



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

Tuesday, August 27, 2019

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 BOARD MEETING
Tuesday, August 27, 2019 @ 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 2019 – 2020 Budget 3 - 13**
 - Presentation of Overview of FY 2019 - 2020 Budget
 - Public Comments
 - Close of Public Hearing on FY 2019 - 2020 Budget

- IV. Consideration and Action on Agenda Items**
 - A. Consideration and Approval of Resolution 2019-006 Adopting the Budget for FY 2019 – 2020..... 14 - 16**

- V. Announcements**
 - A. Next Meeting:**
 - Regular Meeting of Board of Trustees, August 27, 2019 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on FY 2019 - 2020 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2019 - 2020 Budget to the public and Board of Trustees during the public hearing and prior to the formal adoption of the Budget by the Board.

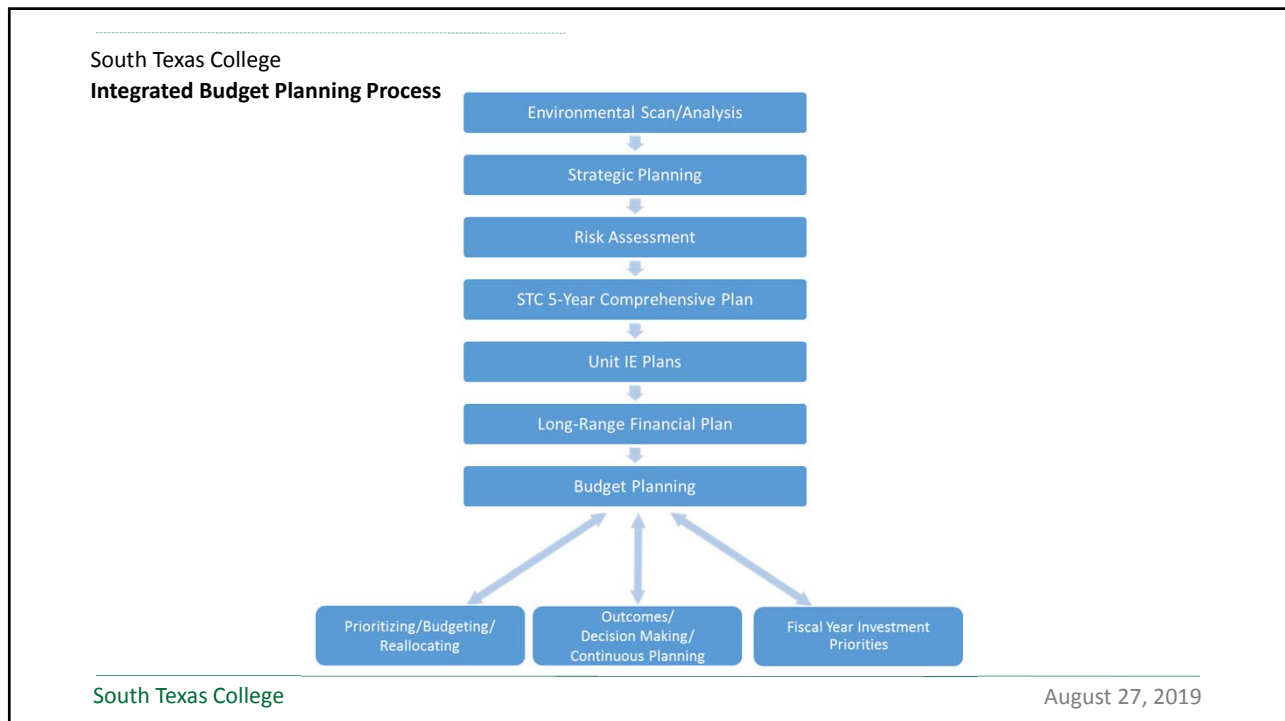
The Public Hearing on the FY 2019 - 2020 Budget will consist of:

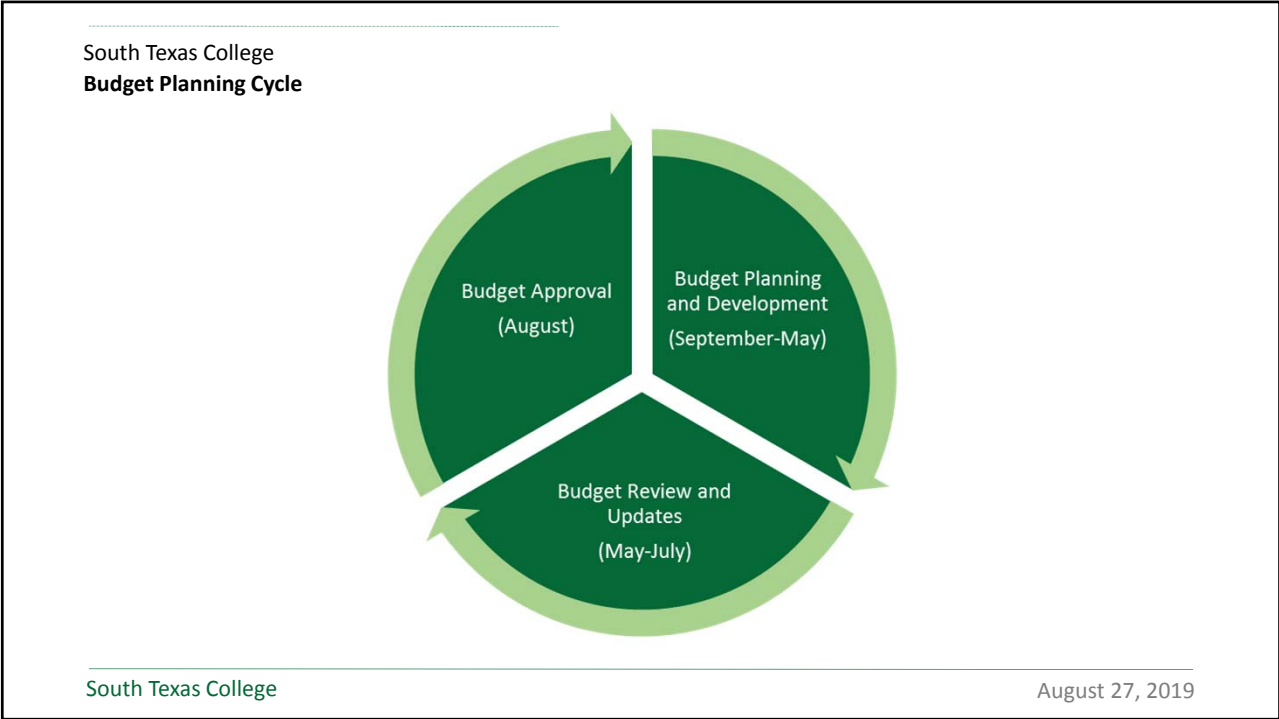
- Presentation of Overview of FY 2019 - 2020 Budget
- Public Comments
- Closing of the Public Hearing on FY 2019 - 2020 Budget

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

PROPOSED BUDGET
FY 2019-2020

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





South Texas College
Budget Timeline

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

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FY 2019 - 2020 Budget Highlights



1. 3% Salary increase for Faculty and Staff
2. \$600,000 for temporary agency staff
3. \$200,000 for Student Direct Wage Pool for Student Employees
4. \$120,000 for \$1 rate increase for Direct Wage Employees
5. Reduction in M&O expenditures carryover and M&O expenditures
6. 1% enrollment decrease assumed for tuition and fee projections
7. Increased tuition rates
8. Increased differential tuition rates – Instructional Program Cost Analysis
9. Implemented flat Student Registration Fee
10. Continuing carryover of \$3,000,000 for Transfer to Plant Fund

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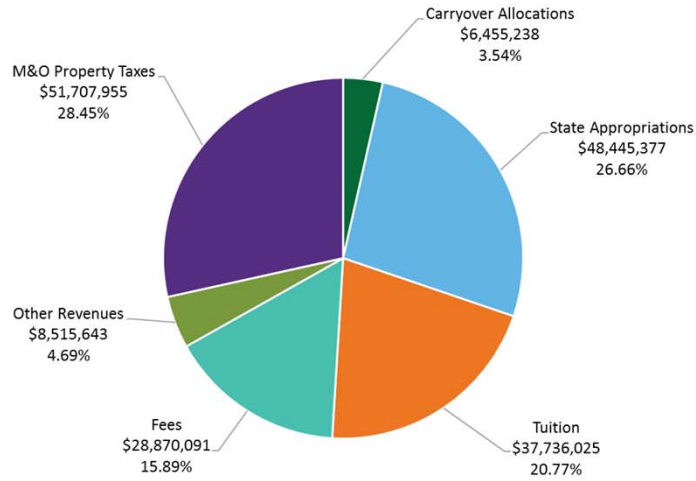
Proposed Unrestricted Fund Revenues

Summary of Revenues	FY 2019 Budget (Amended)	FY 2020 Budget (Proposed)	Increase/ (Decrease)
State Contact Hour Appropriation	\$40,226,013	\$42,172,061	\$1,946,048
<i>Other State Appropriations:</i>			
Optional Retirement Program	556,134	575,785	19,651
Teacher Retirement System	2,287,161	2,367,977	80,816
Higher Education Employees Group Insurance	5,481,778	3,329,554	(2,152,224)
Other State Appropriations Subtotal	8,325,073	6,273,316	(2,051,757)
Total State Appropriations	48,551,086	48,445,377	(105,709)
Total Tuition	34,347,564	37,736,025	3,388,461
Total Fees	27,915,959	28,870,091	954,132
Total Other Revenues	7,870,236	8,515,643	645,407
Total M&O Property Taxes	50,516,741	51,707,955	1,191,214
Total Carryover Allocations	17,609,914	6,455,238	(11,154,676)
Total Revenues	\$186,811,500	\$181,730,329	\$(5,081,171)

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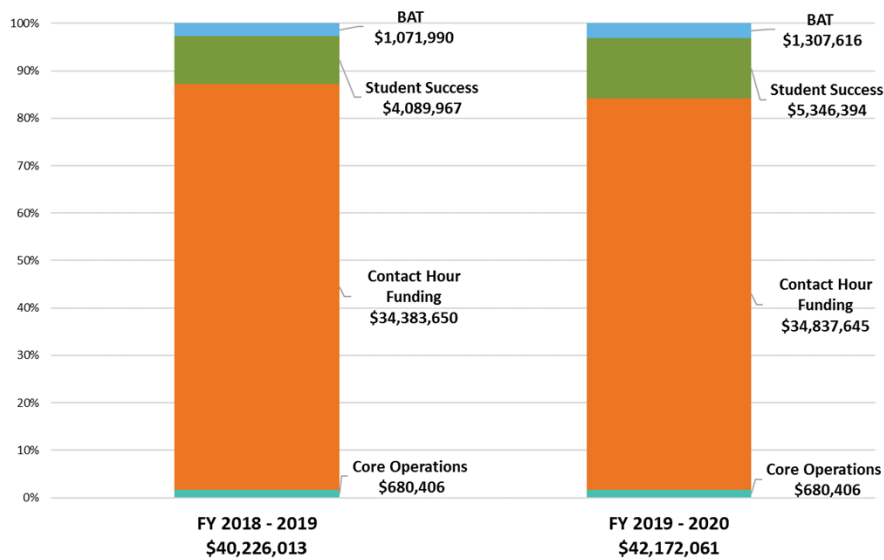
**FY 2019 - 2020
Proposed Unrestricted Fund Revenues
\$181,730,329**



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**FY 2019 - 2020
Proposed State Appropriation Revenue**



State Appropriation Revenues increased \$1,946,048 from the FY 2018 – 2019 level.

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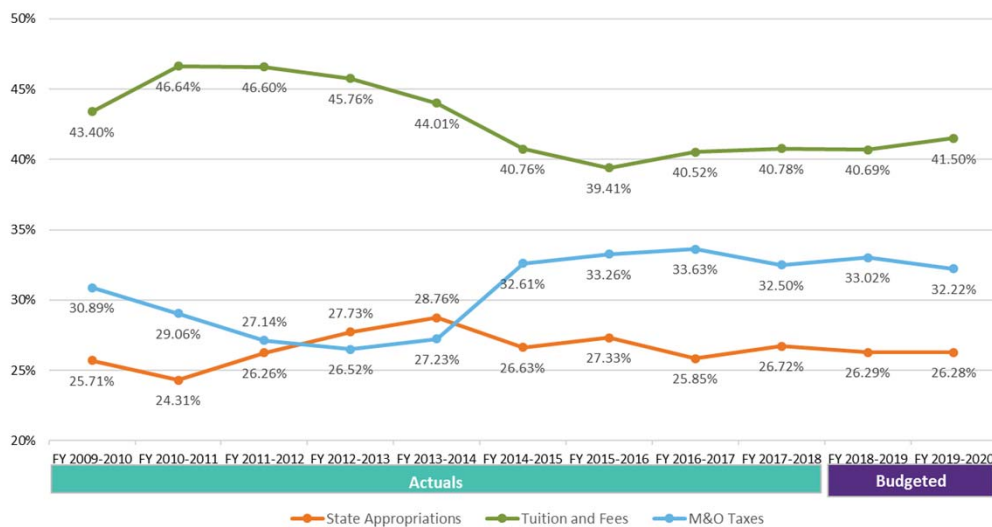
Proposed Carryover Allocations

Carryover Allocations- From Fund Balance	FY 2019 Budget (Amended)	FY 2020 Budget (Proposed)	Increase/ (Decrease)
Unexpended Construction Plant Fund	\$5,000,000	\$3,000,000	\$(2,000,000)
Renewals & Replacements Plant Fund	1,000,000	-	(1,000,000)
Continuing, Professional, and Workforce Education	600,000	450,000	(150,000)
Capital Purchases	1,793,628	-	(1,793,628)
Contingency Fund	2,000,000	1,813,783	(186,217)
Instructional Book Royalties	10,882	5,455	(5,427)
M&O Tax Bond Program 2013-FFE	7,205,404	1,186,000	(6,019,404)
Total Carryover Allocations	\$17,609,914	\$6,455,238	\$(11,154,676)

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10 Year Historical Primary Revenue Sources Trend Revenue Comparison by Percentages



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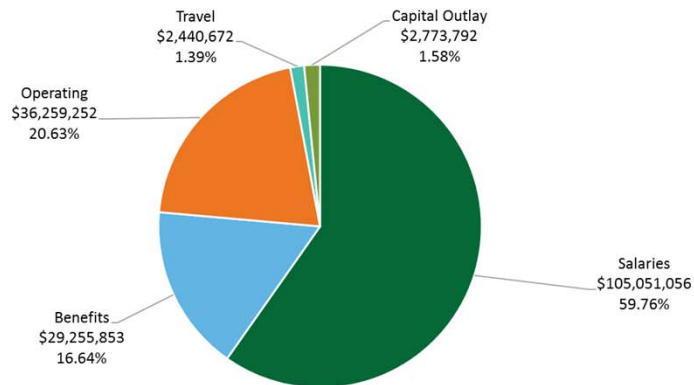
Proposed Unrestricted Fund Expenditures

Summary of Expenditures	FY 2019 Budget (Amended)	FY 2020 Budget (Proposed)	Increase/ (Decrease)
Total Salaries	\$101,465,780	\$105,051,056	\$3,585,276
Total Benefits	29,074,300	29,255,853	181,553
Total Operating	42,518,769	36,259,252	(6,259,517)
Total Travel	2,378,838	2,440,672	61,834
Total Capital Outlay	1,793,628	2,773,792	980,164
Total Expenditures	\$177,231,315	\$175,780,625	\$(1,450,690)
Transfers and Reserves			
Debt Service (MTR Bond Series 2007)	395,200	-	(395,200)
Transfer to Unexpended Plant Fund	5,000,000	3,000,000	(2,000,000)
Transfer to Renewals & Replacements Plant Fund	1,000,000	-	(1,000,000)
Transfer to Office of ITED	1,184,985	949,704	(235,281)
Contingency Fund	2,000,000	2,000,000	-
Total Transfers and Reserves	9,580,185	5,949,704	(3,630,481)
Total Expenditures, Transfers & Reserves	\$186,811,500	\$181,730,329	\$(5,081,171)

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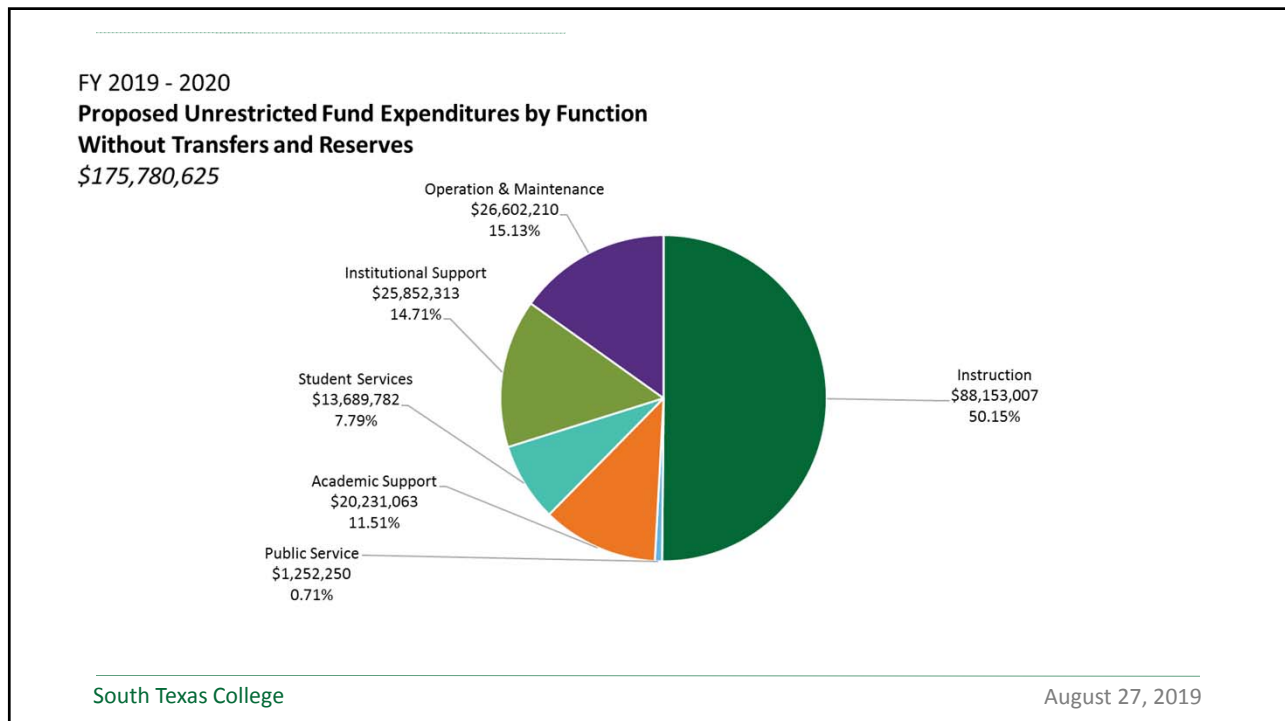
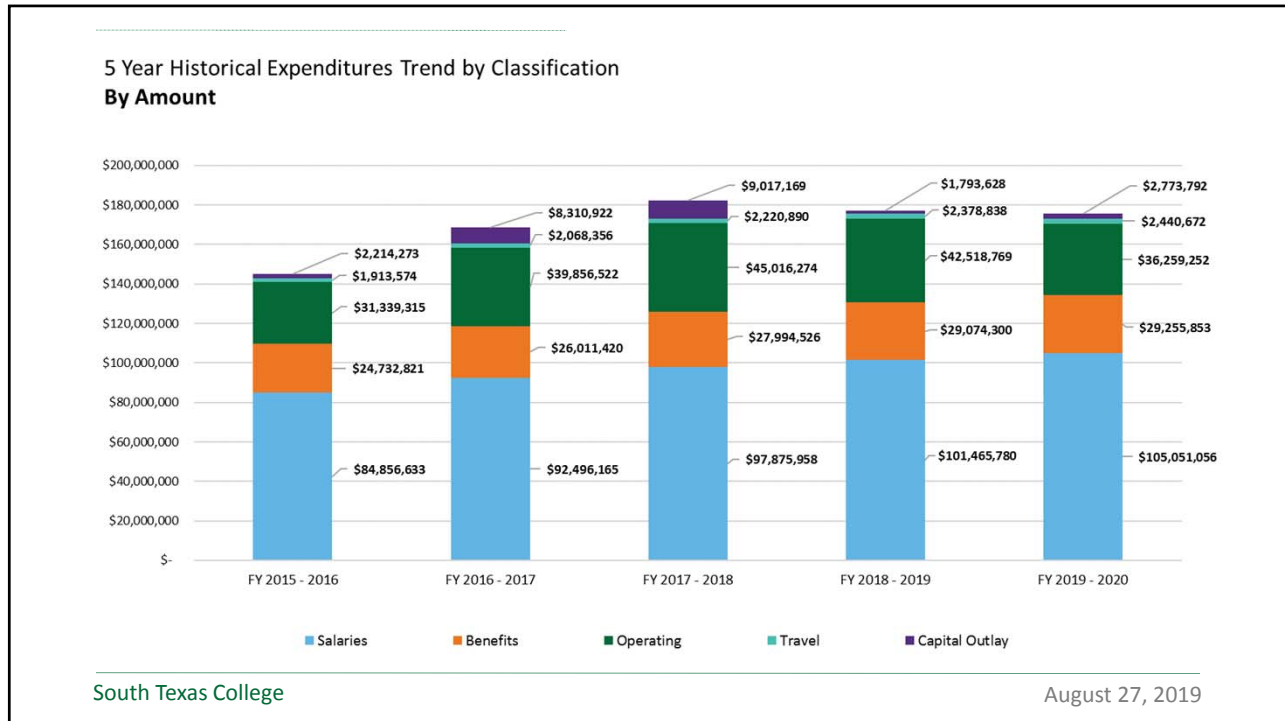
August 27, 2019

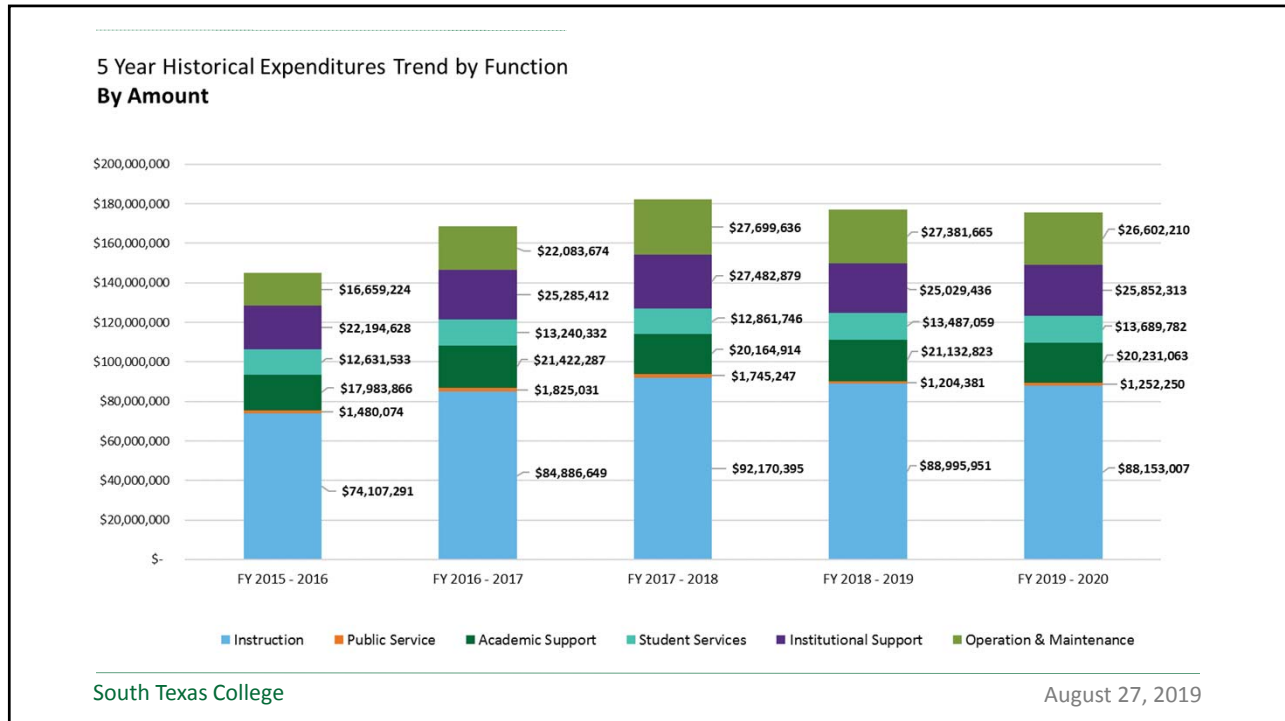
FY 2019 - 2020
Proposed Unrestricted Fund Expenditures by Classification Without Transfers and Reserves
 \$175,780,625



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Section 140.0045 Expenditures

The Texas Association of School Boards notified the College that effective immediately, House Bill 1495 from the 86th Texas Legislature amends Local Government Code Section 140.0045 to require that proposed budgets prepared by certain political subdivisions, including community colleges, add a line item indicating the amount of expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Section 305.002, Government Code.

Expenditures	FY '19 Budget	FY '19 Actual*	FY '20 Budget
Total Section 140.0045 Expenditures	\$43,345	\$43,345	\$42,716

* Estimated

Proposed Auxiliary Fund

Total Revenues	Total Expenditures
\$4,891,952	\$4,891,952

Revenue Sources		Expenditure Types	
Bookstore Commissions	\$490,000	Student/Employee Initiatives	\$490,000
Food Service Sales	\$1,160,838	Food Service Expenditures	\$1,160,838
Vending Machine Commissions, Catering Commissions, and Interest Income	\$179,000	Student/Employee Initiatives and Student Copier Expenditures	\$179,000
Conferences Revenue	\$300,455	Conference Expenditures	\$300,455
Child Care Center Revenue	\$364,475	Child Care Center Expenditures	\$364,475
Student Copier Revenue	\$1,200	Student Copier Expenditures	\$1,200
Student Activity Fee	\$1,651,835	Student Activities & Wellness	\$1,651,835
Non Public Fund	\$744,149	Non Public Fund	\$744,149

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Proposed Restricted Fund

Total Revenues	Total Expenditures
\$81,031,544	\$81,031,544

Revenue Sources		Expenditure Types	
State and Federal Financial Aid	\$64,479,999	Pell, SEOG, College Work-Study, TEOG Initial and Renewal	\$64,479,999
State and Federal Grants	\$6,713,696	TWC Skills Development Fund, Carl Perkins, Nursing Shortage Reduction, Veterans Chapter 31	\$6,713,696
Private and Local Grants and Scholarships	\$9,837,849	Student scholarships, VIDA, City of McAllen	\$9,837,849

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Proposed Plant Funds

Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Construction Fund-Non-Bond	\$17,037,045	\$17,037,045
Unexpended-Renewals & Replacements	\$7,624,000	\$7,624,000
Unexpended-Retirement of Indebtedness	\$13,804,501	\$13,804,501

Thank You

Questions?

Consideration and Approval of Resolution 2019-006 Adopting the Budget for FY 2019 - 2020

It is recommended that the Board of Trustees approve Resolution 2019-006 adopting the Budget for FY 2019 - 2020 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2019 - 2020 was advertised on August 7, 2019 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.

Resolution 2019-006 adopting the Budget for FY 2019 - 2020 and a presentation on the Budget follow 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 will be made available at the Public Hearing.

The Finance, Audit, and Human Resources Committee reviewed the FY 2019 - 2020 Proposed Budget, which included all Funds at their August 13, 2019 meeting and recommended approval.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve Resolution 2019-006 adopting the Budget for FY 2019 - 2020 as presented.

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

The Board of Trustees of South Texas College approves Resolution 2019-006 adopting the Budget for FY 2019 - 2020 as recommended.

Approval Recommended:

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

Resolution No. 2019-006

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2019 AND ENDING AUGUST 31, 2020 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, 2019, and ending August 31, 2020, 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, 2019, and ending the 31st day of August, 2020.

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, 2019.

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, 2019 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, 2019.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Paul Rodriguez, Chairman

ATTEST:

By: _____
Roy De León, Secretary