



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

Tuesday, July 24, 2018

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 2018 – 2019 BUDGET
Tuesday, July 24, 2018 @ 5:00 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 Hearing on FY 2018 - 2019 Budget: 1**
 - Presentation of Overview of FY 2018 - 2019 Budget
 - Public Comments
 - Close of Public Hearing on FY 2018 - 2019 Budget

- IV. Consideration and Action on Agenda Items: 2 - 14**
 - A. Consideration and Approval of the Resolution Adopting the Budget for FY 2018 – 2019**

Informational Items

- Regular Meeting of Board of Trustees, July 24, 2018 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

- V. Adjournment**

The Public Hearing on FY 2018 - 2019 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2018 - 2019 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 2018 - 2019 Budget will consist of:

- Presentation of Overview of FY 2018 - 2019 Budget
- Public Comments
- Closing of the Public Hearing on FY 2018 - 2019 Budget

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

Consideration and Approval of the Resolution Adopting the Budget for FY 2018 - 2019

It is recommended that the Board of Trustees approve the budget for FY 2018 - 2019 and adopt the resolution approving the Budget for FY 2018 - 2019 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2018 - 2019 was advertised on July 11, 2018 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 and a presentation on the Budget follows in the packet for the Board's 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 2018 - 2019 Proposed Budget which included all Funds at their July 10, 2018 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 2018 - 2019 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 2018 - 2019 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, 2018 AND ENDING AUGUST 31, 2019 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, 2018, and ending August 31, 2019, 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, 2018, and ending the 31st day of August, 2019.

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, 2018.

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 July, 2018 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 July, 2018.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Paul Rodriguez, Chairman

ATTEST:

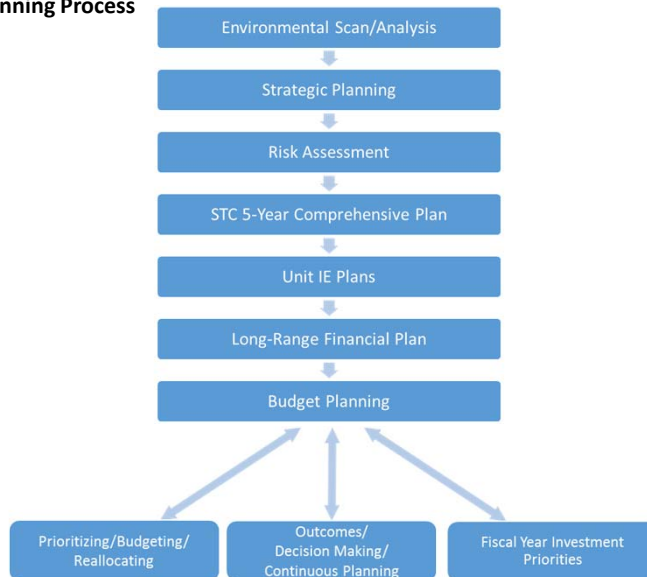
By: _____
Roy De León, Secretary

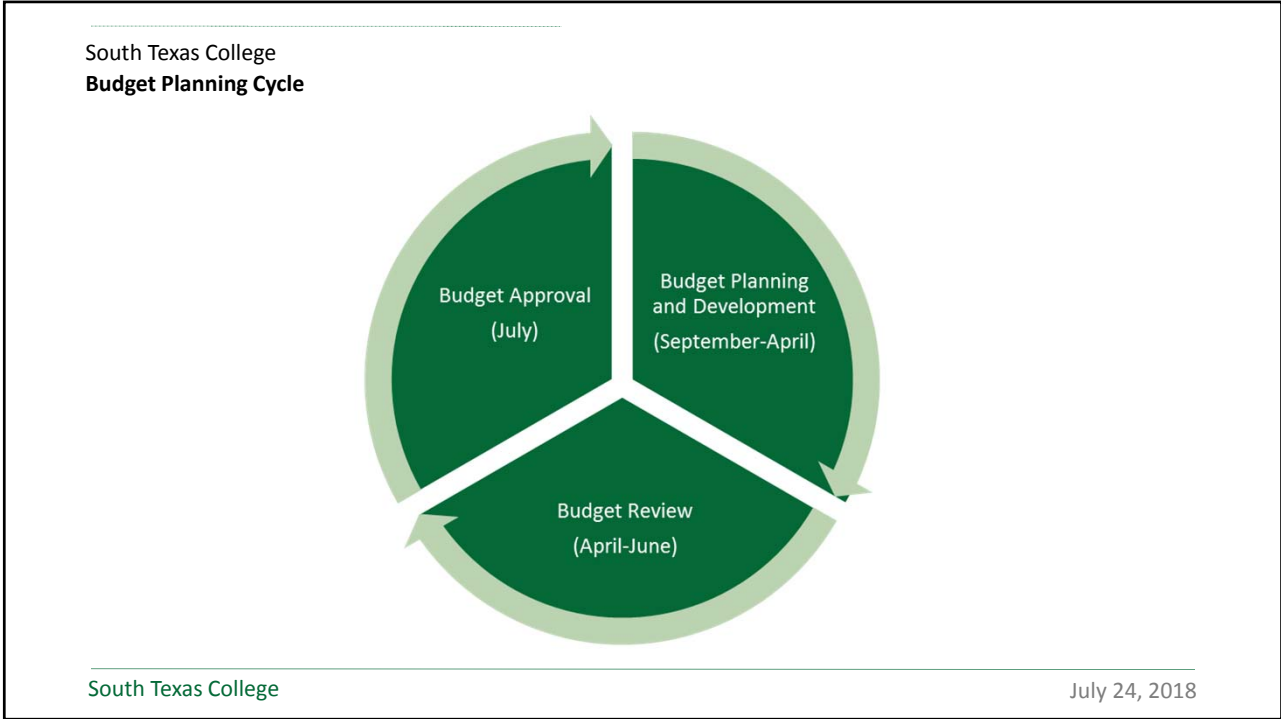
South Texas College

Proposed Budget
FY 2018 – 2019



South Texas College Integrated Budget Planning Process





South Texas College
Budget Timeline

	September	October	November	December	January	February	March	April	May	June	July
Budget Planning and Development	Instructions and Guidelines				Department Requests						
	Revenue Projections				Revenue and Expense Projections						
							Balance Budget				
								Department and Cabinet Review			
Budget Review								Preliminary Review by Finance, Audit, and Human Resources Committee			
Budget Approval											Hearing Publication
											Budget Hearing
											Budget Proposal
											Budget Approval

South Texas College July 24, 2018

FY 2018 - 2019 Budget Highlights



1. 3% Salary increase for Faculty and Staff
2. M&O Carryover budget reflects expected expenditures in FY 2019
3. 0% enrollment growth assumed for tuition and fee projections
4. Cost defrayment project - student fees

South Texas College

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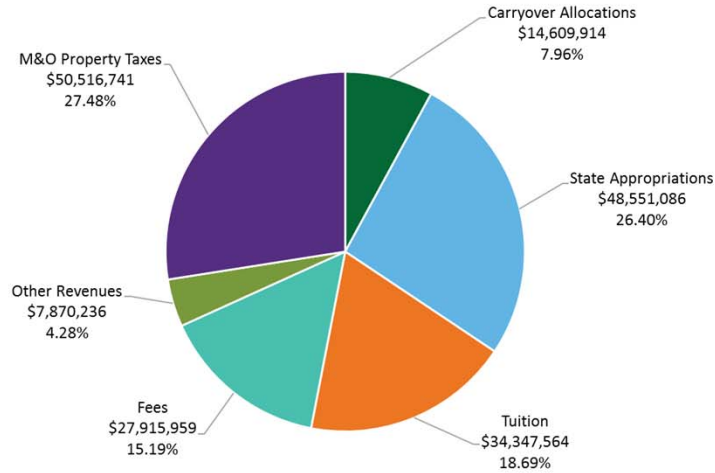
Proposed Unrestricted Fund Revenues

Summary of Revenues	FY 2017 - 2018 Budget (Amended)	FY 2018 - 2019 Budget (Proposed)	Increase/ (Decrease)
State Contact Hour Appropriation	\$40,226,013	\$40,226,013	\$ -
<i>Other State Appropriations:</i>			
<i>Optional Retirement Plan</i>	536,458	556,134	19,676
<i>Teacher Retirement System</i>	2,206,242	2,287,161	80,919
<i>Higher Education Group Insurance</i>	5,481,778	5,481,778	-
Other State Appropriations Subtotal	8,224,478	8,325,073	100,595
Total State Appropriations	48,450,491	48,551,086	100,595
Total Tuition	33,653,172	34,347,564	694,392
Total Fees	27,669,015	27,915,959	246,944
Total Other Revenues	6,672,998	7,870,236	1,197,238
Total M&O Property Taxes	48,691,317	50,516,741	1,825,424
Total Carryover Allocations	26,946,624	14,609,914	(12,336,710)
Total Revenues	\$192,083,617	\$183,811,500	\$(8,272,117)

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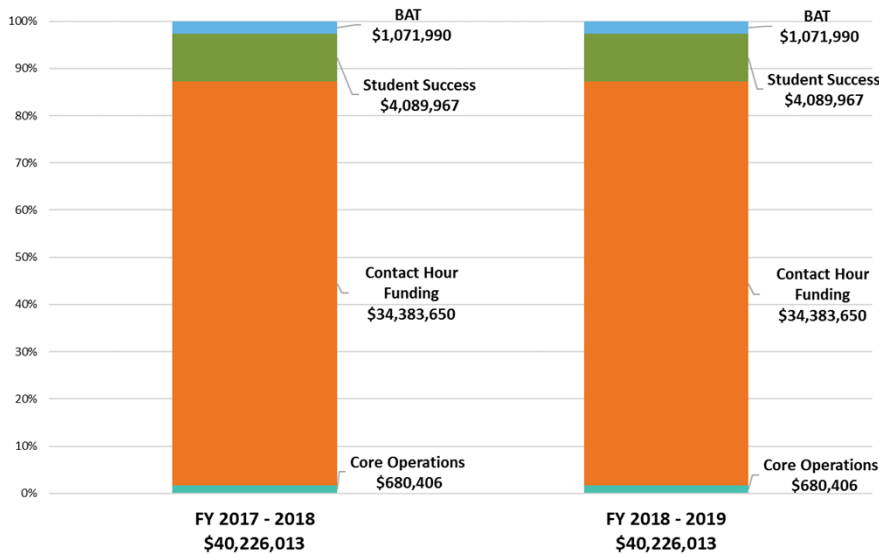
**FY 2018 - 2019
Proposed Unrestricted Fund Revenues
\$183,811,500**



South Texas College

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**FY 2018 - 2019
Proposed State Appropriation Revenue**



State Appropriation Revenues will remain at the FY 2017 – 2018 level.

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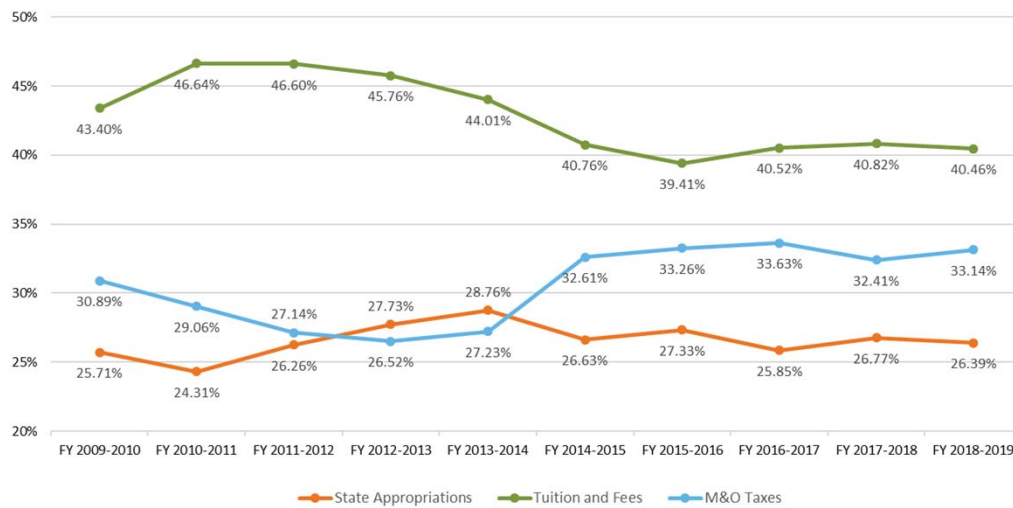
Proposed Carryover Allocations

Carryover Allocations- From Fund Balance	FY 2018 Budget (Amended)	FY 2019 Budget (Proposed)	Increase/ (Decrease)
Unexpended Construction Plant Transfer	\$6,000,000	\$3,000,000	\$(3,000,000)
Continuing Education	600,000	600,000	-
Capital Purchases	-	1,793,628	1,793,628
Contingency Fund	1,500,000	2,000,000	500,000
Instructional Book Royalties	11,278	10,882	(396)
Renewals & Replacements Plant Transfer	1,000,000	-	(1,000,000)
M&O Tax Bond Program 2013-FFE	17,835,346	7,205,404	(10,629,942)
Total Carryover Allocations	\$26,946,624	\$14,609,914	\$(12,336,710)

South Texas College

July 24, 2018

10 Year Historical Primary Revenue Sources Trend
Revenue Comparison by Percentages



South Texas College

July 24, 2018

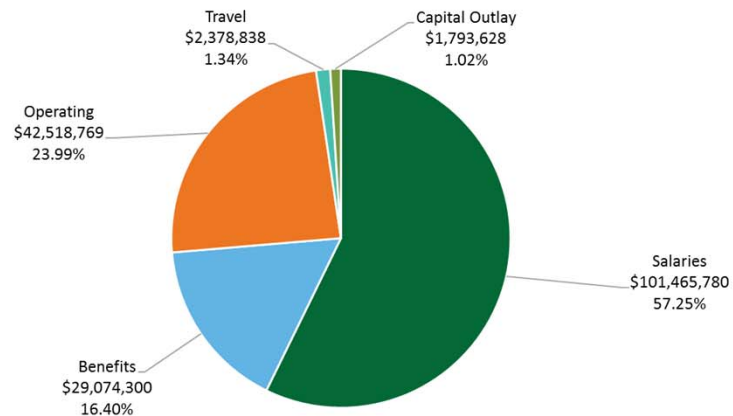
Proposed Unrestricted Fund Expenditures

Summary of Expenditures	FY 2017 - 2018 Budget (Amended)	FY 2018 - 2019 Budget (Proposed)	Increase/ (Decrease)
Total Salaries	\$97,875,958	\$101,465,780	\$3,589,822
Total Benefits	27,994,526	29,074,300	1,079,774
Total Operating	45,016,274	42,518,769	(2,497,505)
Total Travel	2,220,890	2,378,838	157,948
Total Capital Outlay	9,017,169	1,793,628	(7,223,541)
Total Expenditures	\$182,124,817	\$177,231,315	\$(4,893,502)
Transfers and Reserves			
Debt Service (MTR Bond Series 2007)	394,800	395,200	400
Transfer to Plant Funds	7,000,000	3,000,000	(4,000,000)
Transfer to Office of ITED	564,000	1,184,985	620,985
Contingency Fund	2,000,000	2,000,000	-
Total Transfers and Reserves	9,958,800	6,580,185	(3,378,615)
Total Expenditures, Transfers & Reserves	\$192,083,617	\$183,811,500	\$(8,272,117)

South Texas College

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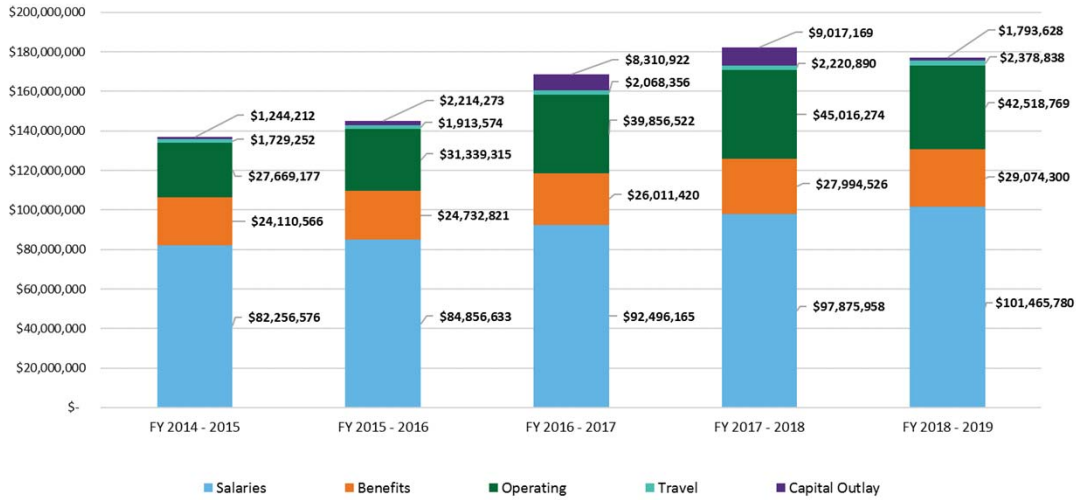
FY 2018 - 2019
Proposed Unrestricted Fund Expenditures by Classification
Without Transfers and Reserves
\$177,231,315



South Texas College

July 24, 2018

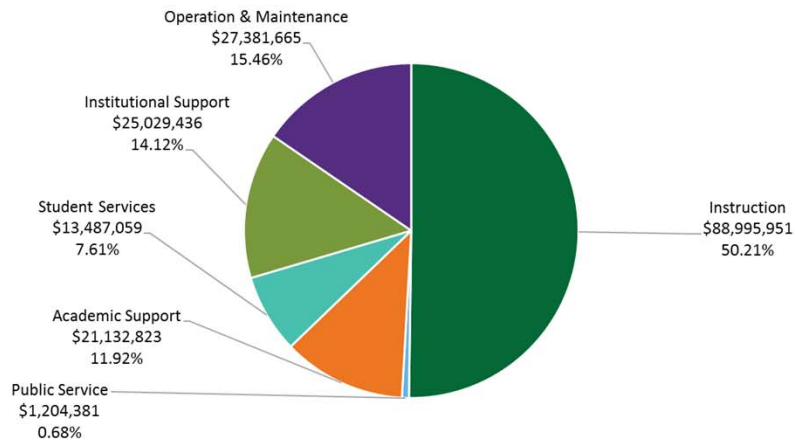
**5 Year Historical Expenditures Trend by Classification
By Amount**



South Texas College

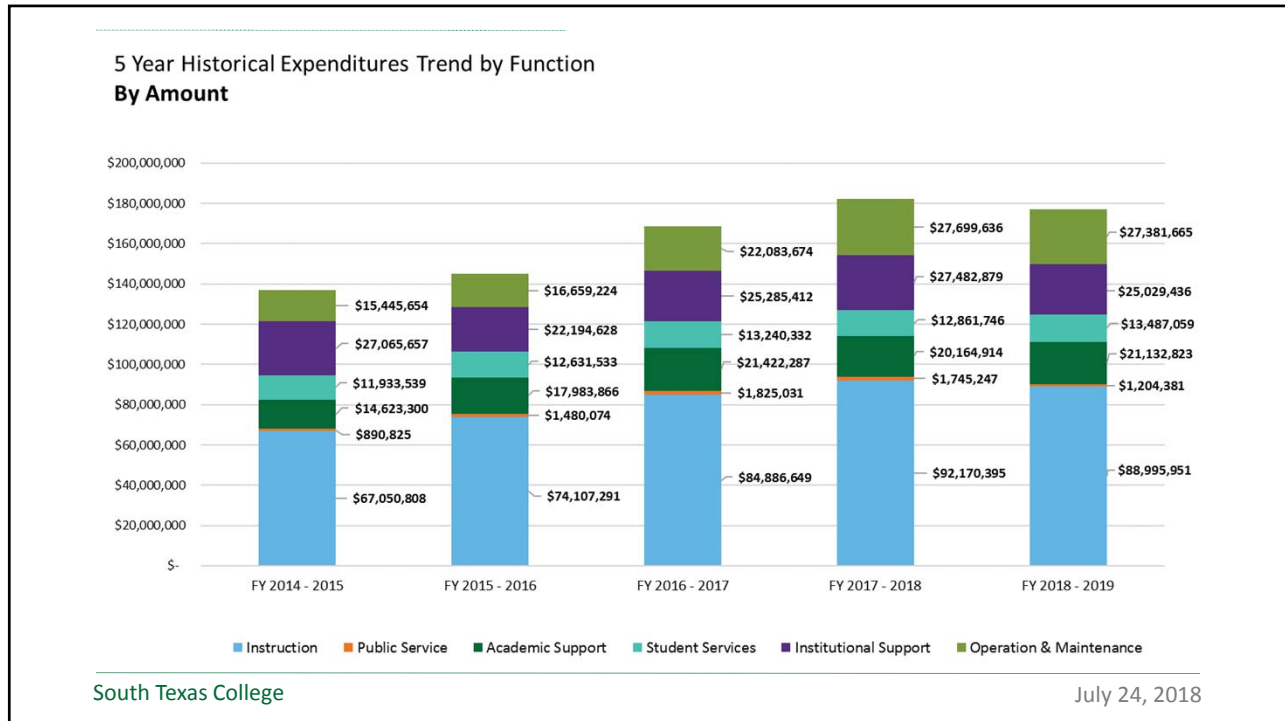
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**FY 2018 - 2019
Proposed Unrestricted Fund Expenditures by Function
Without Transfers and Reserves
\$177,231,315**



South Texas College

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Proposed Auxiliary Fund

Total Revenues	Total Expenditures
\$4,970,330	\$4,970,330

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

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Proposed Restricted Fund

Total Revenues	Total Expenditures
\$80,979,938	\$80,979,938

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
Private and Local Grants and Scholarships	Student scholarships, VIDA, City of McAllen

South Texas College

July 24, 2018

Proposed Plant Fund

Unexpended-Construction Fund Non-Bond and Bond

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Construction Fund-Non-Bond	\$16,033,428	\$16,033,428
Unexpended-Construction Fund-Bond	2,639,420	2,639,420
Total	\$18,672,848	\$18,672,848

South Texas College

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Proposed Plant Fund

Renewals & Replacements and Retirement of Indebtedness

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Renewals & Replacements	\$7,121,600	\$7,121,600
Unexpended-Retirement of Indebtedness	\$14,640,890	\$14,640,890

Thank You

Questions?

