36,614,719

3

Summary of Proposed Budget Amendment

Budgeted Revenues and Expenditures

Fund	Original Budget	Proposed Amendment	Amended Budget
Unrestricted Fund	\$204,151,801	\$5,785,223	\$209,937,024

4

Proposed Budget Amendment Summary Unrestricted Fund

Revenue Summary

Revenue Source and Carryover Allocations	Original Budget	Budget Amendment	Amended Budget
Total State Appropriations	\$ 52,994,625	\$ -	\$ 52,994,625
Total Tuition	55,810,730	-	55,810,730
Total Fees	2,912,740	-	2,912,740
Total M&O Property Taxes	68,095,878	-	68,095,878
Total Other Revenues	9,794,475	-	9,794,475
Total Carryover Allocations	14,543,353	5,785,223	20,328,576
Total Revenues and Carryover Allocations	\$ 204,151,801	\$ 5,785,223	\$ 209,937,024

5

Proposed Budget Amendment Summary Unrestricted Fund

Expenditures Summary

Expenditures/Transfers & Reserves	Original Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 115,123,059	\$ 383,252	\$ 115,506,311
Total Benefits	26,574,971	90,065	26,665,036
Total Operating	44,815,629	2,113,210	46,928,839
Total Travel	2,535,102	-	2,535,102
Total Capital Outlay	3,103,040	3,198,696	6,301,736
Total Expenditures	\$ 192,151,801	\$ 5,785,223	\$ 197,937,024
Transfers & Reserves			
Transfer to Unexpended Plant Fund - Construction	10,000,000	-	10,000,000
Transfer to Renewals & Replacements Plant Fund	-	-	-
Transfer to CE Unexpended Plant Fund	-	-	-
Contingency Fund	2,000,000	-	2,000,000
Fund Balance Reserve	-	-	-
Total Transfers & Reserves	12,000,000	-	12,000,000
Total Expenditures/Transfers & Reserves	\$ 204,151,801	\$ 5,785,223	\$ 209,937,024

6

Summary of Budget Changes
Unrestricted Fund – Revenues and Carryover Allocations

Revenue Source	Increase/ (Decrease)	Description
Total Carryover Allocations	\$5,785,223	To fund the proposed: Purchase of the College's Enterprise Resource (ERP) System and associated expenditures in the amount of \$5,785,223
Total Revenue Increase	\$5,785,223	

7

Summary of Budget Changes
Unrestricted Fund Expenditures and Reserves

Expenditures and Reserves	Increase/ (Decrease)	Description
Total Salaries	\$383,252	To fund the proposed: \$54,510 due to the projected total cost of the stipend incentive for Finance, Human Resources, and Information Technology leads, and \$328,742 due to the projected total cost of the overtime for Finance, Human Resources, and Information Technology non-exempt staff.
Total Benefits	\$90,065	To fund the proposed: \$12,810 due to the projected total cost of stipend incentive for Finance, Human Resources, and Information Technology leads, and \$77,255 due to the projected total cost of the overtime for Finance, Human Resources, and Information Technology non-exempt staff.

8

Summary of Budget Changes Unrestricted Fund Expenditures and Reserves

Expenditures and Reserves	Increase/ (Decrease)	Description
Total Operating	\$2,113,210	<p>To fund the proposed:</p> <p>\$197,421 due to the projected total cost of the ERP training and consultant travel,</p> <p>\$1,037,663 due to the projected total cost of the functional staff augmentation for Finance and Human Resources,</p> <p>\$271,687 due to the projected total cost of project and change management for Finance and Human Resources,</p> <p>\$143,480 due to the projected total cost of attending conferences for Finance, Human Resources, Student, and Information Technology, and</p> <p>\$462,959 due to the projected total cost of contingency funding for training, travel, advisory services, and other additional costs.</p>
Total Capital Outlay	\$3,198,696	<p>To fund the proposed:</p> <p>\$912,434 due to the projected total cost of software subscription, and</p> <p>\$2,286,262 due to the projected total cost of Deployment Phase I for Finance and Human Resources.</p>
Total Expenditures Increase	\$5,785,223	

9

Thank You

Questions?

10

Consideration and Approval of a Check

Board action is requested to approve a check in the amount of \$147,584.28 payable to DDI Capital. The vendor invoice was not received on time to include on the August Board meeting and payment is required prior to September 22, 2023, to avoid a late fee of approximately \$2,000 as stipulated in the vendor contract.

The check information is as follows:

Release of Checks: Checks For \$125,000 and Above Board of Trustees Approval Required		
Vendor Name/Description	Amount	Financial Manager
DDI Capital Payment 2 for the Endpoint Protection software/cloud subscription for fiscal year 2024	\$147,584.28	Luis Gonzalez

It is recommended that the Board of Trustees of South Texas College approve the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approves and authorizes a check in the amount of \$147,584.28 payable to DDI Capital.

Approval Recommended:

Dr. Ricardo J. Solis
President