



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

Tuesday, June 28, 2016

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 2016 - 2017 BUDGET

Tuesday, June 28, 2016 @ 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 2016 - 2017 Budget:..... 1 - 11
 - Presentation of Overview of FY 2016 - 2017 Budget
 - Public Comments
 - Close of Public Hearing on FY 2016 - 2017 Budget
- IV. Consideration and Action on Agenda Items:
 - A. Consideration and Approval of the Resolution Adopting the Budget for FY 2016 - 2017..... 12 - 14
- V. Informational Items
 - Regular Meeting of Board of Trustees, June 28, 2016 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas
- VI. Adjournment

The Public Hearing on FY 2016 - 2017 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2016 - 2017 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 2016 - 2017 Budget will consist of:

- Presentation of Overview of FY 2016 - 2017 Budget
- Public Comments
- Closing of the Public Hearing on FY 2016 - 2017 Budget

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



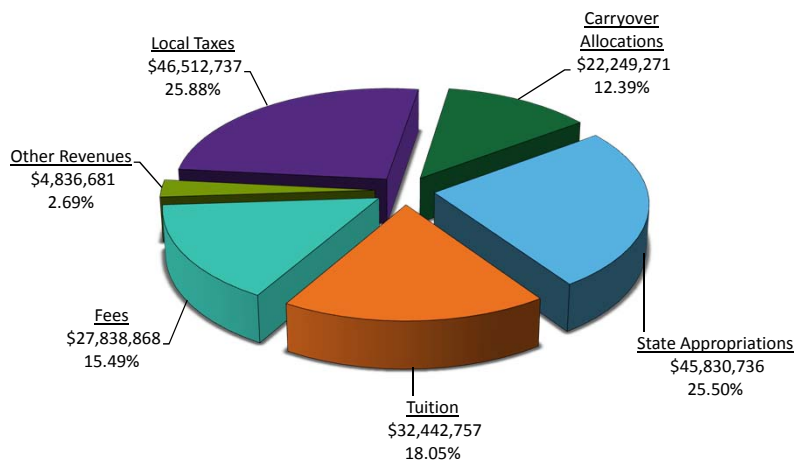
Proposed Unrestricted Fund Revenues FY 2016 - 2017

Summary of Revenues	FY 2015 - 2016 Budget	FY 2016 - 2017 Proposed Budget	Increase/ (Decrease)
State Contact Hour Appropriation	\$38,583,036	\$38,583,036	\$ -
<i>Other State Appropriation – ORP</i>	467,199	509,784	42,585
<i>Other State Appropriation – TRS</i>	1,921,405	2,096,539	175,134
<i>Other State Appropriation – HEGI</i>	4,641,377	4,641,377	-
Other State Appropriations Subtotal	7,029,981	7,247,700	217,719
Total State Appropriations	45,613,017	45,830,736	217,719
Total Tuition	31,960,703	32,442,757	482,054
Total Fees	26,274,482	27,838,868	1,564,386
Total Other Revenues	3,801,648	4,836,681	1,035,033
Total Local Taxes	36,508,562	37,249,523	740,961
Total M&O Tax Bond Program 2013	9,063,214	9,263,214	200,000
Total Carryover Allocations	9,954,060	22,249,271	12,295,211
Total Revenues	\$163,175,686	\$179,711,050	\$16,535,364

Proposed Unrestricted Fund Expenditures FY 2016 - 2017

Summary of Expenditures	FY 2015 - 2016 Budget	FY 2016 - 2017 Proposed Budget	Increase/ (Decrease)
Total Salaries	\$85,239,693	\$93,009,192	\$7,769,499
Total Benefits	24,732,821	26,165,328	1,432,507
Total Operating	31,995,989	40,015,693	8,019,704
Total Travel	1,968,296	2,096,123	127,827
Total Capital Outlay	2,214,273	8,310,922	6,096,649
Total Expenditures	\$146,151,072	\$169,597,258	\$23,446,186
Transfers and Reserves			
Debt Service (MTR Bond Series 2007)	397,400	393,800	(3,600)
Transfer to Plant Funds	5,000,000	3,000,000	(2,000,000)
Transfer to NAAMREI / IAM	564,000	564,000	-
Contingency Fund	2,000,000	2,000,000	-
M&O Tax Bond Program 2013	9,063,214	4,155,992	(4,907,222)
Total Transfers and Reserves	17,024,614	10,113,792	(6,910,822)
Total Expenditures, Transfers & Reserves	\$163,175,686	\$179,711,050	\$16,535,364

Proposed Unrestricted Fund Revenues FY 2016 - 2017



Proposed State Appropriation Revenue FY 2016 - 2017

Appropriation Category	FY 2015 - 2016	FY 2016 - 2017
Core Operations	\$500,000	\$500,000
Contact Hour Funding	33,607,193	33,607,193
Student Success	3,670,736	3,670,736
BAT	805,107	805,107
Total	\$38,583,036	\$38,583,036

Proposed State Insurance Contribution FY 2016 - 2017

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 - 2016			FY 2016 - 2017		
	Premium	Contribution (State Pays 50%)	Employee Pays	Premium	Contribution (State Pays 50%)	Employee Pays
Member Only	\$576.54	\$576.54	\$0	\$617.30	\$617.30	\$0
Member & Spouse	\$1,237.02	\$906.78	\$330.24	\$1,324.66	\$970.98	\$353.68
Member & Children	\$1,018.78	\$797.66	\$221.12	\$1,090.90	\$854.10	\$236.80
Member & Family	\$1,679.26	\$1,127.90	\$551.36	\$1,798.26	\$1,207.78	\$590.48

Proposed State Retirement Contribution FY 2016 - 2017

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 **\$2,606,323**.

	FY 2015 - 2016		FY 2016 - 2017	
	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%	7.2%	6.8%	7.2%

Proposed Student Enrollment FY 2016 - 2017

Traditional and Dual Enrollment Students

Total proposed Tuition and Fee Revenue is **\$60,281,625**.

Term	FY 2015 - 2016 Actual/Projected		FY 2016 - 2017 Projected					
	Traditional	Dual Enrollment	✓ Traditional	Traditional Increase %	Traditional Increase	✓ Dual Enrollment	Dual Enrollment Increase %	Dual Enrollment Increase
Fall	19,368	15,269	19,755	2.00%	387	16,796	10.00%	1,527
Spring	17,524	16,158	17,874	2.00%	350	17,871	10.60%	1,713
SS1	7,136	4,410	7,279	2.00%	143	4,851	10.00%	441
SS2	4,248	1,712	4,333	2.00%	85	1,883	10.00%	171
Total	48,276	31,427	49,241			41,401		

Proposed Property Tax Levy FY 2016 - 2017

Total estimated Local Tax Revenue is \$46,512,737

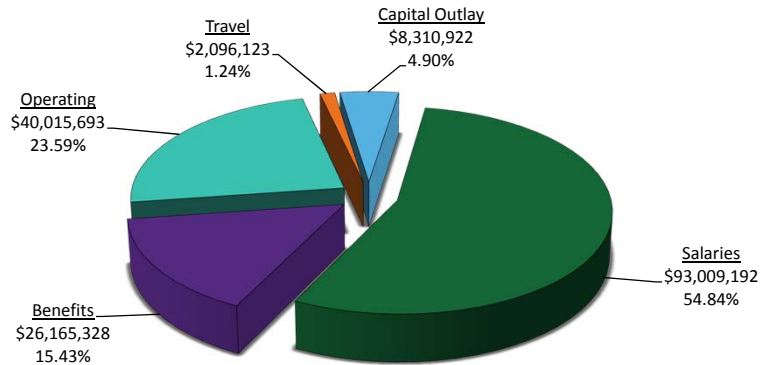
County	FY 2015 - 2016 Levy 2015 Tax Levy	FY 2016 - 2017 Levy 2016 Projected Tax Levy*	Difference Levy 2016 to Levy 2015	% Incr / (Decr)
Tax Collections-Current Levy	\$33,231,783	\$34,031,783	\$800,000	2.41%
Delinquent Tax	1,898,170	1,853,368	(44,802)	-2.36%
Penalties and Interest	1,378,609	1,364,372	(14,237)	-1.03%
M&O Tax Bond Program 2013	9,063,214	9,263,214	200,000	2.21%
Total	\$45,571,776	\$46,512,737	\$940,961	2.06%

* Projections for FY 2016 - 2017 are based on historical trends and preliminary values provided by the appraisal districts for Hidalgo and Starr counties in April.

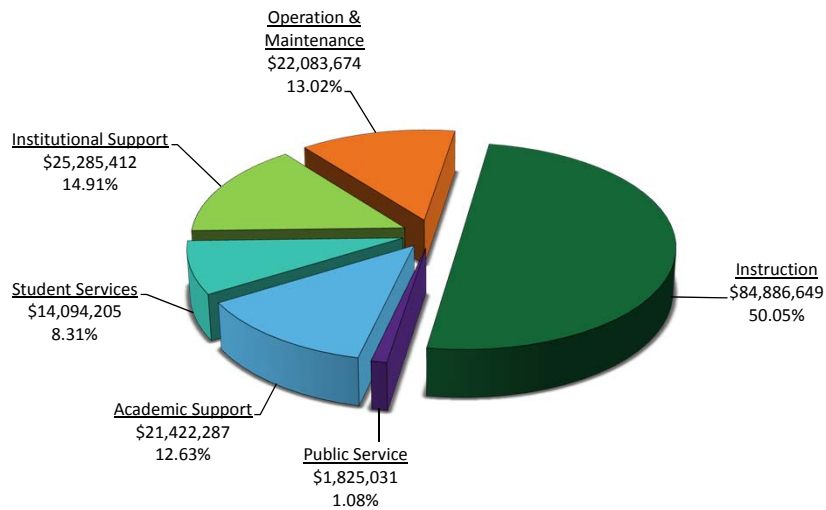
Proposed Carryover Allocations FY 2016 - 2017

Carryover Allocations	Amount
Non Public Fund	\$895,797
Unexpended Construction Plant	3,000,000
Continuing Education	929,188
Capital Purchases	2,886,634
Contingency Fund	2,000,000
Carryover Adjustments (Nursing, Royalties)	14,076
Prior Year M&O Tax Bond Program 2013-Supplies and Equipment	12,523,576
Total Carryover Allocations	\$22,249,271

Proposed Unrestricted Fund Expenditures by Classification FY 2016 - 2017



Proposed Unrestricted Fund Expenditures by Function FY 2016 - 2017



**Proposed Total Expenditures
By Function
FY 2016 - 2017**

Function	Amount	Percentage
Instruction	\$84,886,649	50.05%
Public Service	1,825,031	1.08%
Academic Support	21,422,287	12.63%
Student Services	14,094,205	8.31%
Institutional Support	25,285,412	14.91%
Operation & Maintenance	22,083,674	13.02%
Total Proposed Expenditures	\$169,597,258	100.00%

**Proposed Salary Expenditures
By Function
FY 2016 - 2017**

Function	Amount	Percentage
Instruction	\$52,737,906	56.70%
Public Service	494,204	0.53%
Academic Support	10,748,364	11.56%
Student Services	8,763,115	9.42%
Institutional Support	11,968,823	12.87%
Operation & Maintenance	8,296,780	8.92%
Total Proposed Salaries Expenditures	\$93,009,192	100.00%

Proposed Capital Expenditures FY 2016 - 2017

Capital Expenditures Budget Proposals	Amount
Instruction C-arm fluoroscopy unit and surgical table, ultrasound unit and stretcher, low temperature chest freezer, technology-instruction, FFE- instruction	\$4,668,933
Public Service Technology-public service, FFE-public service	233,213
Academic Support Library books and videos, strategic market analysis software, technology-academic support, FFE-academic support	903,634
Student Services Call center services, technology-student services, FFE-student services	600,123
Institutional Support Timekeeping system, FFE-institutional support	152,000
Operations and Maintenance Cargo and delivery vehicle, police vehicles, space management software, technology-operations & maintenance, FFE-operations & maintenance	1,753,019
Total Proposed Capital Expenditures	\$8,310,922

Proposed Auxiliary Fund FY 2016 - 2017

Total Revenues	Total Expenditures
\$2,087,848	\$2,087,848

Revenue Sources	Expenditure Types
Bookstore Commissions	Student/Employee Initiatives
Food Service Sales	Food Service Expenditures
Vending Machine Commissions and Catering 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 2016 - 2017

Total Revenues	Total Expenditures
\$74,594,336	\$74,594,336

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 2016 - 2017

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Construction Fund-Non-Bond	\$18,148,132	\$18,148,132
Unexpended-Construction Fund-Bond	118,128,382	118,128,382
Total	\$136,276,514	\$136,276,514

Proposed Plant Fund

Renewals & Replacements and Retirement of Indebtedness

FY 2016 - 2017

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Renewals & Replacements	\$4,802,050	\$4,802,050
Unexpended-Retirement of Indebtedness	\$18,563,779	\$18,563,779



Questions?

Consideration and Approval of the Resolution Adopting the Budget for FY 2016 - 2017

It is recommended that the Board of Trustees approve the budget for FY 2016 - 2017 and adopt the resolution approving the Budget for FY 2016 - 2017 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2016 – 2017 was advertised on June 8, 2016 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 2016 - 2017 Proposed Budget which included all Funds at their June 14, 2016 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 2016 - 2017 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 2016 - 2017 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, 2016 AND ENDING AUGUST 31, 2017 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, 2016, and ending August 31, 2017, 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, 2016, and ending the 31st day of August, 2017.

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 June, 2016 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 June, 2016.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Alejo Salinas, Jr., Chairman

ATTEST:

By: _____
Jesse Villarreal, Secretary