

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, August 24, 2021 @ 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 2021 – 2022 Budget 3**
 - Presentation of Overview of FY 2021 - 2022 Budget
 - Public Comments
 - Close of Public Hearing on FY 2021 - 2022 Budget
- IV. Consideration and Action on Agenda Items**
 - A. Consideration and Approval of Resolution 2021-004 Adopting the Budget for FY 2021 – 2022 4 - 15**
- V. Announcements**
 - A. Next Meeting:**
 - Regular Meeting of Board of Trustees, August 24, 2021 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on FY 2021 - 2022 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2021 - 2022 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 2021 - 2022 Budget will consist of:

- Presentation of Overview of FY 2021 - 2022 Budget
- Public Comments
- Closing of the Public Hearing on FY 2021 - 2022 Budget

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

Consideration and Approval of Resolution 2021-004 Adopting the Budget for FY 2021 - 2022

It is recommended that the Board of Trustees approve Resolution 2021-004 adopting the Budget for FY 2021 - 2022 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2021 - 2022 was advertised on August 4, 2021 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 2021-004 adopting the Budget for FY 2021 - 2022 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 are publicly available online and printed copies will be made available at the Public Hearing.

On August 10, 2021, the Finance, Audit, and Human Resources Committee deferred a review of the Proposed Budget for FY 2021 – 2022 until it could be presented to the full Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve Resolution 2021-004 adopting the Budget for FY 2021 – 2022 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 2021-004 adopting the Budget for FY 2021 – 2022 as recommended.

Approval Recommended:

Dr. Ricardo J. Solis
President

Resolution No. 2021-004

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2021 AND ENDING AUGUST 31, 2022 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, 2021, and ending August 31, 2022, 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, 2021, and ending the 31st day of August, 2022.

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, 2021.

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, 2021 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, 2021.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Rose Benavidez, Chair

ATTEST:

By: _____
Victoria Cantú, Secretary

South Texas College

Unrestricted Fund

Preliminary FY 2021 - 2022 (Next Year) Budget Summary with Comparison to FY 2020 - 2021 (Current Year)

As of August 24, 2021

Summary of Revenues and Carryover Allocations	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Preliminary)	% of Total Revenues	Difference FY 2021 Approved to FY 2022 Preliminary
State Appropriations	\$ 42,182,306	\$ 40,094,035	21.94%	\$ (2,088,271)
<i>Other State Appropriation-ORP</i>	524,004	532,963	0.29%	8,959
<i>Other State Appropriation-TRS</i>	2,155,023	2,191,868	1.20%	36,845
<i>Other State Appropriation-HEGI</i>	6,159,713	6,235,046	3.41%	75,333
<i>Other State Appropriation-HEGI-(Reimbursement)</i>	2,830,159	-	0.00%	(2,830,159)
<i>Other State Appropriation-Hazlewood Reimbursement</i>	45,000	45,000	0.02%	-
Other State Appropriations Subtotal	11,713,899	9,004,877	4.90%	(2,709,022)
Total State Appropriations	53,896,205	49,098,912	26.87%	(4,797,293)
<i>Academic & Differential Tuition-Net TPEG</i>	26,696,844	27,890,315	15.26%	1,193,471
<i>Continuing Ed/ITED-Net TPEG</i>	3,004,456	2,990,658	1.64%	(13,798)
Total Tuition-Net of TPEG	29,701,300	30,880,973	16.90%	1,179,673
Total Fees	23,345,146	24,334,646	13.32%	989,500
Total M&O Property Taxes	59,117,516	58,273,025	31.89%	(844,491)
Total Other Revenues	6,366,179	6,437,408	3.52%	71,229
Total HEERF Lost Revenue	9,292,568	7,738,146	4.24%	(1,554,422)
Total Carryover Allocations	5,177,901	5,954,813	3.26%	776,912
Total Revenues and Carryover Allocations	\$ 186,896,815	\$ 182,717,923	100.00%	\$ (4,178,892)

Summary of Expenditures	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Preliminary)	% of Total Expenditures	Difference FY 2021 Approved to FY 2022 Preliminary
Total Salaries	\$ 98,248,371	\$ 97,238,273	53.22%	\$ (1,010,098)
Total Benefits	27,668,623	30,477,694	16.67%	2,809,071
Total Operating	32,249,628	37,144,217	20.33%	4,894,589
Total Travel	2,235,954	2,229,954	1.22%	(6,000)
Total Capital Outlay	1,446,175	1,524,058	0.83%	77,883
Total Expenditures	\$ 161,848,751	\$ 168,614,196	92.27%	\$ 6,765,445
Transfers & Reserves				
Transfer to Unexpended Plant Fund	3,000,000	3,500,000	1.92%	500,000
Transfer to R&R Plant Fund	1,000,000	-	0.00%	(1,000,000)
Transfer to Office of ITED	865,581	865,581	0.47%	-
Contingency Fund	2,000,000	2,000,000	1.09%	-
Fund Balance Reserve	6,059,756	-	0.00%	(6,059,756)
HEERF Fund Balance Reserve	9,292,568	7,738,146	4.25%	(1,554,422)
HEGI Reserve	2,830,159	-	0.00%	(2,830,159)
Total Transfers & Reserves	25,048,064	14,103,727	7.73%	(10,944,337)
Total Expenditures, Transfers & Reserves	\$ 186,896,815	\$ 182,717,923	100.00%	\$ (4,178,892)

Revenues and Carryover Allocations over Expenditures	\$ -	\$ -		\$ -
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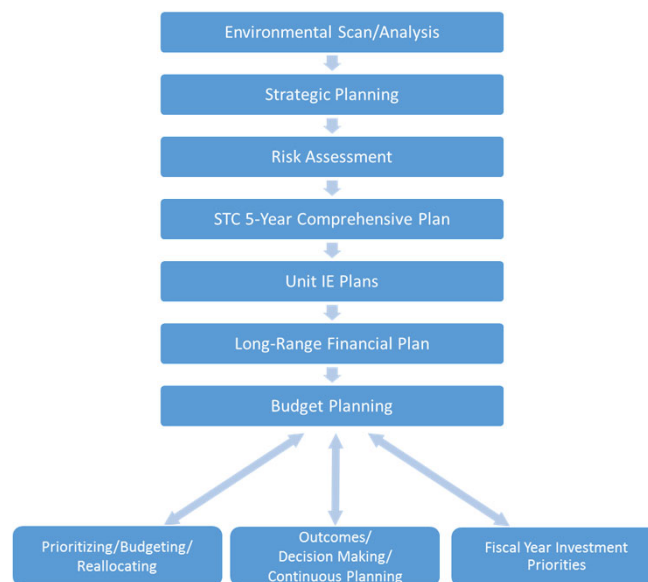
Proposed Budget FY 2021 - 2022

AUGUST 24, 2021

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

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Integrated Budget Planning Process



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Budget Timeline

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

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FY 2021 – 2022 Budget Highlights



1. \$2,088,271 Reduction State Appropriation
2. Flat Enrollment Assumed for FY 2021 - 2022
3. Increase in Tuition and Fees Revenue Based on Trend
4. Reduction in Property Tax Revenue
5. No Across the Board Salary Increases for Faculty and Staff
6. Increase in Benefits Budget
7. Reduction in HEERF Funds for Lost Revenue
8. Removal of Fund Balance Reserve and HEGI Reserve
9. Reduction in Transfer to Plant Fund by \$500,000
10. Salary Reserve Pool Created for Previously Frozen Positions and Pool Reductions

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Proposed Unrestricted Revenues FY 2021 - 2022

Summary of Revenues	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Proposed)	Increase/ (Decrease)
State Appropriations	\$42,182,306	\$40,094,035	\$(2,088,271)
Other State Appropriations:			
Optional Retirement Plan	524,004	532,963	8,959
Teacher Retirement System	2,155,023	2,191,868	36,845
Higher Education Group Insurance	6,159,713	6,235,046	75,333
Higher Education Group Insurance-(Reimbursement)	2,830,159	-	(2,830,159)
Hazlewood Reimbursement	45,000	45,000	-
Other State Appropriations Subtotal	11,713,899	9,004,877	(2,709,022)
Total State Appropriations	53,896,205	49,098,912	(4,797,293)
Total Tuition-Net of TPEG	29,701,300	30,880,973	1,179,673
Total Fees	23,345,146	24,334,646	989,500
Total M&O Property Taxes	59,117,516	58,273,025	(844,491)
Total Other Revenues	6,366,179	6,437,408	71,229
Total HEERF Lost Revenue	9,292,568	7,738,146	(1,554,422)
Total Carryover Allocations	5,177,901	5,954,813	776,912
Total Revenues	\$186,896,815	\$182,717,923	\$(4,178,892)

Proposed HEERF Lost Revenue and HEERF Fund Balance Reserve FY 2021 - 2022

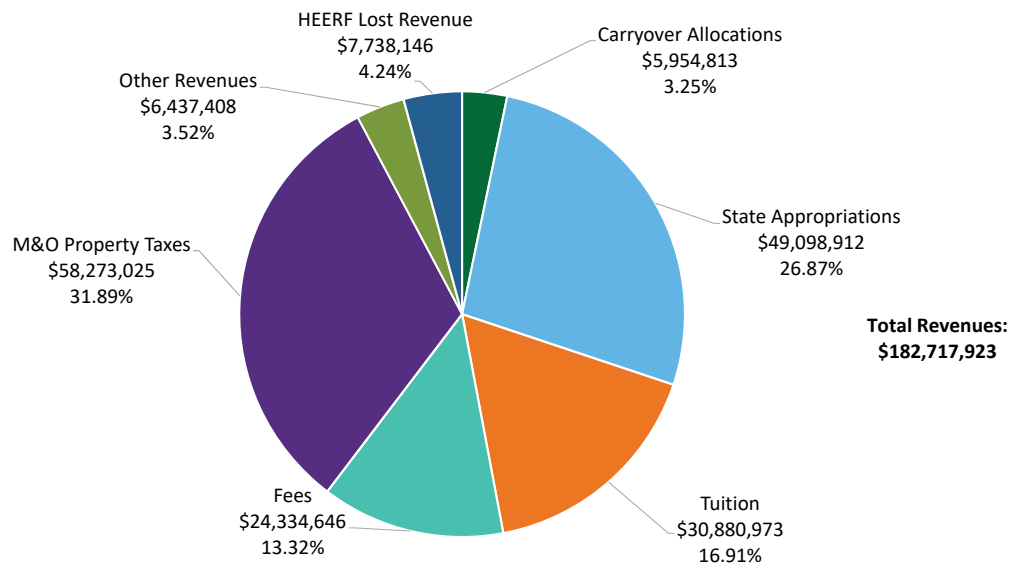
Revenue Category	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Proposed)	Revenue Increase/(Decrease)
HEERF Lost Revenue	\$9,292,568	\$7,738,146	\$(1,554,422)

Expenditure, Transfer, and Reserve Category	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Proposed)	Expenditure Increase/(Decrease)
HEERF Fund Balance Reserve	\$9,292,568	\$7,738,146	\$(1,554,422)

Proposed Carryover Allocations Revenue and Expenditures FY 2021 - 2022

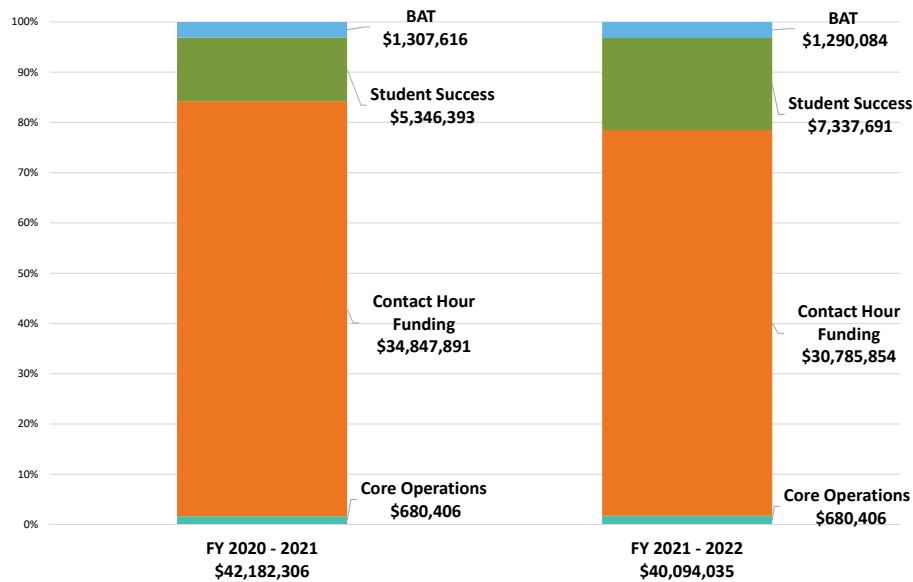
Carryover Allocation Revenue Category	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Proposed)	Revenue Increase/ (Decrease)
Contingency Fund	\$2,000,000	\$2,000,000	\$-
Developmental Studies Book Royalties	4,813	4,813	-
Unexpended Construction Plant Fund	2,000,000	3,500,000	1,500,000
Continuing, Professional, and Workforce Education	450,000	450,000	-
Capital Purchases	723,088	-	(723,088)
Total Carryover Allocations Revenue	\$5,177,901	\$5,954,813	\$776,912
Expenditure, Transfer, and Reserve Category	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Proposed)	Expenditure Increase/ (Decrease)
Contingency Reserve Organization	\$2,000,000	\$2,000,000	\$-
Book Royalties Organization	4,813	4,813	-
Transfer - Unexpended Plant Fund	2,000,000	3,500,000	1,500,000
CPWE - Carryover	450,000	450,000	-
Departmental Capital Purchases	723,088	-	(723,088)
Total Carryover Allocations Expenditures	\$5,177,901	\$5,954,813	\$776,912

Proposed Unrestricted Revenues FY 2021 - 2022



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Proposed State Appropriation Revenues FY 2021 - 2022



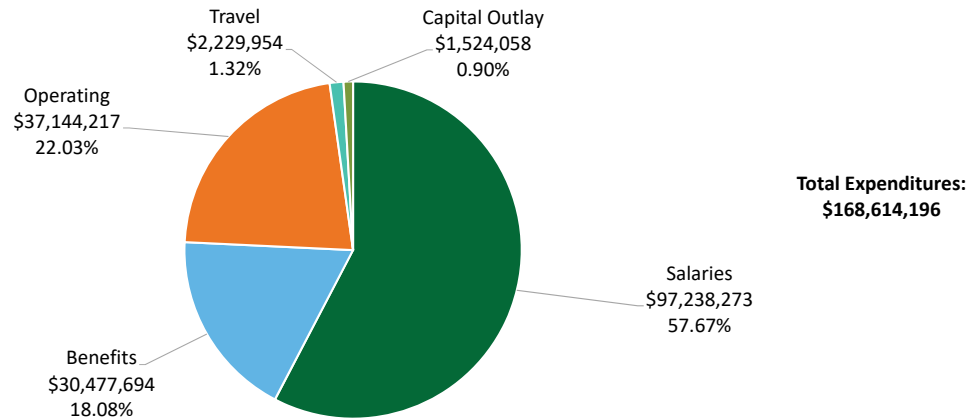
State Appropriation Revenues Decreased \$2,088,271 from the FY 2020 - 2021 level.

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Proposed Unrestricted Expenditures FY 2021 - 2022

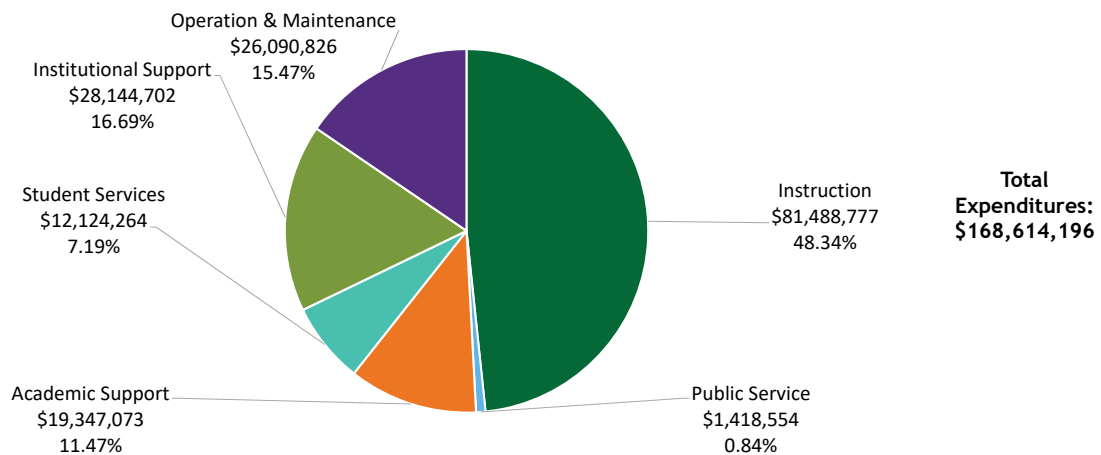
Summary of Expenditures	FY 2020 - 2021 Budget (Amended)	FY 2021 - 2022 Budget (Proposed)	Increase/ (Decrease)
Total Salaries	\$98,248,371	\$97,238,273	\$(1,010,098)
Total Benefits	27,668,623	30,477,694	2,809,071
Total Operating	32,249,628	37,144,217	4,894,589
Total Travel	2,235,954	2,229,954	(6,000)
Total Capital Outlay	1,446,175	1,524,058	77,883
Total Expenditures	\$161,848,751	\$168,614,196	\$6,765,445
Transfers & Reserves			
Transfer to Plant Funds	4,000,000	3,500,000	(500,000)
Transfer to Office of ITED	865,581	865,581	-
Contingency Fund	2,000,000	2,000,000	-
Fund Balance Reserve	6,059,756	-	(6,059,756)
HEERF Fund Balance Reserve	9,292,568	7,738,146	(1,554,422)
HEGI Reserve	2,830,159	-	(2,830,159)
Total Transfers & Reserves	25,048,064	14,103,727	(10,944,337)
Total Expenditures, Transfers & Reserves	\$186,896,815	\$182,717,923	\$(4,178,892)
Revenues over Expenditures	\$-	\$-	\$-

Proposed Unrestricted Expenditures by Classification FY 2021 – 2022 (Excluding Transfers and Reserves)



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Proposed Unrestricted Expenditures by Function FY 2021 – 2022 (Excluding Transfers and Reserves)



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Proposed Auxiliary Fund FY 2021 – 2022

Total Revenues	Total Expenditures
\$3,963,217	\$3,963,217

Revenue Sources		Expenditure Types	
Bookstore Commissions	\$450,000	Student/Employee Initiatives	\$450,000
Food Service Sales	\$480,625	Food Service Expenditures	\$480,625
Vending Machine Commissions, Catering Commissions, and Interest Income	\$58,000	Student/Employee Initiatives and Student Copier Expenditures	\$58,000
Conferences Revenue	\$341,322	Conference Expenditures	\$341,322
Child Care Center Revenue	\$364,475	Child Care Center Expenditures	\$364,475
Student Activity Fee	\$1,656,218	Student Activities & Wellness	\$1,656,218
Non Public Fund	\$612,577	Non Public Fund	\$612,577

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Proposed Restricted Fund FY 2021 – 2022

Total Revenues	Total Expenditures
\$176,195,958	\$176,195,958

Revenue Sources		Expenditure Types	
State and Federal Financial Aid	\$62,923,426	Pell, SEOG, College Work-Study, TEOG Initial and Renewal	\$62,923,426
Higher Education Emergency Relief Fund (HEERF)	\$100,136,631	HEERF II and HEERF III Student and Institutional Portions	\$100,136,631
State and Federal Grants	\$5,486,518	Developing Hispanic Serving Institutions, Carl Perkins, Nursing Shortage Reduction, Veterans Chapter 31 & 33, Apprenticeship Texas	\$5,486,518
Private and Local Grants and Scholarships	\$7,649,383	Student scholarships, TPEG, VIDA, Valley Scholars, MEDA	\$7,649,383

Proposed Plant Funds FY 2021 – 2022

Plant Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers, and Reserves
Unexpended Fund (Construction)	\$12,639,709	\$12,639,709
Renewals & Replacements	\$6,590,868	\$6,590,868
Retirement of Indebtedness	\$13,801,299	\$13,801,299

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**Thank
You**

Questions?