



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

Tuesday, August 25, 2020

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 25, 2020 @ 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:”

COVID-19 Public Health / Attendance Measures

Due to COVID-19 and Social Distancing recommendations, members of the public are encouraged to watch the live broadcast of the meeting at: <https://admin.southtexascollege.edu/president/agendas/live.html>.

- Anyone wishing to make Public Comments as provided in the public hearing agenda is asked to sign up prior to the meeting, and they will be called into the Board Room individually when it is their turn to make comments.

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Public Hearing on FY 2020 – 2021 Budget 3**
 - Presentation of Overview of FY 2020 - 2021 Budget
 - Public Comments
 - Close of Public Hearing on FY 2020 - 2021 Budget
- IV. Consideration and Action on Agenda Items**
 - A. Consideration and Approval of Resolution 2020-012 Adopting the Budget for FY 2020 – 2021 4 - 17**
- V. Announcements**
 - A. Next Meeting:
 - Regular Meeting of Board of Trustees, August 25, 2020 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on FY 2020 - 2021 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2020 - 2021 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 2020 - 2021 Budget will consist of:

- Presentation of Overview of FY 2020 - 2021 Budget
- Public Comments
- Closing of the Public Hearing on FY 2020 - 2021 Budget

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

Consideration and Approval of Resolution 2020-012 Adopting the Budget for FY 2020 - 2021

It is recommended that the Board of Trustees approve Resolution 2020-012 adopting the Budget for FY 2020 - 2021 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2020 - 2021 was advertised on August 5, 2020 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 2020-012 adopting the Budget for FY 2020 - 2021 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 Unrestricted Fund for FY 2020 - 2021 at their August 11, 2020 meeting and recommended approval.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve Resolution 2020-012 adopting the Budget for FY 2020 - 2021 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 2020-012 adopting the Budget for FY 2020 - 2021 as recommended.

Approval Recommended:

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

Resolution No. 2020-012

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2020 AND ENDING AUGUST 31, 2021 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, 2020, and ending August 31, 2021, 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, 2020, and ending the 31st day of August, 2021.

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, 2020.

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, 2020 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, 2020.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Paul Rodriguez, Chairman

ATTEST:

By: _____
Roy De León, Secretary

South Texas College

Unrestricted Fund

Preliminary FY 2020 - 2021 (Next Year) Budget Summary with Comparison to FY 2019 - 2020 (Current Year)

As of August 17, 2020

Summary of Revenues and Carryover Allocations	FY 2020 Budget (Amended)	FY '21 Budget (Proposed)*	% of Total Revenues	Difference FY 2020 Approved to FY 2021 Preliminary
State Contact Hour Appropriation	\$ 42,172,061	\$ 37,954,853	22.54%	\$ (4,217,208)
<i>Other State Appropriation-ORP</i>	575,785	524,004	0.31%	(51,781)
<i>Other State Appropriation-TRS</i>	2,367,977	2,155,023	1.28%	(212,954)
<i>Other State Appropriation-HEGI-Year 2</i>	3,329,554	6,159,713	3.66%	2,830,159
<i>Other State Appropriation-HEGI-Year 1 (Reimbursement)</i>	-	2,830,159	1.68%	2,830,159
<i>Other State Appropriation-Hazlewood Reimbursement</i>	-	45,000	0.03%	45,000
Other State Appropriations Subtotal	6,273,316	11,713,899	6.93%	5,440,583
Total State Appropriations	48,445,377	49,668,752	29.50%	1,223,375
<i>Academic & Differential Tuition-Net TPEG</i>	34,539,495	26,696,844	15.85%	(7,842,651)
<i>Continuing Ed/ATCP/ITED-Net TPEG</i>	3,196,530	3,004,456	1.78%	(192,074)
Total Tuition	37,736,025	29,701,300	17.64%	(8,034,725)
Total Fees	28,870,091	23,345,146	13.86%	(5,524,945)
Total Other Revenues	8,762,488	6,366,179	3.78%	(2,396,309)
Total M&O Property Taxes	51,707,955	49,306,802	29.28%	(2,401,153)
Total Carryover Allocations	6,455,238	10,005,908	5.94%	3,550,670
Total Revenues and Carryover Allocations	\$ 181,977,174	\$ 168,394,087	100.00%	\$ (13,583,087)
Summary of Expenditures	FY 2020 Budget (Amended)	FY '21 Budget (Proposed)*	% of Total Expenditures	Difference FY 2020 Approved to FY 2021 Preliminary
Total Salaries	\$ 97,230,493	\$ 95,603,721	56.77%	\$ (1,626,772)
Total Benefits	27,183,804	27,466,307	16.29%	282,503
Total Operating	36,173,724	33,946,190	20.16%	(2,227,534)
Total Travel	2,440,672	2,235,954	1.33%	(204,718)
Total Capital Outlay	2,773,792	1,446,175	0.86%	(1,327,617)
Total Expenditures	\$ 165,802,485	\$ 160,698,347	95.41%	\$ (5,104,138)
Transfers & Reserves				
Transfer to Unexpended Plant Fund	3,000,000	2,000,000	1.19%	(1,000,000)
Transfer to Office of ITED	949,704	865,581	0.51%	(84,123)
Contingency Fund	2,000,000	2,000,000	1.19%	-
Fund Balance Reserve	10,224,985	-		(10,224,985)
HEGI Reserve	-	2,830,159	1.70%	2,830,159
Total Transfers & Reserves	16,174,689	7,695,740	4.59%	(8,478,949)
Total Expenditures, Transfers and Reserves	\$ 181,977,174	\$ 168,394,087	100.00%	\$ (13,583,087)
Revenues and Carryover Allocations over Expenditures	\$ -	\$ -		\$ -

* Based on a 25% enrollment reduction for Fall, 10% enrollment reduction for Spring, and no enrollment reduction for Summer.



SOUTH TEXAS
COLLEGE

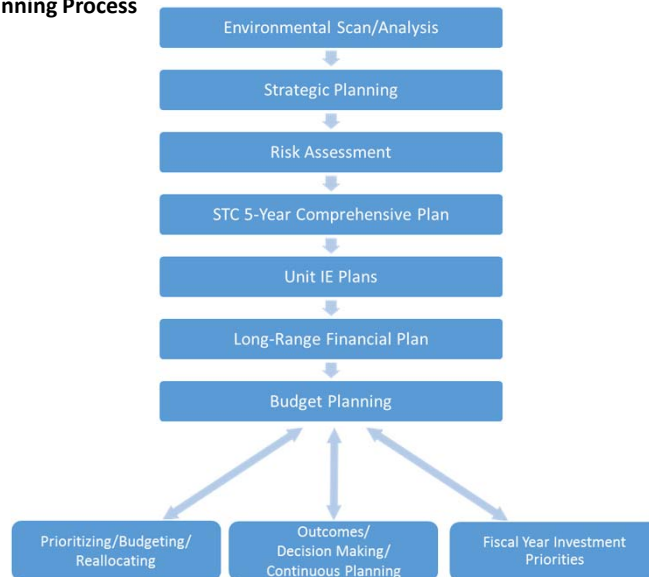
Proposed Budget FY 2020 - 2021

August 25, 2020

MARIA G. ELIZONDO, MBA, CPA, CFE, CGMA
VICE PRESIDENT FOR FINANCE AND ADMINISTRATIVE SERVICES

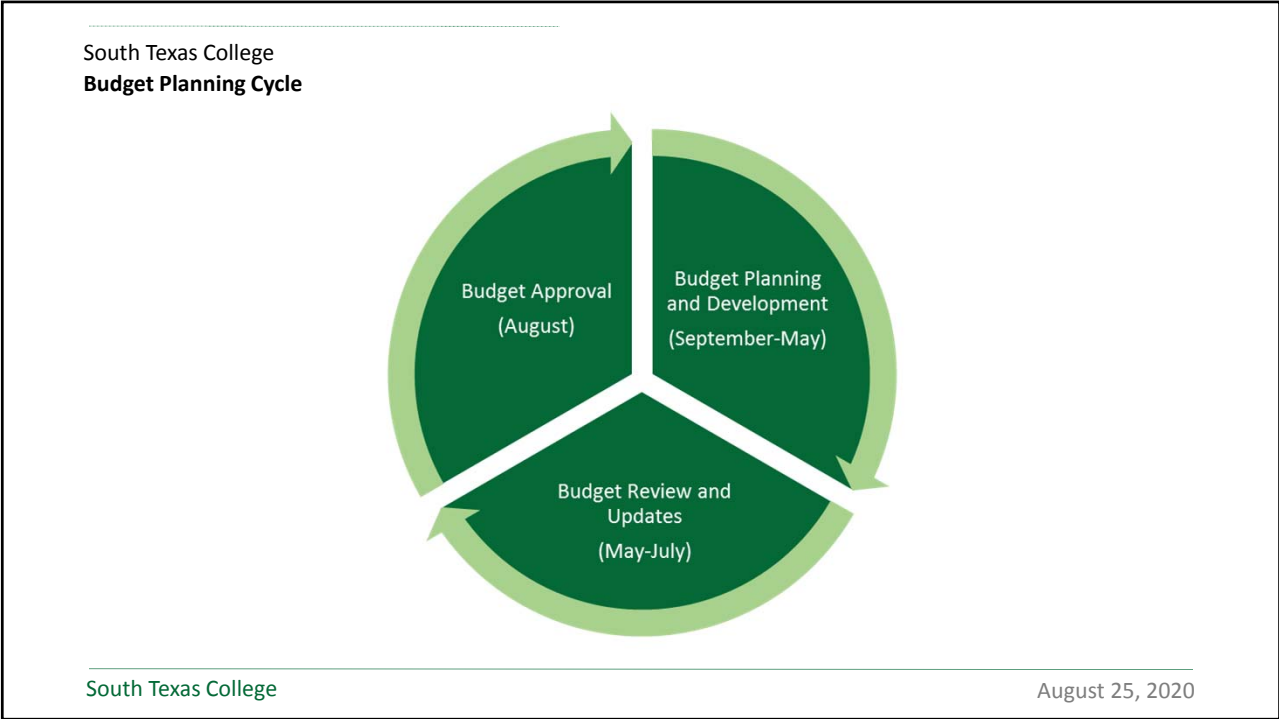
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South Texas College
Integrated Budget Planning Process



South Texas College

August 25, 2020



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					Revenue and Expense Projections					Balance Budget		
									Department and Cabinet Review		Preliminary Review by Finance, Audit, and Human Resources Committee		
													Hearing Publication
Budget Review													
Budget Approval													
													Budget Hearing
													Budget Proposal
													Budget Approval

South Texas College August 25, 2020

FY 2020 - 2021 Budget Highlights



1. Traditional Student Enrollment Reductions Assumed for Fall and Spring Tuition and Fee Projections (-25% for Fall and -10% for Spring)
2. Dual Student Enrollment Increase Assumed for Fall and Spring Terms (6% for Fall and 4% for Spring)
3. 10% Reduction in State Contact Hour Appropriation
4. 5% Reduction in Property Tax Revenue
5. Waived Electronic Distance Learning Fee for Fall Term
6. No Across the Board Salary Increases for Faculty and Staff
7. 50% of Capital Expenditures Funded from Fund Balance Carryover Allocation
8. Utilized Fund Balance:
 - \$2,000,000 Maintain Filled Positions
 - \$1,500,000 Fund In Person-Hybrid Class Faculty Pay
 - \$1,000,000 Fund Lecturer Positions
9. Reduction in Transfer to Plant fund by \$1,000,000

South Texas College

August 25, 2020

FY 2021 Traditional and Dual Credit Enrollment Headcount Projection

Term	FY 2020 Traditional (Actual and Projected)	FY 2021 Traditional Projected	Enrollment Increase/(Decrease) (from FY 2020)	% Increase/ (Decrease)
Fall	19,348	14,511	(4,837)	-25%
Spring	16,768	15,091	(1,677)	-10%
Summer*	7,071	7,071	-	-
Total	43,187	36,673	(6,514)	-15%

Term	FY 2020 Dual Credit (Actual and Projected)	FY 2021 Dual Credit Projected	Enrollment Increase/(Decrease) (from FY 2020)	% Increase/ (Decrease)
Fall	13,304	14,117	813	6%
Spring	15,773	16,435	662	4%
Summer*	6,941	6,662	-279	-4%
Total	36,017	37,174	1,196	3%

Proposed Unrestricted Fund Revenues and Carryover Allocations

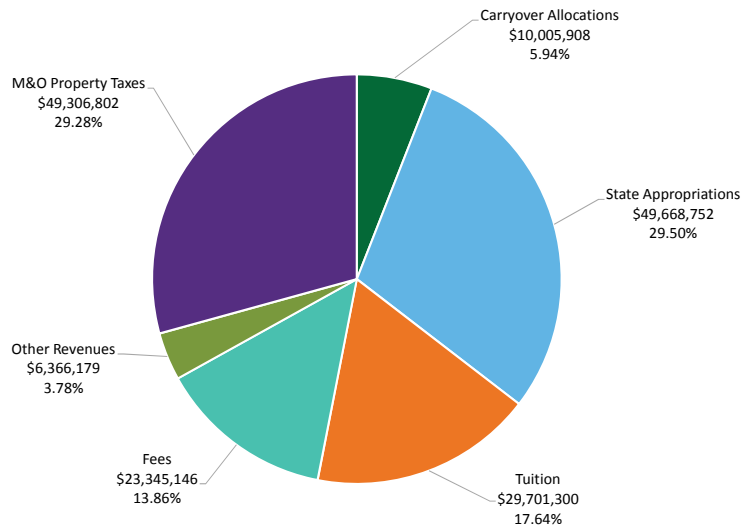
Summary of Revenues and Carryover Allocations	FY 2020 Budget (Amended)*	FY 2021 Budget (Proposed)	Increase/ (Decrease)
State Contact Hour Appropriation	\$42,172,061	\$37,954,853	\$(4,217,208)
<i>Other State Appropriations:</i>			
Optional Retirement Program	575,785	524,004	(51,781)
Teacher Retirement System	2,367,977	2,155,023	(212,954)
Higher Education Employees Group Insurance	3,329,554	6,159,713	2,830,159
Higher Education Employees Group Insurance (Year 1)	-	2,830,159	2,830,159
Hazlewood Reimbursement	-	45,000	45,000
Other State Appropriations Subtotal	6,273,316	11,713,899	5,440,583
Total State Appropriations	48,445,377	49,668,752	1,223,375
Total Tuition	37,736,025	29,701,300	(8,034,725)
Total Fees	28,870,091	23,345,146	(5,524,945)
Total Other Revenues	8,762,488	6,366,179	(2,396,309)
Total M&O Property Taxes	51,707,955	49,306,802	(2,401,153)
Total Carryover Allocations	6,455,238	10,005,908	3,550,670
Total Revenues and Carryover Allocations	\$181,977,174	\$168,394,087	\$(13,583,087)

* Includes FY 2020 Budget Amendment

FY 2020 - 2021

Proposed Unrestricted Fund Revenues and Carryover Allocations

\$168,394,087

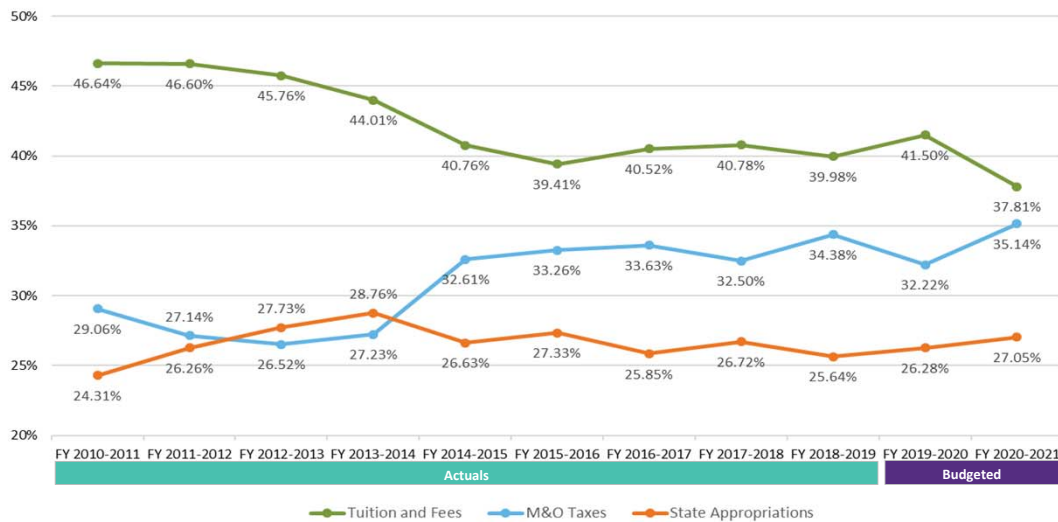


Proposed Carryover Allocations

Carryover Allocations- From Fund Balance	FY 2020 Budget (Amended)*	FY 2021 Budget (Proposed)	Increase/ (Decrease)
Unexpended Construction Plant Fund	\$3,000,000	\$2,000,000	\$(1,000,000)
Continuing, Professional, and Workforce Education	450,000	450,000	-
Capital Purchases	-	723,088	723,088
Contingency Fund	1,813,783	2,000,000	186,217
Book Royalties – Developmental Studies	5,455	4,813	(642)
M&O Tax Bond Program 2013-FFE	1,186,000	-	(1,186,000)
Waived Fee Allocation	-	328,007	328,007
Filled Positions	-	2,000,000	2,000,000
In Person-Hybrid Class Faculty Pay	-	1,500,000	1,500,000
Lecturer Positions	-	1,000,000	1,000,000
Total Carryover Allocations	\$6,455,238	\$10,005,908	\$3,550,670

* Includes FY 2020 Budget Amendment

**10 Year Historical Primary Revenue Sources Trend
Revenue Comparison by Percentages**



South Texas College

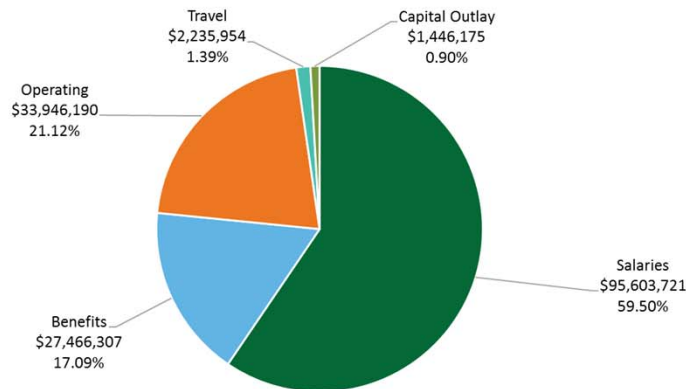
August 25, 2020

Proposed Unrestricted Fund Expenditures

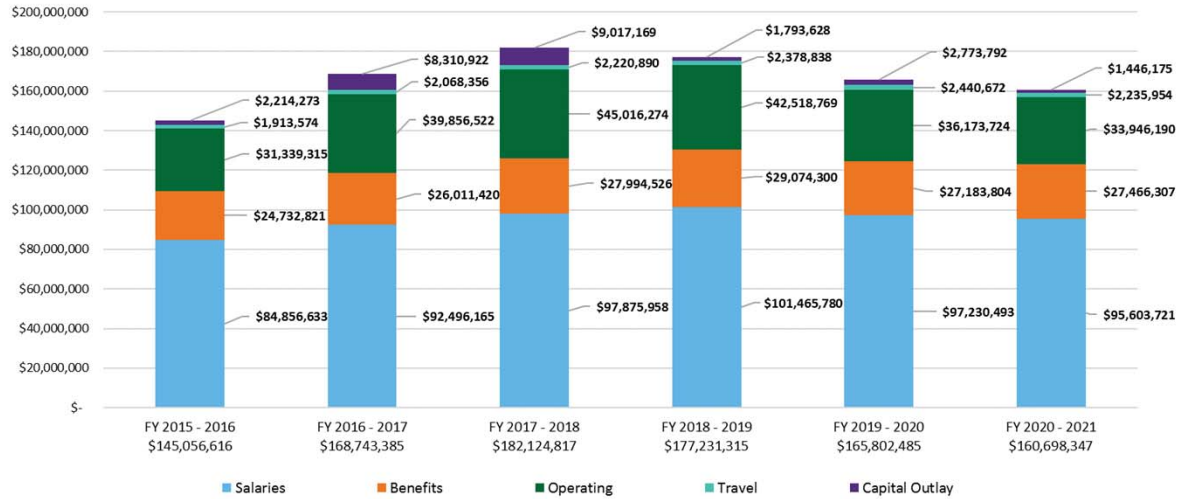
Summary of Expenditures	FY 2020 Budget (Amended)*	FY 2021 Budget (Proposed)	Increase/ (Decrease)
Total Salaries	\$97,230,493	\$95,603,721	\$(1,626,772)
Total Benefits	27,183,804	27,466,307	282,503
Total Operating	36,173,724	33,946,190	(2,227,534)
Total Travel	2,440,672	2,235,954	(204,718)
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Total Expenditures	\$165,802,485	\$160,698,347	\$(5,104,138)
Transfers and Reserves			
Transfer to Unexpended Plant Fund	3,000,000	2,000,000	(1,000,000)
Transfer to Office of ITED	949,704	865,581	(84,123)
Contingency Fund	2,000,000	2,000,000	-
Fund Balance Reserve			
Fund Balance Reserve – CARES Act	9,978,140	-	(9,978,140)
Fund Balance Reserve – CARES Act FTA	246,845	-	(246,845)
HEGI Reserve	-	2,830,159	2,830,159
Total Transfers and Reserves	16,174,689	7,695,740	(8,478,949)
Total Expenditures, Transfers & Reserves	\$181,977,174	\$168,394,087	\$(13,583,087)

* Includes FY 2020 Budget Amendment

FY 2020 - 2021
Proposed Unrestricted Fund Expenditures by Classification Without Transfers and Reserves
 \$160,698,347



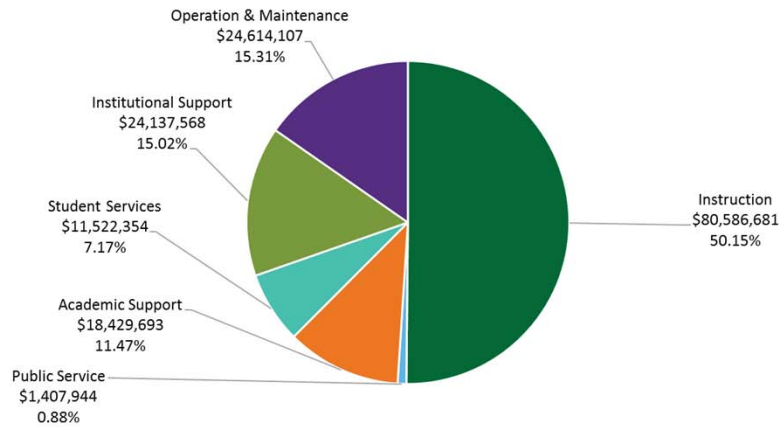
**5 Year Historical Expenditures Trend by Classification Without Transfers & Reserves
By Amount**



South Texas College

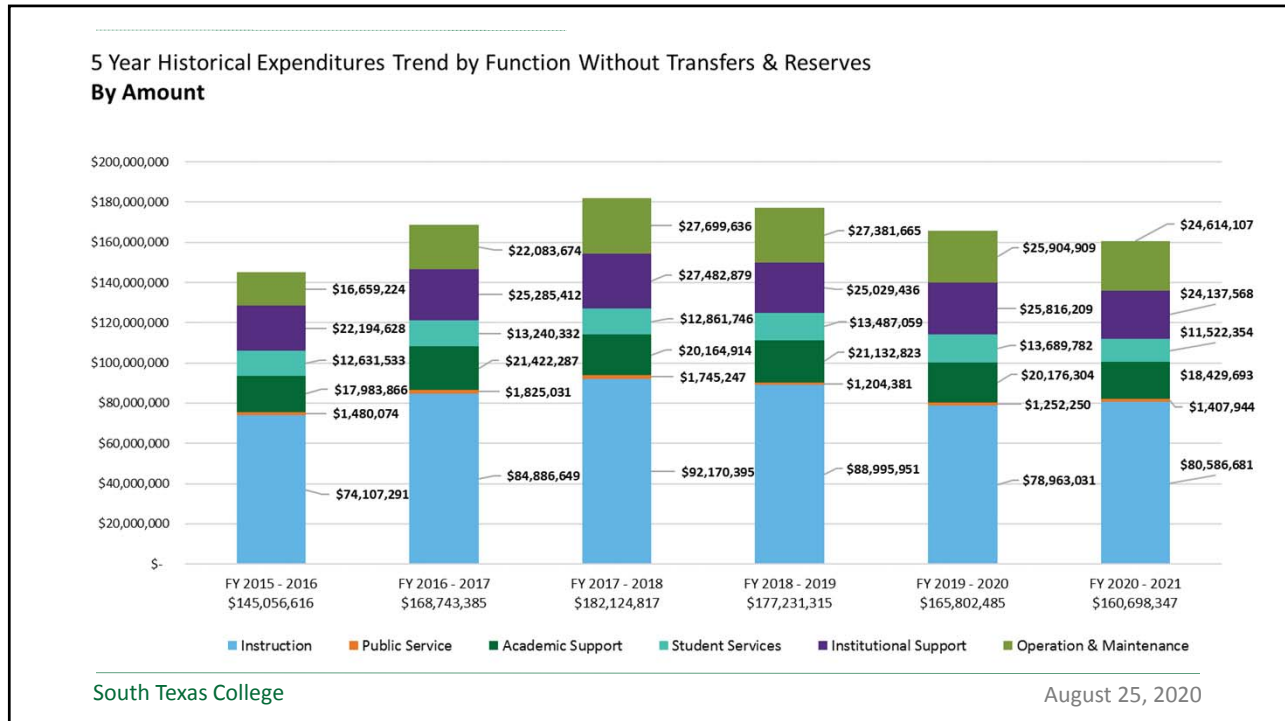
August 25, 2020

**FY 2020 - 2021
Proposed Unrestricted Fund Expenditures by Function
Without Transfers and Reserves
\$160,698,347**



South Texas College

August 25, 2020



Proposed Auxiliary Fund

Total Revenues and Carryover Allocation		Total Expenditures	
\$3,738,722		\$3,738,722	
Revenue and Carryover Allocation		Expenditure Types	
Bookstore Commissions	\$400,000	Student/Employee Initiatives	\$400,000
Food Service Sales	\$480,625	Food Service Expenditures	\$480,625
Vending Machine Commissions, Catering Commissions, and Interest Income	\$132,000	Student/Employee Initiatives and Student Copier Expenditures	\$132,000
Conferences Revenue	\$300,033	Conference Expenditures	\$300,033
Child Care Center Revenue	\$364,475	Child Care Center Expenditures	\$364,475
Student Copier Revenue	\$1,000	Student Copier Expenditures	\$1,000
Student Activity Fee	\$1,272,290	Student Activities & Wellness	\$1,272,290
Non Public Fund	\$688,299	Non Public Fund	\$688,299
Carryover Allocation-Micro Grant Scholarships	\$100,000	Micro Grant Scholarships	\$100,000

Proposed Restricted Fund

Total Revenues	Total Expenditures
\$84,404,264	\$84,404,264

Revenue Sources		Expenditure Types	
State and Federal Financial Aid and CARES Act-Student Fund	\$68,350,550	Pell, SEOG, College Work-Study, TEOG Initial and Renewal, CARES Act-Student Fund	\$68,350,550
State and Federal Grants	\$6,987,622	TWC Skills Development Fund, Carl Perkins, Nursing Shortage Reduction, Veterans Chapter 31, etc.	\$6,987,622
Private and Local Grants and Scholarships	\$9,066,092	Student scholarships, VIDA, City of McAllen, etc.	\$9,066,092

South Texas College

August 25, 2020

Proposed Plant Funds

Plant Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers and Reserves
Unexpended-Construction Fund	\$10,982,474	\$10,982,474
Renewals & Replacements	\$4,883,890	\$4,883,890
Retirement of Indebtedness	\$13,800,601	\$13,800,601

South Texas College

August 25, 2020

Section 140.0045 Expenditures

Local Government Code Section 140.0045 requires 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 2020 Budget	FY 2020 Actual*	FY 2021 Budget
Total Section 140.0045 Expenditures	\$42,716	\$12,716	\$13,318

* Estimated

