



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

Tuesday, August 25, 2015

5:00 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 MEETING ON FY 2015-2016 BUDGET
Tuesday, August 25, 2015 @ 5:00 p.m.
Ann Richards Administration Building Board Room, Pecan Campus
McAllen, Texas

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.”

- I. Call Meeting to Order
- II. Determination of Quorum
- III. Public Hearing on FY 2015-2016 Budget:..... 1 - 11
 - Presentation of Overview of FY 2015-2016 Budget
 - Public Comments
 - Close of Public Hearing on FY 2015-2016 Budget
- IV. Consideration and Action on Agenda Items:
 - A. Consideration and Approval of the Resolution Adopting the Budget for FY 2015-2016..... 12 - 14
- V. Informational Items
 - Regular Meeting of Board of Trustees, August 25, 2015 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas
- VI. Adjournment

The Public Hearing on FY 2015 - 2016 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2015 - 2016 Budget to the public and Board of Trustees during the public hearing and prior to the formal adoption of the Budget by the Board.

The Public Hearing on the FY 2015 - 2016 Budget will consist of:

- Presentation of Overview of FY 2015 - 2016 Budget
- Public Comments
- Closing of the Public Hearing on FY 2015 - 2016 Budget

The Budget is included under separate cover in the Board packet.



Proposed Budget FY 2015-2016



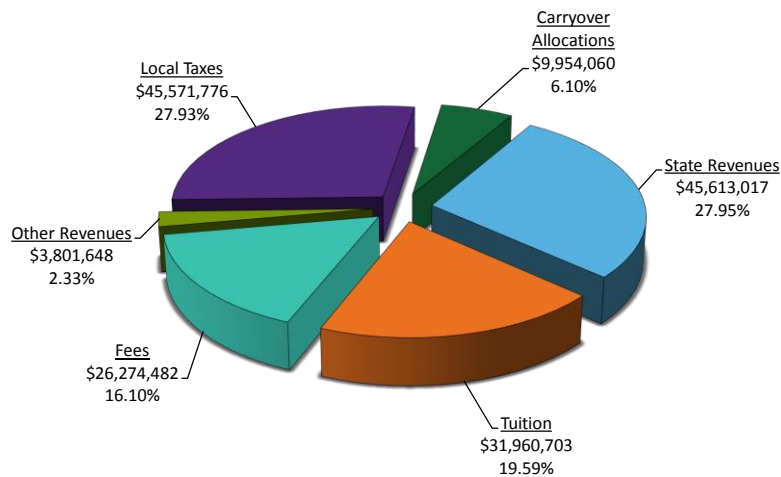
Proposed Unrestricted Fund Revenues FY 2015-2016

Summary of Revenues	FY 2015 Amended Budget	FY 2016 Proposed Budget	Increase/ (Decrease)
State Appropriation Revenue	\$35,896,669	\$38,583,036	\$2,686,367
<i>Other State Revenue – ORP</i>	462,776	467,199	4,423
<i>Other State Revenue – TRS</i>	1,813,018	1,921,405	108,387
<i>Other State Revenue - HEGI</i>	4,488,858	4,641,377	152,519
Other State Revenue Subtotal	6,764,652	7,029,981	265,329
Total State Revenues	42,661,321	45,613,017	2,951,696
Total Tuition	30,671,130	31,960,703	1,289,573
Total Fees	25,600,496	26,274,482	673,986
Total Other Revenues	3,243,620	3,801,648	558,028
Total Local Taxes	35,159,302	36,508,562	1,349,260
Total Local Taxes – Bond 2014	8,754,098	9,063,214	309,116
Total Carryover Allocations	12,195,166	9,954,060	(2,241,106)
Total Revenues	\$158,285,133	\$163,175,686	\$4,890,553

Proposed Unrestricted Fund Expenditures FY 2015-2016

Summary of Expenditures	FY 2015 Amended Budget	FY 2016 Proposed Budget	Increase/ (Decrease)
Total Salaries	\$82,256,576	\$85,239,693	\$2,983,117
Total Benefits	24,110,566	24,732,821	622,255
Total Operating	27,669,177	31,995,989	4,326,812
Total Travel	1,729,252	1,968,296	239,044
Total Capital Outlay	1,244,212	2,214,273	970,061
Total Expenditures	\$137,009,783	\$146,151,072	\$9,141,289
Transfers and Reserves			
Debt Service (MTR Bond Series 2007)	395,400	397,400	2,000
Transfer to Plant Funds	8,500,000	5,000,000	(3,500,000)
Transfer to Renewals & Replacements Plant Fund	1,000,000	-	(1,000,000)
Transfer to NAAMREI / IAM	625,852	564,000	(61,852)
Contingency Fund	2,000,000	2,000,000	-
LT, Bond Series 2014	8,754,098	9,063,214	309,116
Total Transfers and Reserves	21,275,350	17,024,614	(4,250,736)
Total Expenditures, Transfers & Reserves	\$158,285,133	\$163,175,686	\$4,890,553

Proposed Unrestricted Fund Revenues FY 2015-2016



Proposed State Appropriation Revenue FY 2015-2016

Appropriation Category	FY 2014-2015	FY 2015-2016	Increase/(Decrease)
Core Operations	\$500,000	\$500,000	-
Contact Hour Funding	\$31,439,246	\$33,607,193	\$2,167,947
Student Success	\$3,394,950	\$3,670,736	\$275,786
BAT	\$562,473	\$805,107	\$242,634
Total	\$35,896,669	\$38,583,036	\$2,686,367

Proposed State Insurance Contribution FY 2015-2016

SB 1812, Eighty-third Legislature, set the payroll state contribution rate for Higher Education Group Insurance (HEGI) contributions for community colleges at 50% of the cost associated with eligible employees. Total projected State Insurance Contribution is **\$4,641,377**.

Plan Name	FY 2015			FY 2016		
	Premium	Contribution (State Pays 50%)	Employee Pays	Premium	Contribution (State Pays 50%)	Employee Pays
Member Only	\$537.66	\$537.66	\$0	\$576.54	\$576.54	\$0
Member & Spouse	\$1,153.42	\$845.54	\$307.88	\$1,237.02	\$906.78	\$330.24
Member & Children	\$949.94	\$743.80	\$206.14	\$1,018.78	\$797.66	\$221.12
Member & Family	\$1,565.70	\$1,051.68	\$514.02	\$1,679.26	\$1,127.90	\$551.36

Proposed State Retirement Contribution FY 2015-2016

SB 1812, Eighty-third Legislature, limited the payroll state contribution rate for Optional Retirement Program (ORP) and the Teacher Retirement System (TRS) to 50% of the contribution. Total projected State Retirement Contribution is **\$2,388,604**.

	FY 2015		FY 2016	
	Contribution Rate (State pays 50%)	Employee Contribution Rate	Contribution Rate (State pays 50%)	Employee Contribution Rate
ORP	6.6% / 8.5%	6.65%	6.6% / 8.5%	6.65%
TRS	6.8%	6.7%	6.8%	7.2%

Proposed Student Enrollment FY 2015-2016

Traditional and Dual Enrollment Students

Total proposed Tuition and Fee Revenue is **\$58,235,185**.

Term	FY 2015 Actual/Projected		FY 2016 Projected					
	Traditional	Dual Enrollment	✓ Traditional	Traditional Increase %	Traditional Increase	✓ Dual Enrollment	Dual Enrollment Increase %	Dual Enrollment Increase
Fall	18,820	12,505	19,196	2.00%	376	13,546	8.32%	1,041
Spring	17,180	13,305	17,524	2.00%	344	13,869	4.24%	564
SS1	6,823	2,100	6,959	2.00%	136	2,812	33.90%	712
SS2	4,115	850	4,197	2.00%	82	1,054	24.00%	204
Total	46,938	28,760	47,876			31,281		

Proposed Taxable Value and Tax Rate FY 2015-2016

Total estimated Local Tax Revenue is **\$45,571,776**

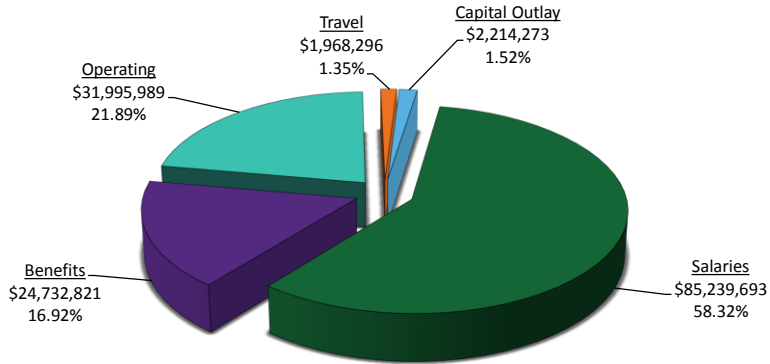
County	FY 2015 Levy 2014 Taxable Value	FY 2016 Levy 2015 Taxable Value	Difference Levy 2015 to Levy 2014	% Incr / (Decr)
Hidalgo County	\$29,130,282,895	\$31,190,329,931	\$2,060,047,036	7.07%
Starr County	\$1,834,876,530	\$2,114,162,760	\$279,286,230	15.22%
Total	\$30,965,159,425	\$33,304,492,691	\$2,339,333,266	7.55%

Tax	FY 2015 Levy 2014 Tax Rate	FY 2016 Levy 2015 Tax Rate	Difference Levy 2015 to Levy 2014 Tax Rate
Maintenance and Operations (M&O)	\$0.1400	\$0.1400	\$0.00
Interest and Sinking (I&S)	\$0.0450	\$0.0450	\$0.00
Total	\$0.1850	\$0.1850	\$0.00

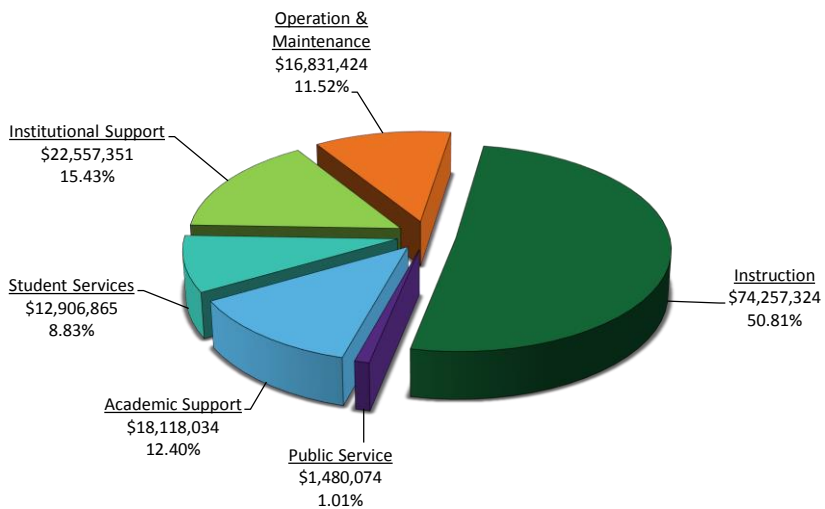
Proposed Carryover Allocations FY 2015-2016

Carryover Allocations	Amount
Non Public Fund	\$1,009,498
Unexpended Construction Plant	5,000,000
Continuing Education	929,188
Capital Carryover	1,000,000
Contingency Fund	2,000,000
Carryover Adjustments (Nursing, Royalties)	15,374
Total Carryover Allocations	\$9,954,060

Proposed Unrestricted Fund Expenditures by Classification FY 2015-2016



Proposed Unrestricted Fund Expenditures by Function FY 2015-2016



Proposed Total Expenditures By Function FY 2015-2016

Function	Amount	Percentage
Instruction	\$74,257,324	50.81%
Public Service	1,480,074	1.01%
Academic Support	18,118,034	12.40%
Student Services	12,906,865	8.83%
Institutional Support	22,557,351	15.43%
Operation & Maintenance	16,831,424	11.52%
Total Proposed Expenditures	\$146,151,072	100.00%

Proposed Salary Expenditures By Function FY 2015-2016

Function	Amount	Percentage
Instruction	\$49,237,990	57.76%
Public Service	485,192	0.57%
Academic Support	10,288,150	12.07%
Student Services	8,196,304	9.62%
Institutional Support	10,402,317	12.20%
Operation & Maintenance	6,629,740	7.78%
Total Proposed Salaries Expenditures	\$85,239,693	100.00%

Proposed Capital Expenditures FY 2015-2016

Capital Expenditures Budget Proposals	Amount
Instruction Ultrasound phantoms, 3D printer, portable radiography unit, obstetrics and patient simulator, technology-instruction	\$1,038,069
Public Service Technology-public service	5,187
Academic Support Faculty evaluation system, curriculum system, and library books and videos, technology-academic support	590,492
Student Services Technology-student services	173,518
Institutional Support Timekeeping system, PeopleAdmin management system	170,000
Operations and Maintenance Cargo and delivery vehicle, document storage, technology-operation & maintenance	237,007
Total Proposed Capital Expenditures	\$2,214,273

Proposed Auxiliary Fund FY 2015-2016

Total Revenues	Total Expenditures
2,119,070	\$2,119,070

Revenue Sources	Expenditure Types
Bookstore Commissions	Student/Employee Initiatives
Food Service Sales	Food Service Expenditures
Vending Machine Commissions	Student/Employee Initiatives
Conferences Revenue	Conference Expenditures
Child Care Center Revenue	Child Care Center Expenditures
Student Copier Revenue	Student Copier Expenditures

Proposed Restricted Fund

FY 2015-2016

Total Revenues	Total Expenditures
\$78,671,685	\$78,671,685

Revenue Sources	Expenditure Types
State and Federal Financial Aid	Pell, SEOG, College Work-Study, TEOG Initial and Renewal
State and Federal Grants	TWC Skills Development Fund, Carl Perkins, Nursing Shortage Reduction, Veterans Chapter 31 and 33, Wagner Peyser
Private and Local Grants and Scholarships	Student scholarships, VIDA, City of McAllen

Proposed Plant Fund

Unexpended-Construction Fund Non-Bond and Bond

FY 2015-2016

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Construction Fund-Non-Bond	\$13,053,265	\$13,053,265
Unexpended-Construction Fund-Bond	\$97,862,574	\$97,862,574
Total	\$110,915,839	\$110,915,839

Proposed Plant Fund

Renewals & Replacements and Retirement of Indebtedness

FY 2015-2016

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Renewals & Replacements	\$4,641,250	\$4,641,250
Unexpended-Retirement of Indebtedness	\$18,981,642	\$18,981,642



Thank you

Questions?

Consideration and Approval of the Resolution Adopting the Budget for FY 2015 - 2016

It is recommended that the Board of Trustees approve the budget for FY 2015 - 2016 and adopt the resolution approving the Budget for FY 2015 - 2016 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2015 – 2016 was advertised on August 5, 2015 in the *Starr County Town Crier*, the *Mid Valley Town Crier*, and *The Monitor*. The Hearing gives the general public the opportunity to make comments and have input with regard to the adoption of the budget. A copy of the budget is included under separate cover.

The Resolution to Adopt the Budget follows in the packet for your information and review.

A copy of the proposed budget was made available for viewing at the Office of the Vice President for Finance and Administrative Services located in the Administration Building in Room 230 at the Pecan Campus prior to the Public Hearing. Copies of the budget were made available at the Public Hearing.

The Finance and Human Resources Committee reviewed the FY 2015 - 2016 Proposed Budget which included all Funds at their August 11, 2015 meeting and recommended approval.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve the Resolution adopting the Budget for FY 2015 - 2016 as presented.

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

The Board of Trustees of South Texas College approves the Resolution adopting the Budget for FY 2015 - 2016 as recommended.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2015 AND ENDING AUGUST 31, 2016 IN ACCORDANCE WITH THE PROVISIONS OF THE TEXAS EDUCATION CODE AND ORDERING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

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

SECTION I: The Budget Estimate of revenues for South Texas College District (the “College District”) and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning September 1, 2015, and ending August 31, 2016, as submitted by the President of the College, be, and the same is in all things, adopted and approved as the budget of all of the current revenues and expenses for the fiscal year beginning the 1st day of September, 2015, and ending the 31st day of August, 2016.

SECTION II: The amount of ad valorem taxes and revenue from other sources, as estimated by the President, is hereby appropriated out of the various Funds for the payment of operating expenses and capital outlay of the College District. A copy of the Budget Summary indicating such revenues and appropriating their expenditures is attached hereto and made a part hereof for all purposes as Exhibit “A” and shall remain on file in the Office of the President.

SECTION III: The sums indicated in Exhibit “A” are hereby appropriated in the Unrestricted Fund and College’s Debt Service Fund out of the current year ad valorem taxes as collected for the purposes of maintenance and operation of the College District, as applicable, and applying the interest due on the general obligation bonds, redeeming the bonds as they mature, and creating sinking funds as required by such bonds.

SECTION IV: All Resolutions or parts of Resolutions in conflict herewith are hereby repealed.

SECTION V: This Resolution shall be and remain in full force and effect as of September 1, 2014.

SECTION VI: If any part, or parts, of this Resolution 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 the extent this Resolution is considered severable.

CONSIDERED, PASSED and APPROVED this ____ day of August, 2015 at a meeting of the Board of Trustees of South Texas College District at which a quorum was present and which was held in accordance with the Texas Government Code Chapter 551.

SIGNED this ____ day of August, 2015.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Roy de León, Chairman

ATTEST:

By: _____
Paul R. Rodriguez, Secretary