



**SOUTH TEXAS  
COLLEGE**

**Board of Trustees  
Regular Board Meeting**

**Tuesday, August 24, 2021  
5:30 p.m.**

**Pecan Campus  
Ann Richards Administration Building  
Board Room  
McAllen, Texas**

**Online Board Packet**

**SOUTH TEXAS COLLEGE  
BOARD OF TRUSTEES REGULAR MEETING  
Tuesday, August 24, 2021 @ 5:30 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>.

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Invocation**
- IV. Public Comments**
- V. Presentations ..... 1**
  - RGV Focus Grant Check Presentation
- VI. Update by the College President**
- VII. Consideration and Action on Consent Agenda**
  - 1. Approval of Board Meeting Minutes ..... 2 - 82
    - 1) July 27, 2021 Regular Board Meeting
  - 2. Approval and Authorization to Accept Grant Awards and Agreements .. 83 - 87
    - 1) Texas Workforce Commission, Information Technology Registered Apprenticeship Expansion Grant in the amount of \$199,467.11
    - 2) US Department of Education, Higher Education Emergency Relief Fund – Supplemental Assistance to Institutions of Higher Education (SAIHE) Program in the amount of \$10,136,521
    - 3) Texas Higher Education Coordinating Board, OER Course Development and Implementation Grant, in the amount of \$76,145.25
    - 4) Additional funds for the U.S. Department of Education, Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions, Developing Hispanic Serving Institutions under the American Rescue Plan Act in the amount of \$3,873,690

- 5) Greater Texas Foundation, Healthcare and Information Technology Postsecondary Career Pathways, in the amount of \$80,592
- 6) Rio South Texas Education and Community Development Foundation, Postsecondary Career Pathways in Healthcare, Information, Technology, and Manufacturing in the amount of \$116,330.08
- 7) RGV Focus, Communities Foundation of Texas - Educate Texas Grant in the amount of \$30,000
- 8) Additional Grant(s) Received/Pending Official Award

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      - 9) Data Hosting and Maintenance Agreement (Renewal)

- 10)Email Security Software License Agreement (Renewal)
- 11)Enterprise Software Licenses and Maintenance Agreements (Renewal)
- 12)Internet Service – District Wide (Renewal)
- 13)Oracle License Maintenance Agreement (Renewal)
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- 15)Server Hardware Maintenance and Support Agreement (Renewal)
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C. Interlocal Agreement

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**X. Announcements**

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- Tuesday, September 14, 2021
  - 3:30 p.m. – Education and Workforce Development Committee
  - 4:30 p.m. – Facilities Committee
  - 5:30 p.m. – Finance, Audit, and Human Resources Committee
- Tuesday, September 28, 2021
  - 5:30 p.m. – Regular Board Meeting

B. Other Announcements:

- The College will be closed on Monday, September 6, 2021, in observance of Labor Day
- Wednesday, September 8<sup>th</sup> is the Fall 2021 Semester Census Day
- The College will be closed on Friday, September 24, 2021, for College-Wide Professional and Organizational Development Day

## **Presentation**

### **1) RGV Focus Grant Check Presentation**

Dr. Rodney Rodriguez, Senior Director of RGV Focus, will present a check for \$30,000 to support at least 100 students pursuing Industry Based Certifications. This support is made possible by RGV Focus and Educate Texas, part of the Communities Foundation of Texas.

This is a new round of support, building upon a prior award that helped students obtain a workforce-ready IBC, and start their pathway toward further continuing education and/or academic and workforce degree programs.

This check corresponds to a grant that is proposed for Board acceptance later in this meeting's agenda.

This presentation is provided for the Board information and feedback to administration. No action is requested at this time.

## **Approval of Board Meeting Minutes**

The following Board Meeting Minutes are submitted for approval:

- 1) July 27, 2021 Regular Board Meeting Minutes

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and adopt the Minutes for July 27, 2021 Regular Board Meeting as presented.

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

The Board of Trustees of South Texas College approves and adopts the Minutes for July 27, 2021 Regular Board Meeting as presented.

### **Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**SOUTH TEXAS COLLEGE  
BOARD OF TRUSTEES REGULAR MEETING  
Tuesday, July 27, 2021 @ 5:30 p.m.  
Ann Richards Administration Building Board Room  
Pecan Campus, McAllen, Texas 78501**

**Minutes**

**Call Meeting to Order:**

The Regular Board Meeting of the South Texas College Board of Trustees was held on Tuesday, July 27, 2021 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:30 p.m. with Ms. Rose Benavidez presiding.

Ms. Benavidez announced that specific precautions had been taken due to the COVID-19 / novel coronavirus, including social distancing recommendations.

Members present: Ms. Rose Benavidez, Dr. Alejo Salinas, Jr., Mrs. Victoria Cantú, Mr. Paul R. Rodriguez, Mr. Gary Gurwitz, Mr. Rene Guajardo, and Mr. Danny Guzman

Members absent: None

Also present: Dr. Ricardo J. Solis, Dr. David Plummer, Mrs. Mary Elizondo, Mr. Matthew Hebbard, Mrs. Rebecca Cavazos, Mr. Rick De La Garza, Mrs. Myriam Lopez, Mr. George McCaleb, Mr. Robert Cuellar, Mr. Robert Gomez, Mr. David Valdez, Mr. Martin Villarreal, Mr. Ray Pedraza, Mr. Isaac Garza, Mr. Ben Briones, Chief Ruben Suarez, Mrs. Laura Requena, Ms. Alicia Correa, Mr. Khalil Abdullah, Ms. Alina Cantu, Mr. Frank Perez, Mr. Jason Gutierrez, Mr. Ken Lyons, Mrs. Kelly Salazar, Ms. Nancy Sanchez, Mr. Raul Cabaza, Ms. Arnetta Oropeza, Ramon Montalvo, Mr. Rolando Rios, Ms. Susan Anderson, Mr. Javier Villalobos, and Mr. Andrew Fish.

**Determination of a Quorum**

A quorum was present and a notice of the meeting was posted.

**Invocation**

Mr. Matthew Hebbard, Vice President for Student Affairs and Enrollment Management, said the invocation.



## **Public Comments**

Mr. Isaac Garza represented the South Texas College Centers for Learning Excellence, and expressed the sincere gratitude of his team to the Board of Trustees for their approval of a one-time payment to eligible faculty and staff.

## **Presentation**

### **1. Recognition of Dr. David Plummer for Service as Interim President of South Texas College**

The Board recognized Dr. David Plummer, for his leadership of South Texas College as Interim President from January 4, 2021 through July 14, 2021.

Dr. Plummer did an outstanding job keeping the College on track with its current operations, negotiating challenges that arose, and continuing to push for new opportunities to serve the South Texas communities.

The Board thanked Dr. Plummer for his service as Interim President and his continued contributions as a member of the executive leadership team at South Texas College.

### **2. Welcoming Dr. Ricardo Solis as President of South Texas College**

The Board welcomed Dr. Ricardo Solis to his first regular meeting of the Board of Trustees of South Texas College.

The Board selected Dr. Solis for his visionary leadership and strong record of building collaborative relationships. With a strong record in economic development and educational leadership, Dr. Solis' experiences in the Rio Grande Valley, across the nation, and internationally have prepared him to lead the College as it continues to transform higher education and economic development opportunities throughout the South Texas region.

The Board looked forward to great things to come with Dr. Solis presiding over South Texas College!

### **3. Presentation on 2020 Redistricting Process**

On April 24, 2018, the Board of Trustees authorized the engagement of the Law Offices of Rolando L. Rios and Associates, PLLC, for the Redistricting of South Texas College Trustee Districts. This redistricting is necessary following the completion of the 2020 Census, and complies with Texas Education Code 130.082(e) and the "one-man, one-vote" requirement set forth in the US Constitution.

Mr. Rolando Rios presented on the 2020 Redistricting Process and provided an outline of proposed next steps.

Mr. Rios also reviewed the American Community Survey (ACS) Data, which provides census estimates as of 2019, and is a reliable guide to help districts gauge probably population shifts and start preliminary review of redistricting options.

Finally, Mr. Rios reviewed a benchmark plan, based on ACS Data, and which would be adjusted as required once the 2020 Census data is available.

#### **4. Presentation of the Delinquent Tax Collection Report for the Period Ending May 31, 2021**

Ms. Kelly R. Salazar from Linebarger Goggan Blair & Sampson, LLP, provided the Board with the Delinquent Tax Collection Report for the period of March 1, 2021 through May 31, 2021.

The Delinquent Tax Collection Report was provided in the packet for the Board's review.

These presentations were for the Board's information and feedback to administration. No action was required.

### **Approval of Board Meeting Minutes**

The following Board Meeting Minutes were submitted for approval:

- 1) June 22, 2021 Regular Board Meeting
- 2) July 20, 2021 Board Work Session

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Board of Trustees of South Texas College approved and adopted the Minutes for the June 22, 2021 Regular Board Meeting and July 20, 2021 Board Work Session as presented. The motion carried.

### **Approval and Authorization to Accept Grant Awards and Agreements**

Authorization to accept and approve the following grant award, including the use of related funds and execution of related agreements as necessary for each grant, was requested:

**1. Texas Higher Education Coordinating Board, Carl D. Perkins Basic Grant, in the amount of \$2,163,618**

This award focuses on improving the academic and technical achievement of Career and Technical Education (CTE) students, strengthening the connections between secondary, postsecondary education, employer engagement, and improving accountability. Funds will be used for instructional equipment, training services, professional development, CTE personnel, and other program activities in the Division of Academic Affairs and Student Affairs and Enrollment Management and Information Services and Planning (Nursing and Allied Health, Business, Public Safety, and Technology, Math, Science, Information Technology, Liberal Arts, and Social Sciences). The award period is from September 1, 2021, to August 31, 2022.

This grant aligns to Strategic Directions #1, Clear Pathways, and Strategic Direction #2, Access and Success, by increasing community awareness and access to career and technical education programs that align to the Strengthening Career and Technical Education for the 21st Century Act.

**Summary of Grant Award Funding**

The presented grant would provide up to \$2,163,618 in additional funding for the college to provide services and opportunities throughout the region.

Upon a motion by Mr. Rene Guajardo and a second by Mrs. Victoria Cantú, the Board of Trustees approved and authorized accepting the following grant award(s) including the use of related funds and execution of related agreements as necessary for each grant, contingent upon official award as appropriate.

1. Texas Higher Education Coordinating Board, Carl D. Perkins Basic Grant, in the amount of \$2,163,618

The motion carried.

**Approval and Adoption of Proposed FY 2021 – 2022 Board and Board Committee Meeting Schedule**

The Board of Trustees for South Texas College was asked to approve and adopt the following schedule of Board and Board Committee meetings for the period from September 2020 through September 2021.

The proposed meeting schedule for the Board of Trustees was as follows:

<b><u>Month</u></b>	<b><u>Committee Meeting Date</u></b>	<b><u>Board Meeting Date</u></b>
<b>September 2021</b>	September 14, 2021	September 28, 2021
<b>October 2021</b>	October 19, 2021	October 26, 2021
<b>November 2021</b>	November 9, 2021	November 23, 2021
<b>December 2021</b>	December 7, 2021	December 14, 2021
<b>January 2022</b>	January 18, 2022	January 25, 2022
<b>February 2022</b>	February 8, 2022	February 22, 2022
<b>March 2022</b>	March 8, 2022	March 29, 2022
<b>April 2022</b>	April 12, 2022	April 26, 2022
<b>May 2022</b>	May 10, 2022	May 24, 2022
<b>June 2022</b>	June 14, 2022	June 28, 2022
<b>July 2022</b>	July 12, 2022	July 26, 2022
<b>August 2022</b>	August 9, 2022	August 23, 2022
<b>September 2022</b>	September 13, 2022	September 27, 2022

A full calendar view of the proposed Committee and Board meeting schedule was provided in the packet for the Board's information.

There may be some variation during the scheduled period, to accommodate agenda items for scheduled meetings as necessary. This schedule was reviewed by during the July 13, 2021 Committee meetings, and all three committees recommended approval.

Upon a motion by Mr. Danny Guzman and a second by Mrs. Victoria Cantú, the Board of Trustees of South Texas College approved and adopted the Board and Board Committee meeting schedule for FY 2021 - 2022 as presented. The motion carried.

### **Review and Action as Necessary on Quarterly Investment Report for Quarter Ending May 31, 2021**

A report on the College's Quarterly Investment Report for the Quarter May 31, 2021, was presented. The Board was asked to approve the Investment Report as presented.

Purpose – Ms. Susan Anderson from Valley View Consulting, L.L.C. presented on the status of the College's Quarterly Investment Report for the Quarter Ended May 31, 2021 and provide a further update at the meeting. Ms. Anderson presented an overview of the investments, the annual interest earnings, the quarterly interest earnings, and economic overview.

Justification – The report provided a brief review and update of the College's Quarterly Investment Report for the Quarter Ended May 31, 2021 to the College's Board of Trustees.

Background – The Texas Public Funds Information Act (PFIA) and the College's Policy #5120: *Investment Policy and Investment Strategy Statement*, requires an Investment Report to be prepared and submitted to the Board of Trustees and the Interim President quarterly.

Reviewers - The Vice President for Finance and Administrative Services, Business Office staff, and Valley View Consulting, L.L.C. (Investment Advisor) reviewed the information being presented.

Enclosed Documents – A copy of the Quarterly Investment Report for the Quarter Ended May 31, 2021 was provided in the packet for the Board's information and review.

Dr. Ricardo J. Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the Board Meeting to address any questions.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mrs. Victoria Cantú, the Board of Trustees of South Texas College approved and authorized the Quarterly Investment Report for the Quarter Ended May 31, 2021, as presented. The motion carried.

### **Deliberation and Action as Necessary Regarding the Assessment of the Internal Auditor**

The Board was asked to conduct an assessment of the Internal Auditor.

Policy #2250: *Evaluation of the Internal Auditor* calls for the Board to conduct a performance appraisal of the Internal Auditor on an annual basis. This assessment would provide the Board the opportunity to give the Internal Auditor with feedback on observed strengths and any areas needing improvement. Assessments like this are an integral part of the College's ongoing commitment to continuous improvement.

On February 23, 2021, the Board of Trustees adopted an Internal Auditor Performance Evaluation Instrument to be used for this purpose. A copy of this document was provided in the packet.

The Board postponed this until a subsequent meeting, and no formal action was taken.

## **Review of Presentation to the Education and Workforce Development Committee:**

### **a. Review and Discussion of Enrollment Strategies to Reach New Student Populations**

South Texas College Administration continues to develop and execute strategies in the furtherance of the College's Vision and Mission.

These strategies build toward the College's Vision of being a global model in educational innovation and serving as a catalyst to drive regional prosperity, economic development, and the social mobility of its constituents.

They further the College's Mission to provide educational opportunities through excellence in teaching and learning, workforce development, cultural enrichment, community service, and regional and global collaborations.

Dr. David Plummer, Vice President for Information Services, Planning, Performance, and Strategic Initiatives, led a review and discussion of some exciting new enrollment strategies to reach new student populations.

These new strategies included:

- The Hidalgo County Sheriff's Office
- Firefighter Educational Programs
- Local Continuing Education Program Partnerships
- U.S. Military-Affiliated Students
- Guild Education, Inc.
- McAllen Economic Development Corporation - International Enrollment

### **Hidalgo County Sheriff's Office**

Administration met with the Hidalgo County Sheriff's Office, and identified two separate opportunities to collaborate on educational programs that could be developed to benefit the region:

#### **County Corrections Officer (Jailer) Certification**

The Hidalgo County Sheriff's Office has traditionally operated its own Jailer certification program, providing training and testing to County employees, and hiring jailers from the graduating candidates.

South Texas College has worked with the Hidalgo County Sheriff's Office to develop a proposal whereby the College has certified the County's curriculum and instructors, and provides College continuing education credits to graduates from this program.

A significant benefit to the County is that their jailers will hold a South Texas College credential, which could be incorporated into a pathway for their jailers to pursue additional credentials, including academic pathways leading toward associate degrees and baccalaureate degree programs.

The College benefits by incorporating this essential training into its offerings not only to County employees currently served by the Hidalgo County Sheriff's Office, but expanding this opportunity to other stakeholders as well, potentially growing a program that could provide non-credit and credit courses to corrections officers at all levels.

### **Inmate Workforce Education Programs**

In discussions with the Hidalgo County Sheriff's Office, administration also identified an opportunity to provide short-term workforce training opportunities to inmates held at the Hidalgo County Sheriff's Jail.

The County noted that access to such programs is often highly desirable to incarcerated individuals, and could be provided to non-violent inmates who are motivated to take advantage of the opportunity to build job skills that offer better opportunities for meaningful employment after release and potentially reduce recidivism rates.

With the recent reintroduction of Pell Grant eligibility for incarcerated students, as well as potential funding from the Texas Workforce Commission, there is a real opportunity for South Texas College to provide these students with pathways toward a better future.

### **Firefighter Educational Programs**

With Phase 1 construction at the Regional Center for Public Safety Excellence (RCPSE), the College was primarily focused on law enforcement training. A focus of Phase 2 construction is to develop greater opportunity not only for the Fire Science cadets, but to also provide continuing education and academic opportunities for firefighters.

The Texas Commission on Fire Protection (TCFP) requires working firefighters to earn a minimum of 18 hours of continuing education per year, with additional hours required for firefighters holding specific credentials and job duties. Some continuing education training programs reinforce prior learning, and other programs develop new skills and lead to new career opportunities for students.

Currently, many firefighters seek online continuing education sources or travel out of the region to find qualified training programs.

South Texas College has been in discussion with local fire departments, exploring opportunities to provide local hands-on training at the RCPSE. With Phase 2 construction, the College will be positioned to provide state-of-the-art facilities to focus on specific aspects of firefighting training and better provide firefighters across the region with skills that help them safely carry out their mission.

### **Local Continuing Education Program Partnerships**

On April 7, 2021, administration joined Chair Benavidez and Board Secretary Cantu in meeting with officials from western Hidalgo County to discuss workforce training opportunities in that area. The College coordinated to invite Mission CISD and the Mission Economic Development Corporation to that meeting. During that meeting, opportunities for workforce programs serving high-need communities were identified.

Since that meeting, administration has continued meeting with local entities to identify opportunities to develop, offer, and support Continuing Education workforce programs.

These meetings have included school districts, local housing authorities, and the Catholic Diocese of Brownsville, which oversees churches throughout the College's service area.

With each of these entities, the College is identifying workforce programs that are likely to provide valuable skills leading toward meaningful career pathways to targeted, high-need communities. The College is seeking partners to help develop and promote the right programs, recruit students who would benefit from them, and support students in their successful completion of these programs.

### **U.S. Military-Affiliated Students**

South Texas College is working on several initiatives to increase enrollment of military-affiliated students. Opportunities include direct relationships with the U.S. Navy and the U.S. Coast Guard law enforcement academies, and a partnership with Central Texas College to serve their students, many of whom are active military.

### **Guild Education, Inc.**

Guild Education (Guild) is a private company that works for major corporations to manage their employee education assistance benefits programs. Guild has reached out to South Texas College to enter into an agreement to provide educational opportunities in our region.



Additional details will be provided in the following agenda item, which will include a request for a committee recommendation for Board approval of the agreement.

### **McAllen Economic Development Corporation - International Enrollment**

South Texas College has successfully worked with international high schools to provide higher education opportunities for their students.

With the Board's recent approval of a Memorandum of Understanding for non-resident districts, the College is positioned to grow these opportunities even further, expanding enrollment of students from outside Texas, and particularly in neighboring regions of Mexico.

The College is in discussion with the McAllen Economic Development Corporation (MEDC), which has an extensive network of connections to the educational, industrial, and other economic development communities in Reynosa. The College and MEDC are developing a proposal that will support the engagement of recruiting and support services based in Reynosa, that will further develop relationships with high schools throughout the city and neighboring areas. These schools would be invited to consider the College's MOU for non-resident districts, and to provide South Texas College's high quality and affordable online higher education programs to their students.

In addition to working with schools in Reynosa, the College and MEDC would consider options to expand the recruiting and support services to the maquila industry, where there is considerable need for workforce skills training that are already part of the College's innovative programs through the Office of Industry Training and Economic Development.

This information was provided for the Trustees' information, and no action was requested from the Board of Trustees.

### **Review and Action as Necessary on Consent Agenda Item from the Education and Workforce Development Committee**

The following Consent Agenda items were thoroughly discussed by the Education and Workforce Development Committee. All trustees, whether a member of the Committee or not, received all supporting documentation and were invited to participate in the deliberation on each item. Non-committee members did not participate in Committee votes for recommendation of Board action.

Administration believed that all questions raised during the Committee discussion of Consent Agenda items were resolved to the Committee's satisfaction at the meeting, and the items are presented here substantially as recommended by the Committee, for approval by the Board of Trustees.

All trustees were invited to identify any item or items that should be removed from the Consent Agenda for further discussion. Otherwise, the Board was asked to formally act on the full consent agenda, according to the details and recommended action presented for each item in the following pages.

The Education and Workforce Development Committee recommended Board action on the following items as presented:

- a. Approval of Revisions to 2021-2022 Academic Calendar and 2022-2023 Academic Calendar
- b. Approval of Direct Payment Partner Agreement with Guild Education, Inc.

Upon a motion by Mr. Danny Guzman and a second by Mrs. Victoria Cantú, the Board of Trustees of South Texas College approved and authorized the following items:

- a. Approval of Revisions to 2021-2022 Academic Calendar and 2022-2023 Academic Calendar
- b. Approval of Direct Payment Partner Agreement with Guild Education, Inc. at no cost to the College

The motion carried.

### **Consent Agenda:**

#### **a. Approval of Revisions to 2021-2022 Academic Calendar and 2022-2023 Academic Calendar**

The Board was asked to approve and authorize the proposed revisions to the 2021-2022 Academic Calendar and 2022-2023 Academic Calendar to align with the official reporting date recommended by THECB. The accurate Census Date for the Summer III sessions must be the following:

<b>Academic Year</b>	<b>Summer III Census Date</b>
2021-2022	June 21, 2022
2022-2023	June 20, 2023

In previous years, the College would report two census dates for each Summer session, which were Summer I and Summer II. However, beginning with Summer 2022, the College will be reporting one census date for the entire Summer session that begins in

June and ends in August. This change will align with the procedures of awarding year-round Federal Pell to eligible students and comply with the Texas Higher Education Coordinating Board (THECB) guidelines, where the official census reporting date for a Summer session must be the twelfth-class day.

### **Enclosed Documents**

The proposed revisions to the 2021-2022 Academic Calendar and the 2022-2023 Academic Calendar were provided in the packet. The revisions reflected the correct reporting date as mandated in the guidelines published by the Texas Higher Education Coordinating Board (THECB).

The Education and Workforce Development Committee recommended Board approval of the proposed revisions to the 2021-2022 Academic Calendar and the 2022-2023 Academic Calendar as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **b. Approval of Direct Payment Partner Agreement with Guild Education, Inc.**

Guild Education (Guild) is a private company that works for major corporations to manage their employee education assistance benefits programs.

- Guild provides services that help match employees of these corporations to educational programs based upon employee needs and goals.
- Guild has secured agreements with major universities across the U.S. including private, public, and for-profit institutions.
- Guild selects institutions based on their institutional profiles, programs, and regional impact and then extends invitations to select institutions based upon the potential to service a specific market.
- Guild Education serves as the exclusive intermediary between these major Fortune 1000 companies and educational providers.

Guild recently extended an invitation to South Texas College to enter into an agreement to provide educational opportunities for employees of JPMorgan Chase & Co.

Guild conducted a thorough needs analysis for JPMorgan Chase & Co. and selected South Texas College based on the potential of the College to support the strong regional presence of the company. Guild is strategically seeking to grow Community College

partnerships, with existing agreements with institutions such as Valencia College, Rio Salado College, and Southern New Hampshire University.

### **Student Recruitment**

Employees of the corporate client are directed by their employer to a student portal site provided by Guild to express interest in educational programs. Guild provides a Coach specifically for each employee to review programs with the employee and find the best match for them.

### **Business Model**

Under the Guild business model, corporations provide funds for educational assistance directly to Guild and Guild pays the costs for tuition and fees directly to the College or University.

Guild typically charges a 5% service fee for each payment remitted to the College, however for the first year, Guild has proposed to waive the service fee as an incentive for South Texas College. If the agreement is approved, the College will be listed nationally on the Guild Education website and student portal. The initial agreement will be only for employees of JPMorgan Chase & Co.; however, the potential exists for additional corporate partnerships in the near future.

Mr. Matthew Hebbard, Vice President for Student Affairs and Enrollment Management presented a brief summary of the potential partnership with Guild Education to the Committee.

Administration and legal counsel reviewed the proposed Direct Payment Partner Agreement with Guild Education, Inc.

The Education and Workforce Development Committee recommended Board approval to enter into a Direct Payment Partner Agreement with Guild Education, Inc., at no cost to South Texas College.

This item was approved by the Board as part of consent agenda action.

## **Review of Presentation to the Finance, Audit, and Human Resources Committee:**

### **a. Review and Discussion of Preliminary Summary of Unrestricted Fund Projected Revenues and Expenditures for FY 2021 - 2022 with Comparison to FY 2020 – 2021 Amended Budget**

On July 13, 2021, Mrs. Mary Elizondo, Vice President of Finance and Administrative Services, provided an update on the preliminary summary of

unrestricted fund projected revenues and expenditures for FY 2021 – 2022, with comparison to the FY 2020 – 2021 amended budget.

The update included a preliminary estimated change of revenues and carryover allocations as follows:

State Appropriations	-\$4,797,293
Tuition	1,179,673
Fees	989,500
M&O Property Taxes	-844,491
Other Revenues	328,839
HEERF Lost Revenue	-1,554,422
Carryover Allocations	<u>776,912</u>
<b>Total Revenue Change</b>	<b>-\$3,921,282</b>

The update included a preliminary estimated change of expenditures, transfers, and reserves as follows:

Salaries	-\$1,010,098
Benefits	2,460,816
Operating	5,600,454
Travel	-6,000
Capital Outlay	-22,117
Transfers & Reserves	<u>-10,944,337</u>
<b>Total Expenditure Change</b>	<b>-\$3,921,282</b>

Administration anticipated a balanced budget for FY 2021 – 2022.

This information was provided for the Trustees' information, and no action was requested from the Board of Trustees.

### **Review and Action as Necessary on Consent Agenda Items from the Finance, Audit, and Human Resources Committee**

The following Consent Agenda items were thoroughly discussed by the Finance, Audit, and Human Resources Committee. All trustees, whether a member of the Committee or not, received all supporting documentation and were invited to participate in the deliberation on each item. Non-committee members did not participate in Committee votes for recommendation of Board action.

Administration believed that all questions raised during the Committee discussion of Consent Agenda items were resolved to the Committee's satisfaction at the meeting, and

the items are presented here substantially as recommended by the Committee, for approval by the Board of Trustees.

All trustees were invited to identify any item or items that should be removed from the Consent Agenda for further discussion. Otherwise, the Board was asked to formally act on the full consent agenda, according to the details and recommended action presented for each item in the following pages

The Finance, Audit, and Human Resources Committee recommended Board action on the following items as presented.

- a. Approval of Interlocal Agreement for Transportation Services between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC) for FY 2021 – 2022 at an estimated net cost not to exceed \$279,109.
- b. Approval of Award of Proposal for Student / Faculty Medical Professional Liability Insurance, Voluntary Student Accident Insurance, and Workforce Training Programs Student Accident Insurance at no cost to the College.
- c. Approval of Award of Proposals for Property / Inland Marine / Boiler & Machinery, Crime, School Leaders E&O, General Liability, Law Enforcement Liability, Automobile, Workers Compensation, and Foreign Liability Insurance at a total cost of \$1,529,700.
- d. Approval of Award of Proposals, Purchases, Renewals, Interlocal Agreements, and Contract Extensions totaling \$1,679,942.64.
- e. Approval of Bond Counsel Services
- f. Approval of 2018 – 2021 Junior College Audit Report on Safety and Security
- g. Approval of Proposed Revisions to Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 – 2021
- h. Approval of Proposed Staffing Plan Revisions Requests for FY 2021 – 2022
  - i. Increases to FY 2021 – 2022 Salary Reserve Pool
  - ii. Title Changes of Non-Faculty and Faculty Positions
  - iii. Annual Salary Increase for Faculty and Non-Faculty Personnel
- i. Approval of Proposed Employee Pay Plan for FY 2021 – 2022
- j. Review and Recommend Action on Proposed Staffing Plan for FY 2021 – 2022
- k. Approval to Use Higher Education Emergency Relief Fund II (HEERF II) Institutional Funds for Purchase and Installation of Ultraviolet (UV) Air Purifiers in College Buses in the amount of \$20,400.
- l. Approval to Use Higher Education Emergency Relief Fund (HEERF) Institutional Funds for District Wide Air Handler Replacement Project in the amount of \$8,719,740.

Mr. Gary Gurwitz asked that Consent Agent Item d, sub-item #17, for the award of a contract extension for beverage vending services, be pulled from the consent agenda for separate deliberation by the Board.

Mr. Paul R. Rodriguez asked that Consent Agenda Item e, for the award of Bond Counsel Services, be pulled from the consent agenda for separate deliberation by the Board.

Mr. Danny Guzman asked that Consent Agenda Item I, for the use of HEERF Institutional Funds for District Wide Air Handler Replacement Project in the amount of \$8,719,740, be pulled from the consent agenda for separate deliberation by the Board.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Board of Trustees of South Texas College approved and authorized the following items:

- a. Approval of Interlocal Agreement for Transportation Services between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC) for FY 2021 – 2022 at an estimated net cost not to exceed \$279,109.
- b. Approval of Award of Proposal for Student / Faculty Medical Professional Liability Insurance, Voluntary Student Accident Insurance, and Workforce Training Programs Student Accident Insurance at no cost to the College.
- c. Approval of Award of Proposals for Property / Inland Marine / Boiler & Machinery, Crime, School Leaders E&O, General Liability, Law Enforcement Liability, Automobile, Workers Compensation, and Foreign Liability Insurance at a total cost of \$1,529,700.
- d. Approval of Award of Proposals, Purchases, Renewals, Interlocal Agreements, and Contract Extensions totaling \$1,679,942.64, which excluded sub-item # 17, which was deliberated separately.
- f. Approval of 2018 – 2021 Junior College Audit Report on Safety and Security
- g. Approval of Proposed Revisions to Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 – 2021
- h. Approval of Proposed Staffing Plan Revisions Requests for FY 2021 – 2022
  - i. Increases to FY 2021 – 2022 Salary Reserve Pool
  - ii. Title Changes of Non-Faculty and Faculty Positions
  - iii. Annual Salary Increase for Faculty and Non-Faculty Personnel
- i. Approval of Proposed Employee Pay Plan for FY 2021 – 2022
- j. Review and Recommend Action on Proposed Staffing Plan for FY 2021 – 2022

- k. Approval to Use Higher Education Emergency Relief Fund II (HEERF II) Institutional Funds for Purchase and Installation of Ultraviolet (UV) Air Purifiers in College Buses

The motion carried.

### **Consent Agenda:**

#### **a. Approval of Interlocal Agreement for Transportation Services between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC) for FY 2021 – 2022**

Approval of the Interlocal Agreement for the Jag Express Intercampus Transportation Services between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC) for a one-year period of September 1, 2021 through August 31, 2022 was requested.

Purpose – The Interlocal Agreement for Transportation Services between STC and the LRGVDC for FY 2021 - 2022 was needed to provide transportation services to STC students.

Justification – The Interlocal Agreement was intended to establish an intercampus bus route to serve all the College campuses. The bus routes would benefit students, faculty, and staff of South Texas College and thereby served the goals of both organizations by facilitating access to the College and its educational programs and increasing the use of public transportation in the area.

In FY 2021 – 2022, increased student enrollment was anticipated, since Fall 2021 course schedule offered 60% of courses on campus or hybrid and 40% of courses on-line.

Background - As a result of the pandemic, face-to-face classes on campus were significantly reduced and employee's presence on campus was also reduced due to a rotational work schedule implemented in order to reduce the density on campus. In FY 2020 – 2021, both parties were allowed the opportunity to make any necessary adjustments as a result of the pandemic, therefore, Interlocal Agreements were negotiated separately for the Fall 2020, Spring 2021 and Summer 2021 Semesters.

Information regarding the FY 2021 – 2022 Transportation Services and Agreement is presented below.

#### **Ridership Count History**

The table below reflects the ridership count history provided by the LRGVDC for the Purple Line, Green Lines and the College's ridership count history for the Yellow Line for FY 2019, FY 2020 and FY 2021:



Transportation Route	FY 2019	FY 2020* (Service Ended March 22, 2020)	FY 2021* (As of May 31, 2021)
LRGVDC			
Starr (Green Line 1* & 2)	13,925	7,379	786
Starr (Green Line Route 60/Roma)	6,180	4,277	76
Mid Valley (Purple Line)	7,517	4,267	38
STC			
Circulator (Yellow Line)	24,035	13,289	478
Park & Ride	20,870	18,070	No Service
<b>Total</b>	<b>72,527</b>	<b>47,282</b>	<b>1,378</b>

\*Green Line (Starr/Pecan) is traditionally comprised of two routes. As of 11/16/20, Green Line has consisted of one route. \*\*Purple Line (MV/NAH) was suspended as of 10/12/20.

### Transportation Services – FY 2020 – 2021 and FY 2021 - 2022

The following table illustrates the transportation services in FY 2020- 2021 and proposed in FY 2021 – 2022 by semesters and routes:

Routes	Fall 2020	Spring 2021	Summer 2021 (Current)	FY 2021 - 2022 (Proposed)
Green Line (Starr) - 1	✓ (LRGVDC)	✓ (LRGVDC)	✓ (STC)	✓ (STC)
Green Line (Starr) - 2	✓ (LRGVDC)*	X	X	X
Green Line Route 60 (Roma)	✓ (LRGVDC)	✓ (LRGVDC)	✓ (LRGVDC)	✓ (STC)
Purple Line (Mid-Valley)	✓ (LRGVDC)**	X	X	X
Yellow Line (Circulator)	✓ (STC)	✓ (STC)	✓ (STC)	✓ (STC)
<b>Total Net Cost to South Texas College</b>	<b>\$23,304</b>	<b>\$69,481</b>	<b>\$54,097</b>	<b>\$279,109</b>

\*Green Line (Starr/Pecan) is traditionally comprised of two routes. As of 11/16/20, Green Line has consisted of one route. \*\*Purple Line (MV/NAH) was suspended as of 10/12/20.

Funded by – (LRGVDC) or (STC)

### Proposed Agreement for FY 2021 - 2022

- The College would remit payment to the LRGVDC for the operating cost of:
  - ⇒ The Green Line 1 (Starr County Campus to Pecan Campus) in the amount of ~~\$85,358~~ **\$2,960**
  - ⇒ Green Line Route 60 (Roma) in the amount of \$64,476
- Green Line 2 (Starr County Campus to Pecan Campus) - would not be operational.
- Purple Line (Mid Valley) was eliminated by the LRGVDC. As an alternate option, riders could use Valley Metro-operated Route 31 to travel between the Mid Valley

Campus and McAllen Central Station. The route travels along Business 83. The stops include Harlingen Terminal, La Feria, RGV Outlets, STC Weslaco, Business at Sugar in Pharr and McAllen Central Station. From McAllen Central Station, the riders can transfer to a McAllen Metro bus. There was a route that included a stop at the Pecan campus and a route that included a stop at the Technology campus.

- The College would cover cost of \$129,275 for the Yellow Line (Circular) routes operated by the College connecting the Pecan Campus, Technology Campus, and Nursing and Allied Health Campus.

<b>FY 2021 - 2022</b>	<b>Amount</b>
<b>Total Operating Cost for Services</b>	<b>\$659,223</b>
Contributions:	
State/Federal Operating	\$(380,114)
<b>Total Net Cost to STC</b>	<b>\$279,109</b>
STC Direct Expenditures – Yellow Line	\$129,275
STC Payment to LRGVDC – Green Line 1	<del>85,358</del> 2,960
STC Payment to LRGVDC – Green Line Route 60 (Roma)	64,476
<b>STC In-Kind Expenditures</b>	<b>82,398</b>
<b>Total Net Cost to South Texas College</b>	<b>\$279,109</b>

The budgeted cost by transportation routes for FY 2021 - 2022 are as follows:

<b>Transportation Routes</b>	<b>Total Operating Cost for System</b>	<b>Contributions</b>	<b>STC In-Kind &amp; Direct Expenditures</b>	<b>STC Payment to LRGVDC</b>
Starr (Green-1)	204,569	119,211	<del>0</del> 82,398	<del>85,358</del> 2,960
Starr (Green-Roma)	153,519	89,043	0	64,476
Circular (Yellow)	301,135	171,860	129,275	0
<b>Total</b>	<b>\$659,223</b>	<b>\$380,114</b>	<del>129,275</del> <b>\$211,673</b>	<del>149,834</del> <b>\$67,436</b>

The increase of \$132,227, from total FY 2021 cost of \$146,882 to the total FY 2022 cost of \$279,109 was due to LRGVDC not covering any of the cost of the routes in FY 2022 and all CARES funds for transportation expended.

In the table above, in-kind costs associated with vehicle insurance, utilities, and depreciation estimated at \$82,398 were included.

At the Finance, Audit, and Human Resources Committee meeting on July 13, 2021, Mr. Tom Logan, Director of Valley Metro for the LRGVDC, informed the Committee that his staff is working on submitting a new federal grant that allows for in-kind costs to be taken

into consideration. If this grant is approved and pre-award authority is granted, South Texas College's payment to LRGVDC for its services for FY 2021 – 2022 could be reduced.

A conference call was held July 22, 2021 with South Texas College staff and Mr. Tom Logan, Director of Valley Metro for the LRGVDC, and his staff. On the call Mr. Logan shared his office put in a request with the FTA (Federal Transit Administration) and submitted a budget revision to be able to use our in-kind match against a current grant. They were notified the request was approved and STC could reduce by the budgeted in-kind amount of \$82,398.

Funding Source - Funds for this expenditure are budgeted in the Student Transportation Services budget for FY 2021 - 2022.

Reviewers – The Interlocal Agreement was reviewed by Tom Logan, Director of Valley Metro at the LRGVDC, Vice President for Finance and Administrative Services, Chief of Police for Department of Public Safety, Comptroller, Contract Manager, and by the College's Legal Counsel. The FY 2021- 2022 Interlocal Agreement is still pending final approval by the LRGVDC.

Enclosed Documents – A copy of the draft FY 2021 – 2022 Interlocal Agreement and a Presentation follow in the packet for the Board's information and review. The Transportation Services PowerPoint presentation follows in the packet for the Board's review.

Tom Logan from the LRGVDC, Mary Elizondo, Vice President for Finance and Administrative Services, Ruben Suarez, Chief of Police for the Department of Public Safety, and Alina O. Cantu, Public Safety and Transportation Services Manager, attended the Committee Meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval of the Interlocal Agreement for Transportation Services between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC) for a one-year period of September 1, 2021 through August 31, 2022, as presented, and contingent upon approval by the LRGVDC.

This item was approved by the Board as part of consent agenda action.

**Consent Agenda:**

**b. Approval of Award of Proposal for Student / Faculty Medical Professional Liability Insurance, Voluntary Student Accident Insurance, and Workforce Training Programs Student Accident Insurance**

Approval to award the proposal for Student/Faculty Medical Professional Liability Insurance, Voluntary Student Accident Insurance and Workforce Training Programs Student Accident Insurance was requested.

Purpose - The basic purpose of the student insurances are as follows:

- Student / Faculty Medical Professional Liability Insurance - provides coverage for those students enrolled in the Nursing Allied Health and Child Development Programs as well as associated Faculty
- Voluntary Student Accident Insurance – provides students with a low-cost option for accident insurance
- Workforce Training Programs Student Accident Insurance – provides coverage for those students enrolled in the Continuing Education Training Programs

Justification - Every year, the College requests proposals for an insurance program that provides the broadest coverage at the most competitive price available in accord with approved or acceptable insurance practices in the State of Texas.

The College's Risk Management Consultant, Mr. Raul Cabaza III, attended the July 13, 2021 Finance, Audit, and Human Resources Committee meeting to address questions from the Committee. Mr. Cabaza recommended the following awards:

- **Student / Faculty Medical Professional Liability Insurance:**  
Affinity Insurance Services, Inc. / American Casualty Company of Reading, PA for the period beginning August 26, 2021 through August 26, 2022. The premium is \$23,800 which is \$10 per student. The recommendation is based on 2,380 students with limits of \$1,000,000 per occurrence / \$5,000,000 aggregate. **The cost for the Medical Professional Liability Insurance is paid by the students enrolled in the Nursing Allied Health and Child Development programs. The College and Faculty are insured parties at no additional cost to the student or to the College.** The premium is \$100 more than last year. Last year's premium was \$23,700 which was based on 2,370 students.  
⇒ The cost per student (\$10) is the same as the prior year.  
⇒ The carrier remains unchanged from the prior year.

- **Voluntary Student Accident Insurance:**

Student Assurance Services, Inc. / Ameritas Life Insurance Corporation for the period beginning August 26, 2021 through August 26, 2022. The student accident insurance limit is \$25,000. **This is a voluntary product, so there is no cost to the College.**

⇒ Should a student elect to purchase this voluntary coverage, the costs to him/her would be as follows:

- \$75 for school time coverage (same as prior year)
- \$160 for full time (24 hour) coverage (same as prior year)
- \$9 for dental coverage (increase of \$1)

⇒ The carrier remains unchanged from the prior year.

- **Workforce Training Programs Student Accident Insurance:**

Student Assurance Services, Inc. / Ameritas Life Insurance Corporation for the period beginning August 26, 2021 through August 26, 2022. The student accident insurance coverage limit is \$25,000. The annual premium is \$2,700 and includes all participants. The Workforce Training premium is based on 534 participants. These participants are enrolled in non-credit Continuing Education Training Programs such as Phlebotomy, Welding, Emergency Care Assistant, and Building Trades. **The premium is paid by the students.**

⇒ The premium is the same as the prior year.

⇒ The premium is \$2,700 based on an estimated 534 participants (approximately \$5.06 per student) in the workforce training programs. Actual cost per student will be determined once enrollment numbers are received.

⇒ The carrier remains unchanged from the prior year.

Background – Proposal documents were advertised on May 19, 2021 and May 26, 2021 and issued to nine (9) vendors. Two (2) responses were received on June 11, 2021 and were evaluated by Mr. Raul Cabaza, III, Risk Management Consultant, Accountability, Risk, and Compliance and the Purchasing Department.

Reviewers – This item was reviewed by Mr. Raul Cabaza, III, Risk Management Consultant, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Frank Jason Gutierrez, Director of Accountability, Risk, and Compliance, Ken Lyons, Risk Manager and Becky Cavazos, Director of Purchasing.

Enclosed Documents - The recommendations provided by Mr. Raul Cabaza, III, were provided in the packet for the Board's information and review.

The Finance, Audit, and Human Resources Committee recommended Board approval to award the proposal for Student/Faculty Medical Professional Liability Insurance, Voluntary Student Accident Insurance and Workforce Training Programs Student Accident Insurance at no cost to the College as presented.

This item was approved by the Board as part of consent agenda action.

**Consent Agenda:**

**c. Approval of Award of Proposals for Property / Inland Marine / Boiler & Machinery, Crime, School Leaders E&O, General Liability, Law Enforcement Liability, Automobile, Workers Compensation, and Foreign Liability Insurance**

Approval was requested to award the proposals for Property / Inland Marine / Boiler & Machinery, Crime, School Leaders E&O, General Liability, Law Enforcement Liability, Automobile, Workers Compensation, Foreign Liability, and Cyber Liability Insurance for the period beginning September 1, 2021 through August 31, 2022 at a total cost of \$1,529,700.

Purpose - The purpose of insurance was to anticipate catastrophic losses that could financially impair South Texas College. Insurance allows the College to minimize risk of loss from circumstances beyond its control.

Justification - Every year, prior to fiscal year end, the College requests proposals for an insurance program that provides the broadest coverage at the most competitive price available in accordance with approved or acceptable insurance practices in the State of Texas.

The College's Risk Management Consultant, Mr. Raul Cabaza III, attended the July 13, 2021 Finance, Audit, and Human Resources Committee meeting to address questions from the Committee. Mr. Cabaza recommended the following awards:

- **Property / Inland Marine / Boiler & Machinery**

- ⇒ The Risk Management Consultant advised College staff on July 9, 2021, that the spreadsheet in the Finance, Audit, and Human Resources Committee packet that was distributed earlier in the day on July 9, 2021, did not reflect the correct values on certain line items for Option #1 and Option #2. The information was revised subsequently, based on clarification, and was included in the spreadsheets that were provided in the packet. Refer to the Property, Inland Marine, and Boiler and Machinery Insurance spreadsheet for correct values.
- ⇒ Request award of Property / Inland Marine / Boiler & Machinery Insurance coverage to The Hartford Fire Insurance Co. (Montalvo) at a total cost of **\$1,017,738**. The policy offers a 5% named storm deductible, a 5% all other wind/hail deductible (applied per building with a \$100,000 minimum deductible per building), and a \$100,000 deductible for all other perils.

- ⇒ Flood insurance is included with a deductible of \$100,000 for Zones X and C and \$500,000 for Zone B. The deductible applies per occurrence and not per building.
- ⇒ The proposed premium of \$1,017,738 represents an increase of 8.7% from the prior year which includes a 3.96% increase in insured values.
  - The commercial property segment continues to be challenged by civil unrest, record breaking wind events, the COVID pandemic, and the winter freeze affecting pricing, limits and deductibles. Material and labor cost and demand are up and period for repairs has increased due to supply chain problems.
- ⇒ The carrier remained unchanged from the prior year.

- **Crime Insurance**

- ⇒ Request award of Crime Insurance coverage to Traveler's Casualty & Surety Company of America (Montalvo) at a cost of **\$8,577**.
- ⇒ The proposed premium of \$8,577 represents an increase of 2.4% from the prior year.
  - The crime includes computer fraud, funds transfer fraud, and social engineer coverages and increased claims are being experienced.
- ⇒ The carrier remained unchanged from the prior year.

- **School Leaders E&O, General Liability, Law Enforcement Liability, Automobile**

- ⇒ Per former legal counsel, the College's exposure is shown in the table below:

	<b>Liability Exposure</b>
State	Sovereign immunity except for injuries arising out of operation of motor vehicles. Limits: \$100,000/\$300,000.
Federal	Claims arising under US Constitution and federal statutes (covered under trustee coverage) No limits.

- ⇒ Per former legal counsel, under state law, the College is immune from liability except for injuries arising from a motor vehicle accident (\$100,000 per person / \$300,000 per accident). Under Federal Law, the College has exposure under Section 1983 Clauses of Action (Civil Rights Statute); there is theoretically no limit of liability. Former legal counsel advises that though there is no ceiling under civil rights cases, the Board may, based on history, develop a risk policy. Given the College's comprehensive practices and procedures to avoid liability and the experience of the College with these cases, the primary purpose is first to ensure the College has competent legal defense and coverage is within limits. Based on

the College's claim history, a \$250,000 limit policy would be reasonable and sufficient coverage.

- ⇒ School Leaders E&O, General Liability, Law Enforcement Liability, Automobile Insurance to Texas Association of School Boards (TASB) at a cost of \$221,620. The program offers a \$1,000,000 limit for School Leaders E&O, General Liability and Law Enforcement Liability with deductibles of \$50,000 for School Leaders E&O, \$0 for General Liability, and \$0 for Employee Benefits Liability. Law Enforcement Liability deductible depends on if allegations are under General Liability or Professional Liability. The Automobile Liability limit is \$300,000 with a \$1,000 deductible applicable to both the liability and physical damage.
- ⇒ The proposed premium of \$221,620 represents an increase of 5.6% from the prior year.
  - The automobile insurance was affected by an increase in the number of insured units from 104 to 135, the litigation environment, cost of parts, the safety and electronic devices being placed on vehicles and the cost of materials.
- ⇒ The carrier remained unchanged from the prior year.

- **Workers Compensation Insurance**

- ⇒ Workers Compensation Insurance to Texas Association of School Boards (TASB) at a total cost of **\$273,564**.
- ⇒ The proposed premium of \$273,564 represents a flat premium due to reduction in payroll but an overall rate increase of 14.5% from the prior year.
  - TASB consider a number of factors in pricing including payroll volatility, losses, and individual class changes. TASB reviews 6 years of losses and collects contribution to cover the ultimate cost of claims.
- ⇒ The carrier remained unchanged from the prior year.

- **Foreign Liability Insurance**

- ⇒ Foreign Liability Insurance to Ace American Insurance Co. (Montalvo) at a total cost of **\$8,201**.
- ⇒ Due to employee travel to Mexico, the purchase of an international insurance policy is recommended.
- ⇒ Foreign Liability Insurance provides General Liability, Auto, Accidental Death & Dismemberment, and Property coverage in specific countries for employees during the normal scope of business, College-owned vehicles, vehicles leased by South Texas College, and equipment. General Liability includes the following limits:



- \$1,000,000 Each occurrence
- \$2,000,000 General aggregate
- \$2,000,000 Products-completed operations aggregate
- \$1,000,000 Personal and advertising injury
- \$1,000,000 Damage to premises rented to South Texas College
- \$25,000 Medical expenses (any one person)

⇒ The proposed premium of \$8,201 represents no increase from the prior year.

⇒ The carrier remains unchanged from the prior year.

• **Cyber Liability Insurance**

⇒ On July 13, 2021, the Risk Management Consultant was notified by Montalvo Insurance that the Cyber Liability quote had been withdrawn by the insurance carrier, Benchmark. All quotes with effective dates after July 1, 2021 are expired and withdrawn. The carrier, Benchmark, has put a temporary hold on all new public sector, school and college business nationwide as the cyber market continues to deteriorate with carriers exiting, restricting, and retracting from the market.

⇒ As such, College staff will work with the Risk Management Consultant to solicit a new request for proposal for Cyber Liability Insurance which will be presented at the August 24, 2021 Board of Trustees Meeting.

The total recommended award to Montalvo was **\$1,034,516**. The total recommended award to TASB was **\$495,184**.

	<b>TASB</b>	<b>Montalvo</b>
Property / Inland Marine and Boiler & Machinery		\$1,017,738
Crime		\$8,577
School Leaders E&O, General Liability, Law Enforcement	\$166,882	
Automobile	\$54,738	
Workers Compensation	\$273,564	
Foreign Liability		\$8,201
Cyber Liability		
<b>TOTAL</b>	<b>\$495,184</b>	<b>\$1,034,516</b>
<b>Grand Total</b>		<b>\$1,529,700</b>

Background – Proposal documents were advertised on May 19, 2021 and May 26, 2021 and issued to five (5) vendors. Two (2) responses were received on June 11, 2021 and were evaluated by Mr. Raul Cabaza, III, Risk Management Consultant, Accountability, Risk, and Compliance and the Purchasing Department.

Funding Source - Funds for this expenditure were budgeted in the Insurance and Benefits budgets for FY 2021 - 2022, pending Board approval of the budget.

Reviewers – This item was reviewed by Mr. Raul Cabaza, III, Risk Management Consultant, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Frank Jason Gutierrez, Director of Accountability, Risk, and Compliance, Ken Lyons, Risk Manager and Becky Cavazos, Director of Purchasing.

Enclosed Documents – The recommendations and spreadsheets provided by Mr. Raul Cabaza, III, were included in the packet for the Board's information and review.

The Finance, Audit, and Human Resources Committee recommended Board approval to award the proposals for Property / Inland Marine / Boiler & Machinery (\$1,017,738), Crime (\$8,577), School Leaders E&O, General Liability, Law Enforcement Liability, Automobile (\$221,620), Workers Compensation (\$273,564), and Foreign Liability (\$8,201) Insurance for the period September 1, 2021 through August 31, 2022 at a total cost of **\$1,529,700**.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **d. Approval of Award of Proposals, Purchases, Renewals, Interlocal Agreements, and Contract Extensions**

Approval of the following award of proposals, purchases, renewals, interlocal agreements, and contract extensions was requested.

The Director of Purchasing reviewed each item, including the procurement procedures and evaluation of all responses, and recommended approval as follows:

The Finance, Audit, and Human Resources Committee recommended Board approval at of the award of proposals, purchases, renewals, interlocal agreements, and contract extensions as listed below.

Sub-item #17, as recommended by the Committee, has been removed from this Consent Agenda listing and is included later in these Minutes due to its separate deliberation by the Board.

#### **A. Award of Proposals**

- 1) Childcare Services (Award):** award the proposal for childcare services for the period beginning September 1, 2021 through August 31, 2022, at an estimated total Carl Perkins grant amount of \$105,500.00. The fifty-nine (59) qualifying vendors are as follows:

<b>Vendors (City, State)</b>		
<b>Blessings Learning Academy of Alamo, TX, Inc.</b> (Alamo, TX)	<b>iKids Academy</b> (Alamo, TX) (New)	<b>New Generation Child Care Center</b> (Alamo, TX)
<b>Kid'z First Child Care Center, Inc.</b> (Alton, TX)	<b>Early Start Child Care Development Center</b> (Donna, TX)	<b>Garza's Childcare and Development Center</b> (Donna, TX)
<b>Stepping Stones Day Care II</b> (Donna, TX)	<b>Alma's Daycare Center</b> (Edinburg, TX)	<b>Brighter Future Learning Center</b> (Edinburg, TX)
<b>Cambridge Academy</b> (Edinburg, TX) (New)	<b>Amando, Inc. / dba Genesis Learning Center</b> (Edinburg, TX)	<b>Learning Path Day School</b> (Edinburg, TX)
<b>The Children's College Learning Center (TCCLC) North</b> (Edinburg, TX)	<b>The Children's College Learning Center</b> (Edinburg, TX)	<b>The Learning Journey Day School</b> (Edinburg, TX)
<b>VIP Learning Center</b> (Edinburg, TX)	<b>Busy Bee Beehive Learning Center, LLC.</b> (Elsa, TX) (New)	<b>Building My Future, Learning Center #2</b> (Hidalgo, TX)
<b>Play, Learn, Construct &amp; Conserve Child Care Center</b> (La Joya, TX)	<b>Brackenridge Children's Center, LLC.</b> (McAllen, TX)	<b>Bright Beginnings</b> (McAllen, TX)
<b>Building My Future Academy</b> (McAllen, TX)	<b>Easter Seals Child Development</b> (McAllen, TX)	<b>Kids Cloud Academy</b> (McAllen, TX)
<b>Kids R Kids Child Care</b> (McAllen, TX) (New)	<b>Little Shining Star Daycare, Inc.</b> (McAllen, TX)	<b>Loving Angels Child Development Center, LLC.</b> (McAllen, TX)
<b>MommyLand Bilingual Academy</b> (McAllen, TX)	<b>Tony's Playhouse Discovery Center</b> (McAllen, TX)	<b>Bright Beginnings Learning Center</b> (Mission, TX)
<b>Honey's Little Bee's Learning Center</b> (Mission, TX)	<b>Kidz Crusade Academy, LLC.</b> (Mission, TX)	<b>Little Eagles Child Care</b> (Mission, TX) (New)
<b>Love Bugs CEC, LLC.</b> (Mission, TX) (New)	<b>Martha A. Garcia</b> (Mission, TX)	<b>Ready, Set, and Learn Daycare Center</b> (Mission, TX) (New)
<b>Children's Garden Daycare</b> (Palmview, TX)	<b>Fisher Kids Academy</b> (Palmview, TX)	<b>Lily's Little Kids Daycare Center</b> (Palmview, TX)
<b>Palmview Academy</b> (Palmview, TX) (New)	<b>Building My Future Learning Center</b> (Pharr, TX)	<b>Campanitas Day Care</b> (Pharr, TX)
<b>Candyland Daycare Center</b> (Pharr, TX) (New)	<b>Futuros Lideres Learning Center, LLC.</b> (Pharr, TX) (New)	<b>Go-Go Kids Learning Academy, LLC.</b> (Pharr, TX) (New)
<b>Kids Academy Daycare</b> (Pharr, TX)	<b>Kids Academy Daycare Center #2</b> (Pharr, TX)	<b>Kids At Play Learning Center</b> (Pharr, TX) (New)
<b>Kids On Duty II Daycare &amp; Learning Center</b> (Pharr, TX) (New)	<b>New Beginnings Learning Academy #1</b> (Pharr, TX) (New)	<b>Royal Education Center</b> (Pharr, TX)

<b>Vendors (City, State)</b>		
<b>Betty's Day Care, LLC.</b> (Rio Grande City, TX)	<b>Kami's Cuddling Center</b> (Rio Grande City, TX)	<b>Learning Zone</b> (Rio Grande City, TX)
<b>Learning Zone II</b> (Rio Grande City, TX)	<b>Kidzland Daycare and Learning Institute</b> (Roma, TX) (New)	<b>El Shaddai International Christian Day Care Center</b> (Weslaco, TX)
<b>Little Miracles Learning Center</b> (Weslaco, TX) (New)	<b>The Honey Tree Learning Center</b> (Weslaco, TX) (New)	

- 2) **Custodial Supplies (Award):** award the proposal for custodial supplies for the period beginning August 18, 2021 through August 17, 2022 with two one-year options to renew, at an estimated total amount of \$275,000.00, which is based on prior year expenditures. The vendors are as follows:

Primary Vendor	<b>Gulf Coast Paper, Co.</b> (Brownsville, TX)
Secondary Vendor(s)	<b>Rio Paper &amp; Supply, LLC.</b> (Pharr, TX) <b>Gateway Printing &amp; Office Supply, Inc.</b> (Edinburg, TX) <b>Yanitor Paper and Supplies, LLC.</b> (Pharr, TX)

- 3) **Printing Projects (Award):** award the proposal for printing projects and general purpose printing for the period beginning September 1, 2021 through August 31, 2022, at an estimated total amount of \$73,525.00,

- a. Printing Projects – At an estimated total amount of \$13,525.00 to the following vendors in the amounts listed below:

Projects FY 2021 – 2022	Vendor	Amount
Official Stationery	<b>Capital Spectrum/ dba Communications Specialist, Inc. (CSI)</b> (Buda, TX)	\$5,265.00
Business Cards	<b>UBEO, LLC./ dba Copy Zone</b> (McAllen, TX)	\$8,260.00

- b. General Purpose Printing – At an estimated total amount of \$60,000.00 to the following ten (10) vendors:

Vendor (City/State)	Vendor (City/State)
<b>Border Press, Inc.</b> (Brownsville, TX)	<b>Brand It, LLC.</b> (McAllen, TX) (New)
<b>Capital Spectrum/ dba Communications Specialist, Inc. (CSI)</b> (Buda, TX) (New)	<b>Copy Plus, LLC.</b> (McAllen, TX)
<b>FedEx Office and Printing Services, Inc.</b> (Plano, TX)	<b>Gateway Printing and Office Supply, Inc.</b> (Edinburg, TX)

<b>NJ Color Graphics and Printing</b> (Mission, TX) (New)	<b>Promo Universal, LLC.</b> (Corpus Christi, TX)
<b>San Antonio Printing</b> (McAllen, TX)	<b>UBEO, LLC./ dba Copy Zone</b> (McAllen, TX)

**B. Purchases and Renewals (B-a. Non-Instructional Items)**

- 4) Air Condition Filters and Installation (Purchase):** purchase air condition filters and installation from **Joe W. Fly Company, Inc.** (Dallas, TX/Harlingen, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at an estimated total monthly amount of \$13,300.00 and an estimated annual total amount of \$159,600.00, which is based on prior year expenditures;
- 5) Building Automation Control Equipment, Parts, and Equipment Maintenance (Purchase):** purchase building automation control equipment, parts, and maintenance from **Siemens Industry, Inc.** (Buffalo Grove, IL/La Feria, TX), a State of Texas Multiple Award Schedule (TXMAS) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at an estimated total amount of \$85,000.00, which is based on prior year expenditures;
- 6) Chiller Chemicals and Maintenance (Purchase):** purchase chiller chemicals and maintenance from **Kurita America, Inc.** (Minneapolis, MN), a State of Texas Purchasing and Support Services (TPASS) – Term Contract approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at an estimated total amount of \$89,000.00, which is based on prior year expenditures;
- 7) Heating, Ventilation, and Air Conditioning (HVAC) Related Services (Purchase):** purchase heating ventilation, and air conditioning (HVAC) related services from **Pro Tech Mechanical, Inc.** (Corpus Christi, TX), The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, for the period beginning August 26, 2021 through August 25, 2022, at an estimated total amount of \$50,000.00, which is based on prior year expenditures;
- 8) Parts and Supplies (Purchase):** purchase parts and supplies from **W. W. Grainger, Inc. / dba Grainger** (Austin, TX/McAllen, TX), a State of Texas Multiple Award Schedule (TXMAS) and the Texas Association of School Boards – Buyboard approved vendor, for the period beginning September 1, 2021 and August 31, 2022, at an estimated total amount of \$100,000.00, which is based on prior year expenditures;
- 9) Commercial Card Services (Accounts Payable Card) (Renewal):** renew the commercial card services (accounts payable card) contract with **BBVA Compass** (McAllen, TX), for the period beginning September 1, 2021 through August 31, 2022, at no charge to the College;
- 10) Elevator Maintenance Agreement (Renewal):** renew the elevator maintenance agreement with **Otis Elevator Company** (Dallas, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at an estimated total amount of \$95,000.00, which is based on prior year expenditures;
- 11) Mass Notification System Agreement (Renewal):** renew the mass notification system agreement with **Rave Mobile Safety** (Farmingham, MA), The Interlocal

Purchasing System (TIPS) purchasing cooperative approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$54,651.64;

**12) Mobile Hotspot Services (Renewal):** renew the mobile hotspot services with **AT&T Mobility, LLC.** (Carol Stream, IL), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through December 31, 2021, at an estimated total amount of \$52,480.00. The monthly subscription cost per device is \$40.00;

**13) Office Supplies (Renewal):** renew the office supplies contracts for the period beginning October 1, 2021 through September 30, 2022, at an estimated total amount of \$300,000.00, which is based on prior year expenditures. The vendors are as follows:

Primary:	<b>Gateway Printing and Office Supplies, Inc.</b> (Edinburg, TX)
Secondary:	<b>Copy Plus</b> (McAllen, TX)

#### **B. Purchases and Renewals (B-b. Technology Item)**

**14) Student Laptops and Carrying Bags (Purchase):** purchase student laptops and carrying bags from **Dell Marketing L.P.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$222,686.00. This request will be purchased using the U. S. Department of Education, Higher Education Emergency Relief Fund II (HEERF II) funds.

#### **C. Interlocal Agreements**

**15) Professional Development Services (Interlocal Agreement/Renewal):** renew the professional development services with **Region One Education Service Center** (Edinburg, TX), through an interlocal agreement, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$17,500.00;

**16) Contract Training Agreement (Interlocal Agreement):** approve a contract training agreement with **Pharr San Juan Alamo Independent School District** (Pharr, TX), an interlocal agreement, for the period beginning August 1, 2021 through July 31, 2022, at no charge to the College;

Recommend Action - The total for all award of proposals, purchases, renewals, and interlocal agreements was \$1,679,942.64.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **f. Approval of 2018 – 2021 Junior College Audit Report on Safety and Security**

Approval of the 2018 – 2021 Junior College Audit Report on Safety and Security was requested.

Purpose – Following the Texas School District safety and security procedures, an audit was conducted for all College district facilities to determine compliance with state statutes and safety protocols.

Justification – To comply with the Texas Education Code, a safety and security audit was conducted for the years 2018 – 2021. The code requires the results of the audit be signed by the President of the Junior College District, presented to the College Board of Trustees and submitted to the Texas School Safety Center. The report is subject to the approval and signature of the incoming College president, which is scheduled to occur before the Board Meeting of July 27, 2021.

Background – The Texas Education Code requires public junior college districts to report the results of security audits to the Texas School Safety Center. Section 37.108 of the Code states,

*“At least once every three years, each public junior college district shall conduct a safety and security audit of the district's facilities. To the extent possible, a district shall follow safety and security audit procedures developed by the Texas School Safety Center or a comparable public or private entity”.*

The audit consisted of a series of questions directed at the operational readiness and procedures by key departments in the college. Questions were distributed to the departments and responses to the answers were used in compiling the requested information. Each building on the campuses was examined for safety concerns and procedures were reviewed for compliance with state statutes. The results were required to be posted on the School Safety Center website prior to September 15, 2021.

Reviewers – The Vice President of Finance and Administrative Services and the Department of Public Safety staff have reviewed the information as presented.

Enclosed Documents – The 2018 – 2021 Junior College Audit Report on Safety and Security was provided in the packet for the Board's review and discussion.

Ruben Suarez, Chief of Police for the Department of Public Safety attended the July 13, 2021 Finance, Audit and Human Resources Committee meeting to address any questions by the committee.

The Finance, Audit, and Human Resources Committee recommended Board acceptance of the results of the safety and security audit and approved submission to the Texas School Safety Center, as required by state law and as presented.

This item was approved by the Board as part of consent agenda action.

**Consent Agenda:**

**g. Approval of Proposed Revisions to Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 – 2021**

Approval of proposed revision to the Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 - 2021 was requested.

Purpose – To revise the Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 - 2021 in order to charge the fee to partnering agencies at the Regional Center for Public Safety Excellence (RCPSE) for the Car Fire Simulator as part of the Training that will now be offered.

Justification - On June 22, 2021, the Board approved the Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2021 – 2022, which included the new Car Fire Simulator Training fee.

The Car Fire Simulator was ready to use and there were requests from partnering agencies to utilize the simulator in FY 2020 – 2021, therefore, the revised Car Fire Simulator Training fee for FY 2020 - 2021 was as follows:

	Current Rate	Change	Proposed Changes FY 2020-2021
Fees: • Car Fire Simulator Training (per 4 hours)		Variable, based on recovery of costs	Variable, based on recovery of costs

Reviewers - The revised Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 – 2021 was reviewed by staff and President's Cabinet.

The Finance, Audit, and Human Resources Committee recommended Board approval of the proposed revision to the Regional Center for Public Safety Excellence (RCPSE) Tuition and Fees for FY 2020 – 2021 as presented.

This item was approved by the Board as part of consent agenda action.



**Consent Agenda:**

**h. Approval of Proposed Staffing Plan Revisions Requests for FY 2021 – 2022**

Approval of the Proposed Staffing Plan Revisions requests for FY 2021 – 2022 was requested.

Purpose – To discuss additional proposed staffing plan revisions requests for FY 2021 – 2022, which include no annual salaries for faculty and non-faculty personnel, increase salary reserve pool, and title changes of non-faculty and faculty positions.

Justification – The projected Fall semester student enrollment has increased, which resulted in additional projected tuition and fee revenue. Administration therefore proposed additional staffing plan revisions requests for FY 2021 – 2022, which were not included in the previous board meeting.

Background – On June 22, 2021, the Board approved the Staffing Plan Revisions Requests for FY 2021 – 2022. However, additional staffing requests were proposed.

The sections listed below provide a breakdown of the additional staffing plan revisions requests by category:

**A. FY 2021 – 2022 Salary Reserve Pool**

The FY 2021 – 2022 Salary Reserve Pool was proposed to be increased to fund currently frozen positions that may be unfrozen as needed in FY 2021 - 2022 and as approved by the President. The pool reserve would increase by \$1,445,608.

<b>FY2021 - 2022 Salary Reserve Pool</b>	<b>Amounts</b>
Board Approved 6/22/21	\$339,549
Total Additional Adjustment Proposed on 7/13/21	1,445,608
<b>Total Funding Availability</b>	<b>\$1,785,157</b>

**B. Title Changes of Non-Faculty and Faculty Positions**

A total of nine (9) positions were proposed to change titles to align with department restructuring. The title change did not affect pay grade and classification and did not required a salary adjustment. This request would not impact the budget for Fiscal Year 2021 – 2022.

### **C. Annual Salary Increase for Faculty and Non-Faculty Personnel**

No annual salary increases for any personnel classification were recommended for FY2021 – 2022.

On July 2, 2021, College Administration met with Dr. Ricardo Solis, incoming College President, to review the salary reserve pool and the additional frozen positions proposed as priority to unfreeze.

The salary reserve pool would be utilized as needed and would depend on actual student enrollment and associated revenue. Recommendation of positions to unfreeze would be provided to Dr. Ricardo Solis for review and approval before unfreezing the positions.

The proposed no annual salary for faculty and non-faculty personnel, increase to salary reserve pool, and additional title changes of non-faculty and faculty positions may need to be adjusted before final approval of the staffing plan by the Board, based on final revenue projections.

Enclosed Documents – A presentation and a listing of the Proposed Staffing Plan Revisions Request for FY 2021 – 2022 was provided in the packet for the Board's information and review.

Dr. David Plummer, Interim President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the July 13, 2021 Committee meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Staffing Plan Revisions Requests for FY 2021 – 2022 as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **i. Approval of Proposed Employee Pay Plan for FY 2021 – 2022**

Approval of the Proposed Employee Pay Plan for FY 2021 - 2022 was requested.

Purpose - The Proposed Employee Pay Plan for FY 2021 - 2022 for all employee groups was presented for the Board's review and consideration. The Employee Pay Plan included the proposed pay grade ranges for Classified, Professional Technical (exempt and non-exempt), Administrative, Executive, and Faculty and other compensation information.

Justification - The Employee Pay Plan information was prepared by the Office of Human Resources to reflect the College's proposed compensation structure for FY 2021 - 2022.

Background – The Proposed Salary Pay Plan for FY 2021 – 2022 was approved on an annual basis and included information to comply with State and Federal compensation regulations, ensure compensation consistency, enhance the ability to attract and retain qualified faculty and staff and to provide a clear and concise reference for compensation decisions as follows:

- Guidelines for Recruiting, Screening, and Hiring Support Staff
- Educational Supplements
- Pay Grades for Classified, Professional/Technical, Administrative, and Executive employees
- Direct Wage Employees Salary Plan
- Centers for Learning Excellence (CLE) Salary Plan
- Faculty Roles, Compensation Rates, and Faculty Salary Plan

Reviewers - The Interim President and all the Vice Presidents reviewed the Plan and approved the proposed revisions. The critical new positions included within the Plan were reviewed and approved by the Board of Trustees in June 2021.

Enclosed Documents - A copy of the Proposed Employee Pay Plan for FY 2021 - 2022 was included under separate cover for the Board's review and information.

Dr. David Plummer, Interim President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the July 13, 2021 Committee meeting to address any questions by the committee.

The Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Employee Pay Plan for FY 2021 - 2022, as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **j. Review and Recommend Action on Proposed Staffing Plan for FY 2021 – 2022**

Approval of the Proposed Staffing Plan for FY 2021 - 2022 was requested.

Purpose - The Proposed Staffing Plan for FY 2021 – 2022 for all employee groups was presented for the Board's review and consideration. The Staffing Plan included all positions, titles, classifications, salaries, and salary pools under each Division and Organization of the College.

Justification - The Staffing Plan information was prepared by the Office of Human Resources, in collaboration with Business Office and all other organizational divisions of

the College, to reflect the College's comprehensive proposed staffing and salary structure for FY 2021 - 2022.

Background – As indicated in Policy #4100, College Staffing Plan, the Staffing Plan is the official document listing position titles, classifications, employees, and salaries for each fiscal year. The Staffing Plan is not a contract between the College and any person listed on it, and neither the Staffing Plan nor any action taken by the Board of Trustees concerning it should be considered creating contract rights, expectations of continued employment, or a property interest for any person listed in the Staffing Plan.

Critical New positions and Reclassifications of Non-Faculty positions were included within the Plan and were reviewed and approved by the Board of Trustees in June 2021.

Funding Source – The budget to fund each position was reflected in the appropriate department and listed on the Staffing Plan and was subject to Board approval of the FY 2021 – 2022 Budget.

Reviewers – The Interim President and all the Vice Presidents reviewed the Plan and approved the proposed revisions.

Enclosed Documents - A copy of the Staffing Plan for FY 2021 - 2022 was included under separate cover for the Committee's review and information.

Dr. David Plummer, Interim President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the July 13, 2021 Committee meeting to address any questions by the committee.

The Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Staffing Plan for FY 2021 - 2022, as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **k. Approval to Use Higher Education Emergency Relief Fund II (HEERF II) Institutional Funds for Purchase and Installation of Ultraviolet (UV) Air Purifiers in College Buses**

Approval to use Higher Education Emergency Relief Fund II (HEERF II) Institutional Funds for purchase and installation of ultraviolet (UV) air purifiers in College buses was requested.

Purpose – To use HEERF II Institutional Funds for purchase and installation of ultraviolet (UV) air purifiers in College buses as allowed by the Department of Education guidance as a safety measure against the spread of COVID-19 and to provide clean and safe to breathe air for our students and staff riding in the buses.

Justification – Guidance provided by the Department of Education states that the HEERF II Institutional Funds must be used to implement COVID-19 health and safety measures. If approved for this use, six ultraviolet (UV) air purifiers will be purchased and installed on the College buses using HEERF II Institutional Funds.

Background – The US Department of Education, Higher Education Emergency Relief Fund II (HEERF II) Institutional Portion allocation under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in the amount of \$32,178,403 was ratified by the Board of Trustees on January 26, 2021. In addition, the US Department of Education, Higher Education Emergency Relief Fund III (HEERF III) Institutional Portion allocation under the American Rescue Plan (ARP) in the amount of \$36,274,751 was ratified by the Board of Trustees on May 25, 2021.

Currently, there were six (6) College-owned buses used for the South Texas College operated Jag Express Transportation Service. These buses transport students on the Yellow Line route circulator to the Pecan Campus, Technology Campus, and the Nursing and Allied Health Campus. There were no additional air filtration systems installed on the buses at this time. The South Texas College Department of Public Safety Student Transportation Services proposed to purchase and install ultraviolet (UV) air purifiers on the College buses to disinfect the air that circulates in the bus. It would be beneficial to take extra measures to ensure a safe environment for students, faculty, staff and the public.

#### **Air Purifier Benefits**

The UV Vent Air Purifier uses high performance UV-C lamps that emit a wavelength of 254nm, as this is where the highest germicidal effect is achieved. The scientifically tested UV-technology system eliminates more than 95% of viruses, including COVID-19, as well as any bacteria or mold present in the air circulating in the cabin. Using the UV air purifier, the virus concentration in the interior of the bus remains low, similar to a fresh air supply, reducing the risk of infection. It has shock resistance technology which is necessary due to all the movement on the bus or in the case of an accident. The UV purifier is “plug and play” with easy installation and is connected to turn on when the bus is started.

The proposed estimated cost to purchase and install ultraviolet (UV) air purifiers was \$3,400 per bus and the total estimated cost for six (6) buses was \$20,400. Installation would be completed within 3-5 weeks of when the air purifiers were ordered.

Reviewers – The Interim President and the Vice Presidents reviewed the proposal for purchase and installation of ultraviolet (UV) air purifiers in College buses with HEERF II Institutional Funds.

Dr. David Plummer, Interim President, and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, attended the July 13, 2021 Committee meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval to use Higher Education Emergency Relief Fund II (HEERF II) Institutional Funds in the amount of \$20,400 for purchase and installation of ultraviolet (UV) air purifiers in College buses as presented.

This item was approved by the Board as part of consent agenda action.

**The following items were removed from the Consent Agenda for separate deliberation:**

**Item Removed from Consent Agenda:**

**d. sub-item #17 Approval of Vending Services – Beverages Contract Extension**

The Finance, Audit, and Human Resources Committee recommended extending the vending services – beverages contract with **Pepsico** (Hidalgo, TX) for an additional fourteen (14) months, from previously approved end date of July 31, 2024 to September 30, 2025, as part of the larger bundle of procurement items.

Purpose – To discuss the contract extension requested by Pepsico to their current five (5) year contract for vending services – beverages.

On June 25, 2019, the Board of Trustees awarded a five (5) year contract to Pepsico for vending services – beverages beginning August 1, 2019 through July 31, 2024.

The current contract terms were as follows:

Product Donation	\$2,000 per year
Scholarship Support	\$15,000 per year
Discretionary Funding	\$35,000 per year
Vendor Commission Rates	30% - 43% for products sold

Justification and Benefit – Pepsico requested a contract extension of fourteen (14) months due to COVID-19 and the College's closure and transition to online classes. The contract end date would be changed from July 31, 2024 to September 30, 2025.

Within the existing contract, the force majeure clause provided the possibility for either party to amend the contract due to a governmental regulation or control, or acts of God. Due to the pandemic, Pepsico asked that the College consider a modification to the existing contract.

The August 1, 2020 discretionary funding of \$35,000 had not been paid to the College by Pepsico, who was pending the outcome of the Board's action/decision on the proposed contract extension.

On July 27, 2021, the Board of Trustees took no action on the requested contract extension, pending resolution of the outstanding payment of discretionary funding owed to the College.

**Item Removed from Consent Agenda:**

**e. Approval of Bond Counsel Services**

Approval of bond counsel services was requested.

Based upon the evaluation of submitted qualifications, administration recommended the award of bond counsel services to **Orrick, Herrington, & Sutcliffe, LLP.** (Houston, TX) (New), for the period beginning August 1, 2021 through July 31, 2022 with two one-year options for renew.

Purpose – The College required bond counsel services and representation in the areas of public education bond law, tax law, local government law, the trial and appeal of bond validation actions, and the issuance of tax-exempt Texas Community College District, Texas School District, and other relevant entities' bonds and notes.

Justification – The bond counsel services were necessary to provide advice and counsel to administrative staff, the President, Board Committees, and Board of Trustees. A request for qualifications and appointment of an attorney or law firm was essential. The Board needed to engage the services for matters that include the following:

- A. Bond counsel will be expected to provide, as a part of its basic service fee, policy development, review and drafting of documents, briefs, opinions, negotiations, litigation, research as well as legal advice from time to time pertaining to matters directly or indirectly related to the bond program and corresponding tax issues.
- B. Consult with South Texas College officials, Business Office staff, and the Colleges outside Legal Counsel and Financial Advisor, concerning all legal questions relating to the issuance, refinancing, defeasance, and management of debt.
- C. Assist in the preparation of specified sections of the Preliminary Official Statement and the Final Official Statement, and be responsible for the proper scope, legal effectiveness, and compliance with applicable regulatory requirements of the entirety of both documents, subject to the understanding that bond counsel will not be expected to independently verify data contained in the Official Statements that is generated by the client or third parties.
- D. Assist in making presentations and required submissions and obtain approval of the Bond Review Board and any other state entity with supervisory powers over

the issuance of bonds by South Texas College, including the Texas Office of Attorney General.

- E. Perform all usual and necessary legal services with reference to the authorization, sale, and delivery of any debt issuance and bond refunding that South Texas College may require, including resolutions, agreements, and minute orders, as needed.
- F. Represent South Texas College in the preparation of any bond refunding and purchase contracts and insuring that all participants, including underwriters and investment banking firms, whether retained or contracted by South Texas College, disclose all conflicts of interest to and with South Texas College and any other parties involved in the bonds. Assist South Texas College in presentations to the major rating agencies in order to obtain rating for the bonds.
- G. Attend Board meetings and Finance Committee meetings to the extent required or requested by the College.
- H. Provide tax opinion on debt issues and bond refunding.
- I. Prepare any Internal Revenue Service filings required by federal tax law. Assist in any Internal Revenue Service inquiry and actions as needed.
- J. Render other written opinions of bond counsel pertaining to investment earnings and any amounts required to be related to the United States as excess arbitrage earnings, if any, and any other written opinion of counsel which may be required under the terms of the Bond Resolutions or under the Internal Revenue Code, as amended.
- K. Assist with post-issuance matters, such as providing direction for compliant private use activity, including aiding in annual calculation.
- L. Provide analysis and resolution of tax issues associated with financing plans.
- M. Prepare documents calling any bond election, notice thereof, submitting election documents to the U. S. Justice Department for preclearance and canvassing of election results.
- N. File all required bond-related documents and obtain approval of such from the Texas Office of Attorney General.
- O. Provide a complete bond transcript in paper and electronic format at the conclusion of each financing.
- P. Provide advice and counsel on continuing compliance with securities, tax, and other applicable law pertaining to bonds.
- Q. All other matters necessary or incidental to the refunding and issuance of the bonds.

Background – At the April 16, 2020 Board of Trustees meeting, the Board contracted bond counsel services with The J. Ramirez Law Firm to provide legal advice for the issuance and purchase of tax exempt and taxable bonds.

At the March 30, 2021 Board of Trustees meeting, the Board approved the solicitation of a request for qualifications for bond counsel services using the standard operating procedure.



Qualification documents were advertised on April 14, 2021 and April 21, 2021 and issued to thirty-seven (37) firms. Five (5) responses were received on April 30, 2021 and reviewed by the Business Office and Purchasing Department. One (1) respondent withdrew their submitted qualifications.

Funds for this expenditure were budgeted in the Legal Services budget for FY 2020 – 2021 and FY 2021 – 2022 pending Board approval of the budget.

Enclosed Documents – The summary of qualifications and evaluation summary were provided in the packet for the Board's information and review.

Mr. Javier Villalobos, Legal Counsel, Dr. David Plummer, Interim College President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the July 13, 2021 Committee meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval to award the bond counsel services agreement to Orrick, Herrington, & Sutcliffe, LLP as presented.

Mr. Paul R. Rodriguez moved and Mrs. Victoria Cantú seconded the motion that the Board of Trustees of South Texas College approve and authorize awarding the bond counsel services agreement to Ricardo Perez Law Firm, PLLC.

Mr. Gary Gurwitz asked whether it was the appropriate time to engage bond counsel.

Mr. Rodriguez affirmed that the financial adviser recommended that there could be an opportunity to refinance an outstanding bond issue of approximately \$74M, and bond counsel services would help prepare the College to act when the market conditions were right.

Mr. Rene Guajardo asked legal counsel Javier Villalobos whether the proposed engagement was legal, noting that the motion did not conform with the ranked evaluations of qualifications.

Mr. Villalobos opined the engagement of bond counsel, similar to general counsel, is totally different from engagement of professional services. Mr. Villalobos stated that the Board could do whatever it wanted, and a solicitation of proposals was not needed for engagement of attorneys.

Mr. Gurwitz noted that the Board had solicited and evaluated proposals, and selecting a respondent on criteria that were not included in the solicitation and evaluation concerned him.

Chair Rose Benavidez asked for clarification about the compensation for bond counsel, asking whether they would be paid directly by the College.

Mr. Rodriguez stated that compensation of bond counsel is made through the bond proceeds, and not paid directly by the College.

Dr. Alejo Salinas, Jr. recommended that the Board not select the bond counsel at this time, when it was not immediately necessary. He also shared a concern about setting a precedent of awarding an engagement contrary to the evaluation of qualifications.

Chair Benavidez called for a vote on the motion. With four trustees voting in favor and two opposed, the motion carried.

### **Item Removed from Consent Agenda:**

#### **I. Approval to Use Higher Education Emergency Relief Fund (HEERF) Institutional Funds for District Wide Air Handler Replacement Project**

Approval to use Higher Education Emergency Relief Fund (HEERF) Institutional Funds for district wide air handler replacement project was requested.

Purpose - To use HEERF Institutional Funds for the replacement of air handler unit district wide to include ultraviolet lighting to provide cleaner air to College facilities district-wide and a safer environment. The proposed District Wide Air Handler Replacement Project and Authorization to Proceed with Solicitation of Engineering Services was recommended in the July 13, 2021 Facilities Committee for request for Board approval.

Justification - Guidance provided by the Department of Education states that the HEERF Institutional Funds may be used for the installation or renovation of an HVAC system, to improve with air filtration to prevent the spread of COVID-19.

Background - The US Department of Education, Higher Education Emergency Relief Fund II (HEERF II) Institutional Portion allocation under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in the amount of \$32,178,403 was ratified by the Board of Trustees on January 26, 2021. In addition, the US Department of Education, Higher Education Emergency Relief Fund III (HEERF III) Institutional Portion allocation under the American Rescue Plan (ARP) in the amount of \$36,274,751 was ratified by the Board of Trustees on May 25, 2021.

Approval for a no-cost extension would be requested from the Department of Education, since the estimated completion timeline for the project extended beyond the end date of the HEERF Institutional Fund awards.

Currently, there were air handlers with ultraviolet (UV) lighting filtration installed at approximately 50% of the College's facilities. The Facilities Operations & Maintenance department proposed to replace the older air handlers with new air handler units that have UV lighting purifiers built in to them in addition to conventional air filters.

**a. Benefits**

- ⇒ UV lighting uses short-wave energy to inactivate viral, bacterial, and fungal organisms so they are unable to replicate and potentially cause disease. According to the American Society of Heating, Refrigerating, and Air Conditioning Engineering, Inc. (ASHRAE), UV lighting is used as an engineering control to interrupt the transmission of pathogenic organisms, such as tuberculosis (TB), influenza viruses, mold, and potential bioterrorism agents. UV lighting can improve indoor air quality and thus enhance occupant health, comfort, and productivity. Listed below are some of the UV lighting benefits:
- Disinfects the air flowing through the air handlers,
  - Adds one more layer of purification to the air filtration.
  - Provides an extra measure for a safe environment for students, faculty, staff, and the public.
  - Replaces existing air handler units, which will potentially reduce energy consumption with new units.
  - Eliminates mold, mildew, and bacteria
  - Reduces the spread of viruses
  - Reduces the quantity of air contaminants
  - Improves indoor air quality
  - Keeps the HVAC system clean

The estimated budget for the District Wide Air Handler Replacements is summarized in the table below:

<b>District Wide Air Handler Replacements Estimated Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$6,948,000
Design	694,800
Miscellaneous	173,700
Technology	555,840
Contingency 5%	347,400
<b>Total Estimated Project Budget</b>	<b>\$8,719,740</b>

**b. Scope of Work**

- ⇒ Removing one hundred twenty-six (126) existing air handlers.

⇒ Installing one hundred twenty-six (126) new air handlers with UV light purification

The estimated costs and facilities at which air handlers would be replaced are summarized in the table below:

<b>District Wide Air Handlers Replacement Total Estimated Cost</b>		
<b>Campus</b>	<b>Buildings</b>	<b>Estimated Cost</b>
Pecan Campus	A, D, X, B, C, E, F, G, H, L, M, N, T	\$2,980,000
Pecan Plaza	A, B, C	480,000
Mid Valley Campus	C, E, F, G, H, L	1,288,000
Nursing and Allied Health Campus	A, C	170,000
Technology Campus	A, B, D, E	775,000
Starr County Campus	D, E, F, G, H, J	715,000
District Wide Portables	Various	540,000
<b>TOTAL</b>		<b>\$6,948,000</b>

The estimated schedule for the project is below:

<b>District Wide Air Handlers Replacement Estimated Schedule</b>		
<b>Project Phase</b>	<b>Task Date</b>	<b>Task Duration</b>
Solicit A/E Qualifications	August 2021	1 Month
Evaluate A/E Qualification Statements	September 2021	1 Month
Recommend Board Approval of A/E Firm	October 2021	1 Month
A/E Design Phase	November – December 2021	2 Months
Solicit Proposals for Construction Services	January 2022	1 Month
Recommend Board Approval of Contractor	February 2022	1 Month
Negotiate, Execute Construction Contract/Agreement, and Issue Notice to Proceed	March 2022	1 Month
Substantial Completion	April – August 2022	5 Months
Final Completion	September 2022	1 Month
<b>Total Estimated Project Duration</b>		<b>14 Months</b>

Dr. David Plummer, Interim President, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, and George McCaleb, Director of Facilities Operations and Maintenance attended the July 13, 2021 Committee meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval to use Higher Education Emergency Relief Fund (HEERF) Institutional Funds in the amount of \$8,719,740 for the district wide air handler replacement project as presented and subject to Board approval of proposed project and approval of a no-cost extension by the Department of Education.

Mr. Danny Guzman raised a concern and asked whether additional funding was available to find air purifiers that could be installed in individual classrooms, rather than in the building-wide HVAC systems.

Administration agreed that they could look into options using additional funding to identify and recommend air purification units.

Mr. Paul R. Rodriguez asked about the expenditure of over \$8M in available HEERF funding. He asked what would happen to unexpended HEERF funds.

VP Mary Elizondo noted that unexpended HEERF funds, if any, would likely be provided in support to students.

Mr. Rodriguez supported the value of the proposed air purification systems, but expressed concerns about the deadline to use funding and the timeline for the proposed project, which exceeded the deadline.

VP Elizondo noted that the US Department of Education allowed institutions to apply for a no-cost extension, and administration expected timely approval of a request for such an extension.

Mr. Rodriguez asked for clarification that funding that was not expended would be provided to students, noting that the proposed project timeline would mean that the air purification systems would not be in place for approximately a year.

VP Elizondo again confirmed that, rather than returning unexpended funds, the College would likely consider options to provide funding to students.

Mr. Guzman asked whether there was sufficient funding to proceed with the proposed project and also procure in-classroom purification units, and Mr. Rene Guajardo agreed that it would be best to move forward with both projects.

Administration confirmed that funding could be allocated for both projects.

Upon a motion by Mr. Danny Guzman and a second by Mr. Rene Guajardo, the Board of Trustees of South Texas College approved and authorized the use of Higher Education Emergency Relief Fund (HEERF) Institutional Funds in the amount of \$8,719,740 for the

district wide air handler replacement project as presented and subject to Board approval of proposed project and approval of a no-cost extension by the Department of Education. With six trustees voting in favor and one opposed, the motion carried.

### **Review and Action as Necessary on Creative Agency Services Contract Extension**

The Board was asked to approve and authorize and extension to the creative agency services contract with **Interact Communications, Inc.** (Clarksville, MD) for an additional six (6) months, beginning September 1, 2021 to February 28, 2022, at a total estimated amount of \$409,195.04.

Purpose – To discuss the contract extension provided by Interact Communications, Inc. for an additional six (6) months to allow for further direction related to the creative agency services.

The current contract scope of services included the following:

Research	Community Environmental Scan, Media Prefs, Stop-Out Research, Stop-Out Campaign Development, and College App
Creative	Feature Writing (3 articles per month), Mini-Messaging Campaigns (4 campaigns), Email Writing (25 messages), Mini-Messaging Bible, Viewbook Research, Writing and Design (up to 48 pages), and Creative Reserve Budget
Media Buying	Digital Campaign, Traditional Campaigns, Media Buy Reserve Fund, Media Buy Management Fee
Administrative Fees	Monthly Administrative Fees and One-year marketing and media buying plan

On July 24, 2018, the Board of Trustees awarded a one-year contract with the option to renew for two (2) additional one-year periods. The last renewal period would expire on August 31, 2021 and the extension would move the end date to February 28, 2022.

Justification and Benefit – Interact Communications provided a contract extension which will allow Public Relations and Marketing to continue the Spring advertising campaign with time to develop a new request for proposals. The extension was necessary due to the change in the College's leadership and further guidance of a possible new direction.

Funds for this expenditure were budgeted in the Public Relations and Marketing budget for FY 2021 – 2022 pending Board approval of the budget.

On July 13, 2021, administration asked the Finance, Audit, and Human Resources Committee to recommend Board approval of the proposed contract extension, noting that this would allow ongoing work to continue, and would give the new President time to guide the development of an Request for Proposals for any new creative agency services that might be required moving forward.

The Committee did not act upon the recommendation, and asked that administration present this item to the Board directly.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Paul R. Rodriguez, the Board of Trustees of South Texas College approved and authorized the extension to the creative agency services contract with Interact Communications, Inc. (Clarksville, MD) for an additional six (6) months, beginning September 1, 2021 to February 28, 2022, at a total estimated amount of \$409,195.04. The motion carried.

### **Review and Acceptance of Internal Audit Reports in the Areas of Memorandum of Understanding – Early College High School and Dual Credit and the Banner Computer System Security and Access**

Acceptance of the Internal Audit Reports in the Areas of Memorandum of Understanding – Early College High School and Dual Credit and the Banner Computer System Security and Access was requested.

Purpose – To discuss the procedures, findings, and recommendations of the internal audit reports in the areas of Memorandum of Understanding – Early College High School and Dual Credit and the Banner Computer System Security and Access conducted by Mr. Khalil Abdullah, Internal Auditor.

Justification – Policy #5460: Internal Audit Function, states that it was the policy of the College to maintain an internal audit function to review and appraise business activities, integrity of records, and effectiveness of operations of the College in accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

Background – The Texas Education Agency (TEA) requires that a high school seeking designation from Early College High Schools, and Pathways in Technology Early College High School (P-TECH) have a signed memorandum of understanding (MOU) with an institution of higher education. The purpose of the MOU was to outline the responsibilities of the College and the school districts that participate in the Dual Credit and Early College High School programs.

The Texas Department of Information Resources (DIR) Security Control Standards indicated that organizations should develop, document, and disseminate an access control policy that addresses purpose, scope, roles, responsibilities, management commitment, and procedures to facilitate the implementation of the access control policy.

Enclosed Documents – The Internal Audit Reports were provided in the packet for the Board's information and review.

The Finance, Audit, and Human Resources Committee did not review this item and asked that it be presented directly to the Board of Trustees.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Board of Trustees of South Texas College accepted the Internal Audit Reports in the Areas of Memorandum of Understanding – Early College High School and Dual Credit and the Banner Computer System Security and Access as presented. The motion carried.

### **Review and Acceptance of the Office of Internal Audit's Quality Assurance and Improvement Program – Internal Assessment**

Acceptance of the Office of Internal Audit's Quality Assurance and Improvement Program – Internal Assessment was requested.

Purpose – To discuss the procedures, gaps to conformance, and opportunities for continuous improvement of the Office of Internal Audit. The Internal Assessment was conducted by Mr. Khalil Abdullah, Internal Auditor.

Justification – IIA *Standard* 1300 – *Quality Assurance and Improvement Program* – The Internal Auditor must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

IIA *Standard* 1311 – *Internal Assessments* – Internal assessments must include:

- Ongoing monitoring of the performance of the internal audit activity.
- Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices.

Background – The Internal Auditor is responsible for establishing and maintaining a Quality Assurance and Improvement Program. The Quality Assurance and Improvement Program is an ongoing and periodic assessment of the Office of Internal Audit. These assessments are composed of comprehensive processes; continuous supervision and testing of internal audit and consulting work; periodic validations of conformance with the Definition of Internal Auditing, the IIA Code of Ethics, and the IIA *Standards*.



Enclosed Documents – The Quality Assurance and Improvement Program – Internal Assessment were provided in the packet for the Board’s information and review.

The Finance, Audit, and Human Resources Committee did not review this item and asked that it be presented directly to the Board of Trustees.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Board of Trustees of South Texas College accepted the Office of Internal Audit’s Quality Assurance and Improvement Program – Internal Assessment as presented. The motion carried.

### **Review and Discussion on Internal Auditor’s Follow-up Procedures**

Mr. Khalil Abdullah, Internal Auditor, completed follow-up procedures for the Clery Act and Violence Against Women Act (VAWA) audit and will provide an update on the current status of management’s corrective actions.

The Implementation Status of Managements’ Corrective Action(s) was provided in the packet for the Board’s review and discussion.

No action was required from the Board. This item was presented for information and feedback to staff.

**The Board took the following item out of the posted agenda order:**

### **Executive Session:**

The South Texas College Board of Trustees convened into Executive Session at 8:08 p.m. in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in:

➤ Section 551.072, Deliberation Regarding Real Property

1. Discussion and Recommend Action as Necessary on Real Property

### **Open Session:**

The South Texas College Board of Trustees returned to Open Session at 8:31 p.m. No action was taken in Executive Session.

## **Discussion and Recommend Action as Necessary on Real Property**

Administration provided an update on issues related to real property, and received feedback from the Board in Executive Session.

No action was taken.

## **Review and Action as Necessary on Consent Agenda Items from the Facilities Committee**

The following Consent Agenda items were thoroughly discussed by the Facilities Committee. All trustees, whether a member of the Committee or not, received all supporting documentation and were invited to participate in the deliberation on each item. Non-committee members did not participate in Committee votes for recommendation of Board action.

Administration believed that all questions raised during the Committee discussion of Consent Agenda items were resolved to the Committee's satisfaction at the meeting, and the items are presented here substantially as recommended by the Committee, for approval by the Board of Trustees.

All trustees were invited to identify any item or items that should be removed from the Consent Agenda for further discussion. Otherwise, the Board was asked to formally act on the full consent agenda, according to the details and recommended action presented for each item in the following pages

The Facilities Committee recommended Board action on the following items as presented.

- a. Approval to Proceed with Solicitation of Architectural Services for the Proposed Workforce Program Projects in FY 2021-2022 at the Starr County Campus
  - i. Workforce Center Building D Automotive Lab Expansion
  - ii. North Academic Building C HVAC-R Labs Expansion and Renovation
- b. Approval to Proceed with Solicitation of Architectural Services for the Proposed Workforce Program Projects and Center for Learning Excellence Building in FY 2021-2022 at the Mid Valley Campus
  - i. Workforce Center Building D Welding Lab Expansion and Renovation
  - ii. Workforce Center Building D Automotive Lab Expansion
  - iii. Workforce Center Building D HVAC-R Labs Expansion and Renovation

- iv. Center for Learning Excellence Building A Culinary Arts Labs Renovation
- c. Approval of Proposed District Wide Air Handler Replacements Project and Authorization to Proceed with Solicitation of Engineering Services
- d. Approval to Contract Architectural Services with Gignac & Associates, LLP. for the Regional Center for Public Safety Excellence Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area
- e. Approval to Contract Geotechnical Engineering and Materials Testing Services
- f. Approval to Contract Construction Services for the Pecan Campus Information Technology Building M Generator Replacement Project
- g. Approval to Contract Construction Services for the Regional Center for Public Safety Excellence Drainage Improvements Phase II
- h. Approval to Contract Construction Services for the District Wide Automatic Doors Phase IV Project
- i. Authorization to Approve Annual Facility Usage Agreements

Mr. Paul R. Rodriguez asked that Consent Agenda Item c, for the approval of proposed District Wide Air Handler Replacements Project and authorization to proceed with solicitation of engineering services, be pulled from the consent agenda for separate deliberation by the Board.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Gary Gurwitz, the Board of Trustees of South Texas College approved and authorized the following items:

- a. Proceeding with Solicitation of Architectural Services for the Proposed Workforce Program Projects in FY 2021-2022 at the Starr County Campus
  - i. Workforce Center Building D Automotive Lab Expansion
  - ii. North Academic Building C HVAC-R Labs Expansion and Renovation
- b. Proceeding with Solicitation of Architectural Services for the Proposed Workforce Program Projects and Center for Learning Excellence Building in FY 2021-2022 at the Mid Valley Campus
  - iii. Workforce Center Building D Welding Lab Expansion and Renovation
  - iv. Workforce Center Building D Automotive Lab Expansion
  - v. Workforce Center Building D HVAC-R Labs Expansion and Renovation
  - vi. Center for Learning Excellence Building A Culinary Arts Labs Renovation
- d. Contracting Architectural Services with Gignac & Associates, LLP. for the Regional Center for Public Safety Excellence Canopy for Safety Training Vehicles, Canopies

for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area

- e. A pool consisting of all five responding firms: Terracon Consultants, Inc.; Raba Kistner, Inc.; Millennium Engineers Group, Inc.; L&G Consulting Engineers, Inc.; and B2Z Engineering, LLC. to provide geotechnical engineering and materials testing services as needed for district-wide construction projects for the period beginning July 28, 2021 through July 27, 2022 with the option to renew for two (2) one-year periods
- f. Contracting construction services with Metro Electric, Inc. in the amount of \$137,556 for the Pecan Campus Information Technology Building M Generator Replacement Project
- g. Contracting construction services with McAllen Multi Service in the amount of \$113,500 for the Regional Center for Public Safety Excellence Drainage Improvements Phase II Project
- h. Contracting construction services with R. E. Friedrichs Company in the amount of \$53,000.00 for the District Wide Automatic Doors Phase IV project
- i. FY 2021 – 2022 annual facility usage agreements for use by the College Programs as presented.

The motion carried.

### **Consent Agenda:**

#### **a. Approval to Proceed with Solicitation of Architectural Services for the Proposed Workforce Program Projects in FY 2021-2022 at the Starr County Campus**

Approval of authorization to proceed with the publication of a Request for Qualifications (RFQ) to solicit architectural services for the following Workforce Program projects at the Starr County Campus was requested.

- i. Workforce Center Building D Automotive Lab Expansion
- ii. North Academic Building C HVAC-R Labs Expansion and Renovation

#### **Purpose**

The Board was asked to approve the solicitation of architectural services for the expansions and renovation for the Workforce Program projects at the Starr County Campus Workforce Center Building D and North Academic Building C.

#### **Justification**

Solicitation of Request for Qualifications (RFQ) for architectural services was necessary to procure a design team to prepare all necessary design development drawings and specifications in preparation for construction. Once the statements of qualifications were received, an evaluation team would evaluate the responses using the currently approved

procurement process and propose an architect to the Facilities Committee at a later date. The scope of both projects would be included under one RFQ for architectural services.

### **Scheduling Priority**

These projects were requested by College management and the Academic Division of Business, Public Safety, & Technology. They were reviewed by the Facilities Planning & Construction department, the President's Cabinet, the Coordinated Operations Council, the Facilities Committee, the Education & Workforce Development Committee, and the Board of Trustees. These projects were scheduled as educational space improvements.

### **Background**

The proposed Workforce Program projects were approved as part of the College's FY 2020-2021 Capital Improvement Projects at the June 22, 2021 Board meeting.

The projects and associated scopes of work are summarized as follows:

#### ***i. Workforce Center Building D Automotive Lab Expansion***

The project consists of constructing an expansion that would separate the existing Automotive area from the Welding area, which would provide room for overhead doors and open bays, lift equipment, storage space, and room for future expansion.

- Design and construction of the expansion
- Approximate square feet of the proposed space: 4,100 s.f.

The project budget was \$1,078,300 and itemized in the table below:

<b>Starr County Campus Workforce Center Building D Automotive Lab Expansion Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$820,000
Design	82,000
Miscellaneous	20,500
FFE	45,100
Technology	69,700
Contingency 5%	41,000
<b>Total Project Budget</b>	<b>\$1,078,300</b>

#### ***ii. North Academic Building C HVAC-R Labs Expansion and Renovation***

The project consists of constructing an expansion and renovation of the current space from two (2) to four (4) classrooms to provide adequate space for traditional and dual credit course enrollment, as well as the addition of a covered outdoor lab space for HVAC-R brazing.

- Design and construction of the expansion and renovation
- Approximate square feet of the proposed space: 600 s.f.

The project budget was \$153,500 as itemized in the table below:

<b>Starr County Campus North Academic Building C HVAC-R Labs Expansion and Renovation Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$90,000
Design	9,000
Miscellaneous	15,000
FFE	10,000
Technology	25,000
Contingency 5%	4,500
<b>Total Project Budget</b>	<b>\$153,500</b>

The total of the combined project budgets was \$1,231,800 as itemized in the table below:

<b>Starr County Campus Workforce Program Projects Total Projects Budgets</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Workforce Center Building D Automotive Lab Expansion	\$1,078,300
North Academic Building C HVAC-R Labs Expansion and Renovation	153,500
<b>Total Projects Budgets</b>	<b>\$1,231,800</b>

### **Funding Source**

Previously earmarked funds were available in the Unexpended Construction Plant Fund and were approved for use toward the Starr County Campus Workforce Center Building D Automotive Lab Expansion Project 2022-005C and the Starr County Campus North Academic Building C HVAC-R Labs Expansion and Renovation Project 2022-007C in FY 2020-2021 at the June 22, 2021 Board meeting.

### **Enclosed Documents**

Facilities Planning & Construction staff prepared presentations of the projects and preliminary layouts of the spaces for the Committee's review and information.

The Facilities Committee recommended Board approval of the solicitation of architectural services for the Starr County Campus Workforce Program Projects for Workforce Center Building D and North Academic Building C as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **b. Approval to Proceed with Solicitation of Architectural Services for the Proposed Workforce Program Projects and Center for Learning Excellence Building in FY 2021-2022 at the Mid Valley Campus**

Approval of authorization to proceed with the publication of a Request for Qualifications (RFQ) to solicit architectural services for the following Workforce Program projects at the Mid Valley Campus was requested.

- i. Workforce Center Building D Welding Lab Expansion and Renovation
- ii. Workforce Center Building D Automotive Lab Expansion
- iii. Workforce Center Building D HVAC-R Labs Expansion and Renovation
- iv. Center for Learning Excellence Building A Culinary Arts Labs Renovation

#### **Purpose**

The Board was asked to approve the solicitation of architectural services for the expansions and renovation for the Workforce Program projects at the Mid Valley Campus Workforce Center Building D and Center for Learning Excellence Building A.

#### **Justification**

Solicitation of Request for Qualifications (RFQ) for architectural services was necessary to procure a design team to prepare all necessary design development drawings and specifications in preparation for construction. Once the statements of qualifications were received, an evaluation team would evaluate the responses using the currently approved procurement process and propose an architect to the Facilities Committee at a later date.

- The Center for Learning Excellence Building A Culinary Arts Labs project would be solicited under one RFQ for architectural services and the other three proposed projects at the Workforce Center Building D would be solicited under a separate RFQ.

#### **Scheduling Priority**

These projects were requested by College management and the Academic Division of Business, Public Safety, & Technology. They were reviewed by the Facilities Planning & Construction department, the President's Cabinet, the Coordinated Operations Council, the Facilities Committee, the Education & Workforce Development Committee, and the Board of Trustees. These projects were scheduled as educational space improvements.

#### **Background**

On June 22, 2021, the Board approved the proposed Workforce Program projects as part of the College's FY 2020-2021 Capital Improvement Projects.

The projects and associated scopes of work are summarized as follows:

***i. Workforce Center Building D Welding Lab Expansion and Renovation***

The project consisted of constructing an expansion and renovation to provide accommodation for multiple classes at one time, including Traditional, Dual Credit, and Continuing Education classes, and will expand indoor and outdoor welding lab spaces.

- Design and construction of the expansion and renovation
- Approximate square feet of the proposed space: 1,850 s.f.

The project budget was \$537,500 as itemized in the table below:

<b>Mid Valley Campus Workforce Center Building D Welding Lab Expansion and Renovation Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$370,000
Design	37,000
Miscellaneous	12,000
FFE	90,000
Technology	10,000
Contingency 5%	18,500
<b>Total Project Budget</b>	<b>\$537,500</b>

***ii. Workforce Center Building D Automotive Lab Expansion***

The project consisted of constructing an expansion to provide accommodation for new fully-equipped bays with overhead doors, work spaces, storage space for equipment and tools, and the possibility for further expansion as needed.

- Design and construction of the expansion
- Approximate square feet of the proposed space: 3,500 s.f.

The project budget was \$920,500 as itemized in the table below:

<b>Mid Valley Campus Workforce Center Building D Automotive Lab Expansion Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$700,000
Design	70,000
Miscellaneous	17,500
FFE	38,500
Technology	59,500
Contingency 5%	35,000
<b>Total Project Budget</b>	<b>\$920,500</b>

***iii. Workforce Center Building D HVAC-R Labs Expansion and Renovation***

The project consisted of constructing an expansion and renovation to provide adequate space and equipment for both Traditional and Dual Credit classes, including an indoor classroom as well as an outdoor covered lab space for HVAC-R brazing.



- Design and construction of the expansion and renovation
- Approximate square feet of the proposed space: 2,000 s.f.

The project budget was \$528,000 as itemized in the table below:

<b>Mid Valley Campus Workforce Center Building D  HVAC-R Labs Expansion and Renovation  Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$400,000
Design	40,000
Miscellaneous	12,000
FFE	22,000
Technology	34,000
Contingency 5%	20,000
<b>Total Project Budget</b>	<b>\$528,000</b>

***iv. Center for Learning Excellence Building A Culinary Arts Labs Renovation***

The project consisted of constructing a renovation to provide classroom and lab space for instruction and demonstration, supporting the full Certificate and AAS degree pathways in Culinary Arts and Restaurant Management.

- Design and construction of the renovation
- Approximate square feet of the proposed space: 2,165 s.f.

The project budget was \$531,365 as itemized in the table below:

<b>Mid Valley Campus Center for Learning Excellence Building A  Culinary Arts Labs Renovation  Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$357,225
Design	35,725
Miscellaneous	7,145
FFE	88,410
Technology	25,000
Contingency 5%	17,860
<b>Total Project Budget</b>	<b>\$531,365</b>

The total of the combined project budgets was \$2,517,365 as itemized in the table below:

<b>Mid Valley Campus Workforce Program Projects  Total Projects Budgets</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Workforce Center Building D Welding Lab Expansion and Renovation	\$537,500

Workforce Center Building D Automotive Lab Expansion	920,500
Workforce Center Building D HVAC- R Labs Expansion and Renovation	528,000
Center for Learning Excellence Building A Culinary Arts Labs Renovation	531,365
<b>Total Projects Budgets</b>	<b>\$2,517,365</b>

### **Funding Source**

Previously earmarked funds were available in the Unexpended Construction Plant Fund and were approved for use toward the Mid Valley Campus Workforce Center Building D Welding Lab Expansion and Renovation Project 2022-013C, the Mid Valley Campus Workforce Center Building D Automotive Lab Expansion Project 2022-012C, the Mid Valley Campus Workforce Center Building D HVAC-R Labs Expansion and Renovation Project 2022-014C, and the Mid Valley Campus Center for Learning Excellence Building A Culinary Arts Labs Renovation Project 2022-002C in FY 2020-2021 at the June 22, 2021 Board meeting.

### **Enclosed Documents**

Facilities Planning & Construction staff prepared presentations of the projects and preliminary layouts of the spaces for the Board's review and information.

The Facilities Committee recommended Board approval of the solicitation of architectural services for the Mid Valley Campus Workforce Program Projects for Workforce Center Building D and Center for Learning Excellence Building A as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **d. Approval to Contract Architectural Services for the Regional Center for Public Safety Excellence Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area**

Approval to contract architectural services for Regional Center for Public Safety Excellence (RCPSE) Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area projects was requested.

### **Purpose**

Architectural services were necessary for design and construction administration services for the RCPSE Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area projects. The

design scope of work included, but was not limited to, design, analysis, preparation of plans and specifications, permit applications, construction administration, and inspection of the projects. Building code required that these structures were designed by licensed professionals due to their size, cost, and structural requirements.

### **Scheduling Priority**

These projects were requested by RCPSE staff and the Business, Public Safety, & Technology division. The projects were reviewed by the Facilities Planning & Construction department, Administration, the Coordinated Operations Council, the Facilities Committee, and the Board of Trustees. The canopy to provide protection and security for safety training vehicles was scheduled as a non-educational space improvement project. The canopies for students & instructors and the F.L.A.G. were scheduled as educational space improvements projects.

### **Background**

The proposed RCPSE Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area projects were part of the College's FY 2020-2021 Capital Improvement Projects.

### **Canopy for Safety Training Vehicles**

The safety training vehicles at the RCPSE require protection from the elements and security protection.

The proposed scope of work was summarized as follows:

- Design and construction of the canopy and enclosure
- Approximate square feet of the enclosed canopy: 3,200 s.f.
- Enclosure materials to match the existing RCPSE facility

The project budget was \$285,500 and itemized in the table below:

<b>Regional Center for Public Safety Excellence Canopy for Safety Training Vehicles Total Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$245,000
Design	24,500
Miscellaneous	10,000
Technology	6,000
<b>Total Project Budget</b>	<b>\$285,500</b>

### **Canopies for Students and Instructors**

The students were often in full fire safety gear during instruction in the outdoor training environment. The project would provide two (2) canopies and concrete pads with bleachers to protect students and instructors during outdoor instruction and while performing pre/post check routines.

The proposed scope of work is summarized as follows:

- Design and construction of the canopies with concrete pads and bleachers
- Approximate square feet of each canopy: 720 s.f.
- Canopy materials to match the existing RCPSE facility

The project budget was \$247,000 as itemized in the table below:

Regional Center for Public Safety Excellence Canopies for Students and Instructors Total Project Budget	
Budget Item	Budget Amount
Construction	\$205,000
Design	20,500
Miscellaneous	10,000
FFE	5,500
Technology	6,000
<b>Total Project Budget</b>	<b>\$247,000</b>

#### ***Flammable Liquid and Gas (F.L.A.G.) Fire Training Area***

The Fire Science program acquired a fire trainer vehicle and was awaiting the delivery of a fire trailer that would need a fire training pad to conduct fire training exercises.

The proposed scope of work is summarized as follows:

- Design and construction of the concrete pad with drainage
- Design and construction of the access drive to the fire training pad
- Design and construction of the fire line and fire hydrants to the fire training pad
- Approximate square feet of the fire training pad and drive: 29,000 s.f.

The project budget was \$443,600 as itemized in the table below:

Regional Center for Public Safety Excellence F.L.A.G. Fire Training Area Total Project Budget	
Budget Item	Budget Amount
Construction	\$300,000
Design	30,000
Miscellaneous	13,600
FFE	100,000
<b>Total Project Budget</b>	<b>\$443,600</b>

On April 27, 2021, the Board of Trustees approved the solicitation for architectural services. Solicitation for architectural qualifications began on May 19, 2021, for the purpose of selecting an architectural firm to prepare the necessary plans and specifications for these projects. A total of fourteen (14) firms received a copy of the RFQ and a total of two (2) firms submitted their responses on June 2, 2021.

<b>Timeline for Solicitation of Statements of Qualifications</b>	
May 19, 2021	Solicitation of statements of qualifications began.
June 2, 2021	Two (2) statements of qualifications were received.

The total of the combined project budgets was \$976,100 as itemized in the table below:

<b>RCPSE Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area Total Projects Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Canopy for Safety Training Vehicles	\$285,500
Canopies for Students and Instructors	247,000
Flammable Liquid and Gas (F.L.A.G.) Fire Training Area	443,600
<b>Total Projects Budget</b>	<b>\$976,100</b>

### **Funding Source**

Funds for the RCPSE Canopy for Safety Training Vehicles Project 2019-016C, the RCPSE Canopies for Students and Instructors Project 2019-017C, and the RCPSE Flammable Liquid and Gas (F.L.A.G.) Fire Training Area Project 2019-020C were budgeted in the Unexpended Construction Plan Fund for available use in FY 2020-2021.

### **Reviewers**

The proposals were reviewed by College staff from the Division of Business, Public Safety, & Technology, Facilities Operations & Maintenance, Facilities Planning & Construction, and Purchasing departments.

### **Enclosed Documents**

Presentations of the proposed projects were provided. The evaluation team members completed evaluations for the firms and prepared the enclosed scoring and ranking summary.

The Facilities Committee recommended Board approval to contract architectural services with Gignac & Associates, LLP. for the Regional Center for Public Safety Excellence (RCPSE) Canopy for Safety Training Vehicles, Canopies for Students and Instructors, and Flammable Liquid and Gas (F.L.A.G.) Fire Training Area Projects as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **e. Approval to Contract Geotechnical Engineering and Materials Testing Services**

Approval of a pool of firms to provide geotechnical engineering and materials testing services as needed for various construction projects was requested.

##### **Purpose**

The current approval of geotechnical engineering and materials testing services expired on May 21, 2021. It was recommended that all five (5) firms be approved for a period beginning July 28, 2021 through July 27, 2022 with the option to renew for two (2) one-year periods. The end date of the period was revised to reflect an exact year.

##### **Background**

Solicitation for geotechnical engineering and materials testing services began on June 2, 2021. A total of six (6) firms received a copy of the RFQ and a total of five (5) firms submitted their responses on June 15, 2021.

<b>Timeline for Solicitation of Statements of Qualifications</b>	
June 2, 2021	Solicitation of statements of qualifications began.
June 15, 2021	Five (5) statements of qualifications were received.

Once firms were selected and approved by the Board of Trustees, the firms would be available to provide the College with geotechnical engineering and materials testing services as needed for various construction projects. Some of the anticipated engineering services which may be provided are as follows:

- Testing of soil conditions for proper foundation design
- Testing of select fill dirt for proper compaction
- Testing of concrete samples during concrete pours
- Testing of sub-grades, caliche base, and asphalt for parking areas
- Testing of structural steel reinforcing
- Testing of steel welding
- Testing of floors for levelness
- Testing of fireproof materials
- Testing of environmental conditions including air quality
- Testing for identifying asbestos type materials

Fees for these services could range from \$5,000 to \$45,000 depending on the scope and complexity of each construction project. As part of the fee negotiations process, each firm would be asked to provide unit costs for a standard list of possible services. These unit costs would be used a basis for each future project fee proposal.

Staff recommended all five (5) firms to be approved based on the evaluation ranking. They are as follows:

- Terracon Consultants, Inc.
- Raba Kistner, Inc.
- Millennium Engineers Group, Inc.
- L&G Consulting Engineers, Inc.
- B2Z Engineering, LLC.

### **Enclosed Documents**

Summaries of the scoring and ranking prepared by the College's Purchasing Department were provided for the Board's review and information.

The Facilities Committee recommended Board approval of a pool consisting of all five responding firms: Terracon Consultants, Inc.; Raba Kistner, Inc.; Millennium Engineers Group, Inc.; L&G Consulting Engineers, Inc.; and B2Z Engineering, LLC. to provide geotechnical engineering and materials testing services as needed for district-wide construction projects for the period beginning July 28, 2021 through July 27, 2022 with the option to renew for two (2) one-year periods as presented.

At the July 27, 2021 Regular Board Meeting, Mr. Danny Guzman noted that the work performed under these assignments was practically the same regardless of the firm performing the testing. He asked whether projects could be assigned to the approved firms on a rotating basis.

Administration responded that prior legal counsel had advised against a rotating list for assignments, and that instead staff needed to identify the most highly qualified firm for specific project assignments.

Administration agreed that it would be most simple process to use a rotating list, and that they would confer with new legal counsel to determine what procedure could be used.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **f. Approval to Contract Construction Services for the Pecan Campus Information Technology Building M Generator Replacement Project**

Approval to contract construction services for the Pecan Campus Information Technology Building M Generator Replacement project was requested.

### **Purpose**

The procurement of a contractor would provide for construction services necessary for the replacement of a generator at the Pecan Campus Information Technology Building M.

### **Scheduling Priority**

This project was submitted as a Renewals & Replacements project by the IS&P Division in 2019, and was reviewed by the Facilities Operations & Maintenance, Facilities Planning & Construction, and Information Technology departments, Administration, the Coordinated Operations Council, the Facilities Committee, and the Board of Trustees. It was scheduled as a high priority project to upgrade the power supply redundancy to a backup generator that provides continuous power without the need to refuel.

### **Background**

On March 30, 2021, the Board of Trustees discussed the project's heightened priority and approved the solicitation of construction services for this project. Half Associates, Inc. prepared plans and specifications needed for the solicitation of construction proposals.

Solicitation of competitive sealed proposals for this project began on May 26, 2021. A total of four (4) sets of construction documents were issued to plan rooms and two (2) to general contractors. A total of two (2) proposals were received on June 9, 2021.

<b>Timeline for Solicitation of Competitive Sealed Proposals</b>	
May 26, 2021	Solicitation of competitive sealed proposals began.
June 9, 2021	Two (2) proposals were received.

College staff reviewed and evaluated the competitive sealed proposals and recommend Metro Electric, Inc. as the highest ranked in the amount of \$137,556.

### **Funding Source**

<b>Source of Funding</b>	<b>Estimated Budget</b>	<b>Highest Ranked Proposal Metro Electric, Inc.</b>	<b>Estimated Budget Variance</b>
Renewals & Replacements Plant Fund	\$250,000	\$137,556	\$112,444
<b>Total Amount</b>	<b>\$250,000</b>	<b>\$137,556</b>	<b>\$112,444</b>

Funds for the Pecan Campus Information Technology Building M Generator Replacement Project 2020-014R were budgeted in the Renewals & Replacements Plant Fund for available use in FY 2020-2021.



### **Reviewers**

The proposals were reviewed by Halff Associates, Inc. and College staff from the Facilities Planning & Construction, Facilities Operations & Maintenance, and Purchasing departments.

### **Enclosed Documents**

The packet included a project presentation, proposal ranking and evaluation, and fact sheet. Staff evaluated the proposal and prepared the enclosed proposal summary.

The Facilities Committee recommended Board approval to contract construction services with Metro Electric, Inc. in the amount of \$137,556 for the Pecan Campus Information Technology Building M Generator Replacement Project as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **g. Approval to Contract Construction Services for the Regional Center for Public Safety Excellence Drainage Improvements Phase II**

Approval to contract construction services for the Regional Center for Public Safety Excellence (RCPSE) Drainage Improvements Phase II project was requested.

#### **Purpose**

The procurement of a contractor would provide for construction services necessary for the second phase of drainage improvements at the RCPSE.

#### **Scheduling Priority**

This project was initiated in 2019 as a Renewals & Replacements project. It was reviewed by the Facilities Operations & Maintenance, and Facilities Planning & Construction departments, Administration, the Coordinated Operations Council, the Facilities Committee, and the Board of Trustees. It was scheduled as an exterior improvement to provide drainage improvements at the site.

#### **Background**

On April 27, 2021, the Board of Trustees approved the solicitation of construction services for this project. Perez Consulting Engineers, LLC prepared plans and specifications needed for the solicitation of construction proposals.

Solicitation of competitive sealed proposals for this project began on June 16, 2021. A total of eight (8) sets of construction documents were issued to vendors. A total of two (2) proposals were received on June 30, 2021.

<b>Timeline for Solicitation of Competitive Sealed Proposals</b>	
June 16, 2021	Solicitation of competitive sealed proposals began.
June 30, 2021	Two (2) proposals were received.

College staff reviewed and evaluated the competitive sealed proposals and recommended McAllen Multi Service as the highest ranked in the amount of \$113,500.

### **Funding Source**

<b>Source of Funding</b>	<b>Estimated Budget</b>	<b>Engineer's Estimated Budget</b>	<b>Highest Ranked Proposal McAllen Multi Service</b>	<b>Estimated Budget Variance</b>
Unexpended Construction Plant Fund	\$300,000	\$84,920	\$113,500	\$186,500
<b>Total Amount</b>	<b>\$300,000</b>	<b>\$84,920</b>	<b>\$113,500</b>	<b>\$186,500</b>

Funds for the RCPSE Drainage Improvements Phase II Project 2020-022C were budgeted in the Unexpended Construction Plant Fund for available use in FY 2020-2021. The proposal included costs for landscape and irrigation scope that the engineer had not included in his original estimated budget.

### **Reviewers**

The proposals were reviewed by Perez Consulting Engineers, Inc. and College staff from the Regional Center for Public Safety Excellence, and the Facilities Operations & Maintenance, Facilities Planning & Construction, and Purchasing departments.

### **Enclosed Documents**

The packet included the project presentation, proposal ranking and evaluation, and fact sheet. Staff evaluated the proposal and prepared the enclosed proposal summary.

The Facilities Committee recommended Board approval to contract construction services with McAllen Multi Service in the amount of \$113,500 for the Regional Center for Public Safety Excellence Drainage Improvements Phase II Project as presented.

This item was approved by the Board as part of consent agenda action.

**Consent Agenda:**

**h. Approval to Contract Construction Services for the District Wide Automatic Doors Phase IV Project**

Approval to contract construction services for the District Wide Automatic Doors Phase IV project was requested.

**Purpose**

The procurement of a contractor would provide for construction services necessary for the fourth phase of installing automatic door openers district wide.

**Scheduling Priority**

This project was initiated to provide various building entrances with accessibility upgrades. It was reviewed by the Facilities Planning & Construction and Facilities Operations & Maintenance departments, and Administration. This project was scheduled as a necessary improvement to install automatic door openers to improve access to building entrances district wide for users with disabilities, who may have difficulties opening doors, and for assisting safety precautions.

**Background**

On October 27, 2020, the Board of Trustees approved the contracting engineering services with Ethos Engineering for this project. Ethos Engineering prepared plans and specifications needed for the solicitation of construction proposals. Automatic door openers were proposed for installation at the following locations:

<b>District Wide Automatic Door Openers Phase IV Proposed Locations</b>		
<b>Campus</b>	<b>Buildings</b>	<b>Number of Openers</b>
Pecan Campus	M, L, G	5
Starr County Campus	C	1
Mid Valley Campus	C	1
Nursing and Allied Health Campus	A	1
<b>TOTAL</b>		<b>8</b>

Solicitation of competitive sealed proposals for this project began on May 19, 2021. A total of four (4) sets of construction documents were issued to plan rooms and one (1) to general contractors. A total of two (2) proposals were received on June 2, 2021.

<b>Timeline for Solicitation of Competitive Sealed Proposals</b>	
May 19, 2021	Solicitation of competitive sealed proposals began.
June 2, 2021	Two (2) proposals were received.

College staff reviewed and evaluated the competitive sealed proposals and recommended R. E. Friedrichs Company as the highest ranked in the amount of \$53,000.00.

#### **Funding Source**

<b>Source of Funding</b>	<b>Estimated Budget</b>	<b>Highest Ranked Proposal R. E. Friedrichs Company</b>	<b>Estimated Budget Variance</b>
Unexpended Construction Plant Fund	\$85,000	\$53,000	\$32,000
<b>Total Amount</b>	<b>\$85,000</b>	<b>\$53,000</b>	<b>\$32,000</b>

Funds for the District Wide Automatic Doors Phase IV Project 2020-019C were budgeted in the Unexpended Construction Plant Fund for available use in FY 2020-2021.

#### **Reviewers**

The proposals were reviewed by the engineer and College staff from the Facilities Planning & Construction, Facilities Operations & Maintenance, and Purchasing departments.

#### **Enclosed Documents**

The packet included the project presentation, proposal ranking and evaluation, and fact sheet. Staff evaluated the proposal and prepared the enclosed proposal summary.

The Facilities Committee recommended Board approval to contract construction services with R. E. Friedrichs Company in the amount of \$53,000.00 for the District Wide Automatic Doors Phase IV project as presented.

This item was approved by the Board as part of consent agenda action.

### **Consent Agenda:**

#### **i. Authorization to Approve Annual Facility Usage Agreements**

Approval of the FY 2020 – 2021 annual facility usage agreements for use by the College Programs was requested.

#### **Purpose**

Approval of annual facility usage agreements for various locations that host student instruction for FY 2021 – 2022 was requested.

#### **Justification**

Various locations were needed to accommodate the Kinesiology and other program courses offered at South Texas College. The facilities needed were course specific (ex. golf, swimming, tennis, bowling, etc.).

### **Background**

The College leases facilities on an annual basis which were used for various instructional purposes. The facilities would provide for, among others, Bowling, Golf, Basketball, Volleyball, Swimming, Softball, Soccer, Flag Football, and Tennis courses in the Kinesiology Program for the Fall 2021, Spring 2022, and Summer 2022 semesters. In FY 2020 - 2021 a total of 1,626 students enrolled in Kinesiology courses and a Physical Education Special Activity fee of \$55 was charged per student for each course taken. A total of \$29,543.84 was spent on facility usage fees in FY 2020 - 2021. The following includes examples of facilities at which courses may be offered.

- City of McAllen
  - Boys and Girls Club Othal Brand Center
  - Boys and Girls Club Roney Center
  - Boys and Girls Club Pool
  - Las Palmas Park
  - Los Encinos Park Tennis Courts
  - Municipal Baseball Complex
  - Municipal Pool
  - Palm View Golf Course
  - Parks and Recreation Bicentennial Soccer Field
  - Westside Park
- City of Mission
  - Bannworth Park
  - Parks & Recreation North Side Pool
- City of Weslaco
  - Weslaco City Park
  - Harlon Block Park (Weslaco, TX)
- Main Event (Pharr, TX)
- Flamingo Bowl (McAllen, TX)
- McAllen ISD – McAllen High School Tennis Courts

Additional facilities may be required at which the College Programs may offer courses due to unforeseen circumstances. In these circumstances, the President would be asked to review and approve the use of various facilities as needed, pursuant to Policy 6130.

### **Funding Source**

Funds would be budgeted in the proposed FY 2021 - 2022 Physical Education Facility Rental budget.

This item was approved by the Board as part of consent agenda action.

**Item Removed from Consent Agenda:**

**c. Approval of Proposed District Wide Air Handler Replacements Project and Authorization to Proceed with Solicitation of Engineering Services**

Approval of the proposed District Wide Air Handler Replacements project and authorization to proceed with the solicitation of a Request for Qualifications (RFQ) for engineering services was requested.

**Purpose**

The Board was asked to approve the proposed District Wide Air Handler Replacements project and the authorization to proceed with solicitation of engineering services. The proposed Use of Higher Education Emergency Relief Funds (HEERF), subject to approval of a no-cost extension by the Department of Education, for the District Wide Air Handler Replacement Project was included under separate request for Board approval.

Approval for a no-cost extension would be requested from the Department of Education, since the estimated completion timeline for the project extends beyond the end date of the HEERF Institutional Fund awards.

**Scheduling Priority**

This project was requested by the Facilities Operations & Maintenance department. It has been reviewed by the Facilities Operations & Maintenance, Purchasing, and Facilities Planning & Construction departments, and Administration. This project was scheduled as a routine improvement to provide cleaner air to College facilities district-wide and a safer environment.

**Justification**

The proposed improvements were necessary to provide better filtration to the air in various facilities district-wide. Engineering services were necessary to coordinate the proper upgrade of the existing air handler units.

**Background**

Currently, there were air handlers with ultraviolet (UV) lighting filtration installed at approximately 50% of the College's facilities. The Facilities Operations & Maintenance department proposed a district-wide effort to replace the older air handlers with new air handler units that have UV lighting purifiers built in to them in addition to conventional air filters.

**Benefits**

UV lighting uses short-wave energy to inactivate viral, bacterial, and fungal organisms so they are unable to replicate and potentially cause disease. According to the American Society of Heating, Refrigerating, and Air Conditioning Engineering, Inc. (ASHRAE), UV lighting is used as an engineering control to interrupt the transmission of pathogenic organisms, such as tuberculosis (TB), influenza viruses, mold, and potential bioterrorism

agents. UV lighting can improve indoor air quality and thus enhance occupant health, comfort, and productivity. Listed below are some of the UV lighting benefits:

- Disinfects the air flowing through the air handlers,
- Adds one more layer of purification to the air filtration.
- Provides an extra measure for a safe environment for students, faculty, staff, and the public.
- Replaces existing air handler units, which will potentially reduce energy consumption with new units.
- Eliminates mold, mildew, and bacteria
- Reduces the spread of viruses
- Reduces the quantity of air contaminants
- Improves indoor air quality
- Keeps the HVAC system clean

**c. Scope of Work**

- Removing one hundred twenty-six (126) existing air handlers.
- Installing one hundred twenty-six (126) new air handlers with UV light purification

The estimated costs and facilities at which air handlers would be replaced are summarized in the table below:

<b>District Wide Air Handlers Replacement Total Estimated Cost</b>		
<b>Campus</b>	<b>Buildings</b>	<b>Estimated Cost</b>
Pecan Campus	A, D, X, B, C, E, F, G, H, L, M, N, T	\$2,980,000
Pecan Plaza	A, B, C	480,000
Mid Valley Campus	C, E, F, G, H, L	1,288,000
Nursing and Allied Health Campus	A, C	170,000
Technology Campus	A, B, D, E	775,000
Starr County Campus	D, E, F, G, H, J	715,000
District Wide Portables	Various	540,000
<b>TOTAL</b>		<b>\$6,948,000</b>

The estimated schedule for the project is below:

<b>District Wide Air Handlers Replacement Estimated Schedule</b>		
<b>Project Phase</b>	<b>Task Date</b>	<b>Task Duration</b>
Solicit A/E Qualifications	August 2021	1 Month
Evaluate A/E Qualification Statements	September 2021	1 Month
Recommend Board Approval of A/E Firm	October 2021	1 Month
A/E Design Phase	November – December 2021	2 Months

Solicit Proposals for Construction Services	January 2022	1 Month
Recommend Board Approval of Contractor	February 2022	1 Month
Negotiate, Execute Construction Contract/Agreement, and Issue Notice to Proceed	March 2022	1 Month
Substantial Completion	April – August 2022	5 Months
Final Completion	September 2022	1 Month
<b>Total Estimated Project Duration</b>		<b>14 Months</b>

The estimated budget for the District Wide Air Handler Replacements is summarized in the table below:

<b>District Wide Air Handler Replacements Estimated Project Budget</b>	
<b>Budget Item</b>	<b>Budget Amount</b>
Construction	\$6,948,000
Design	694,800
Miscellaneous	173,700
Technology	555,840
Contingency 5%	347,400
<b>Total Estimated Project Budget</b>	<b>\$8,719,740</b>

The total project budget reflected the combined estimated budgets for the replacements at each campus.

### **Funding Source**

The proposed District Wide Air Handler Replacements project was not included in the budget for FY 2020 – 2021. The use of Higher Education Emergency Relief Fund (HEERF) for this project was pending approval from the Finance Committee and Board of Trustees in July 2021, and subject to approval of a no-cost extension by the Department of Education. This project would be budgeted in FY 2021-2022, accordingly.

### **Enclosed Documents**

The packet included a detailed project description and budget for the Board's review and information.

The Facilities Committee recommended Board approval of the proposed District Wide Air Handler Replacements project in the amount of \$8,719,740 and authorization to proceed with the solicitation of engineering services as presented, and approval of the Use of HEERF funds, and subject to approval of a no-cost extension by the Department of Education.

At the July 27, 2021 Regular Board Meeting, Mr. Paul R. Rodriguez asked for clarification that the requested Board approval would allow administration to proceed with a Request



for Proposals, and also to request the no-cost extension from the US Department of Education, and that no expenditures would be made until and unless that extension was approved.

VP Mary Elizondo agreed that there would not be any expenditures on the project before the College received confirmation of approval of the requested extension.

Mr. Danny Guzman asked that the motion be amended to also include a requirement that administration also find funding for air purifier units as discussed earlier in the Board meeting.

Chair Benavidez observed that the Board had already provided direction to administration to look into the air purifier units, and that element did not necessarily need to be included in the motion. Dr. Salinas agreed that the motion did not need to include that requirement.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Gary Gurwitz, the Board of Trustees of South Texas College approved and authorized the proposed District Wide Air Handler Replacements project in the amount of \$8,719,740 and authorization to proceed with the solicitation of engineering services as presented, and approval of the Use of HEERF funds, and subject to approval of a no-cost extension by the Department of Education. With six trustees voting in favor and one opposed, the motion carried.

### **Update on Status of Unexpended Plant Fund Construction Projects and Renewals & Replacements Projects**

The Facilities Planning and Construction staff provided a design and construction update. This update summarized the status of each capital improvement and renewals & replacements project currently in progress. Mary Elizondo and Rick de la Garza were available to respond to questions and address concerns of the Board.

### **Consideration and Approval of Checks and Financial Reports**

Board action was requested to approve the checks for release and the financial reports for the month of June 2021. The approval is for checks submitted for release in the amount greater than \$125,000.00 and checks in the amount greater than \$25,000.00 that were released as authorized by Board Policy No. 5610.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a review of the Financial Report for the month of **June 2021**, and will respond to questions posed by the Board.

The checks and the financial reports submitted for approval are included in the Board packet under separate cover.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Board of Trustees approved and authorized the submitted checks for release in an amount over \$125,000.00, the checks that were released as authorized by Board Policy #5610, and the financial reports submitted for the month of June 2021. The motion carried.

## **Announcements**

### **A. Next Meetings:**

- *Tuesday, August 10, 2021*
  - 3:30 p.m. – Education and Workforce Development Committee
  - 4:30 p.m. – Facilities Committee
  - 5:30 p.m. – Finance, Audit, and Human Resources Committee
- *Tuesday, August 24, 2021*
  - 5:30 p.m. – Regular Board Meeting

### **B. Other Announcements:**

- The Fall 2021 Semester begins on Monday, August 23, 2021!
- The College will be closed on Monday, September 6, 2021, in observance of Labor Day
- Wednesday, September 8<sup>th</sup> is the Fall 2021 Semester Census Day
- The College will be closed on Friday, September 24, 2021, for College-Wide Professional and Organizational Development Day

## **Adjournment**

There being no further business to discuss, the Regular Meeting of the South Texas College Board of Trustees adjourned at 8:44 p.m.

I certify the foregoing are the true and correct minutes of the Tuesday, July 27, 2021 Regular Board Meeting of the South Texas College Board of Trustees.

X\_\_\_\_\_

Mrs. Victoria Cantú  
Board Secretary

## **Approval and Authorization to Accept Grant Awards and Agreements**

Authorization to accept and approve the following grant awards, including the use of related funds and execution of related agreements as necessary for each grant, is requested:

### **1. Texas Workforce Commission, Information Technology Registered Apprenticeship Expansion Grant in the amount of \$199,467.11**

This award will help to create work-based learning opportunities for students in the Registered Apprenticeship Expansion Program (RAP). The Institute for Advanced Manufacturing at South Texas College plans to engage at least five employers to help support 50 new apprentices and three new RAPs. The apprenticeship expansion program will give students a chance to work towards a nationally recognized credential and help them gain the skills and knowledge needed to prepare for occupations that include Computer Network Support Specialist, Information and Records Clerk, and Computer User Support Specialist. The award period is from September 1, 2021 to February 28, 2023.

This grant aligns with Strategic Directions #1, Clear Pathways, and Strategic Direction #2, Access and Success, by increasing community awareness and access to career and technical education programs that include apprenticeship opportunities.

### **2. US Department of Education, Higher Education Emergency Relief Fund – Supplemental Assistance to Institutions of Higher Education (SAIHE) Program in the amount of \$10,136,521**

This award supports institutions of higher education (IHEs) with unmet needs related to recovery from disruptions in the finances, day-to-day operations, instruction, and student supports due to coronavirus. South Texas College was eligible to apply under Absolute Priority #6, institutions of higher education (IHEs) that serve a high percentage of low-income students and that have experienced a significant enrollment decline. Grantees under Absolute Priority 6 are to use funds to support students in their continued engagement and reengagement in postsecondary education.

This grant will be managed by the Division of Student Affairs and Enrollment Management Services. Vice President Matthew Hebbard serves as the Project Director for this federal award. The federal funding period for this award is from July 31, 2021 to July 31, 2022.

### **3. Texas Higher Education Coordinating Board, OER Course Development and Implementation Grant, in the amount of \$76,145.25**

This award will support the enhance the quality in online course offerings and reduce the costs of educational materials for students at Texas public and independent institutions of higher education through matching grants to support open educational resources (OER). Two categories of grants were available under the RFA, Development and Implementation.

Through the Development grant, STC will lead a consortium with the University of Texas-Rio Grande Valley (UTRGV) and the University of Texas-Dallas (UTD) to develop new OER for three mathematics courses (Math 2413-Differential Calculus, Math 2412-Precalculus, and Math 1414-College Algebra) that are among the fifty most frequently transferred courses in Texas. The Development award amount is for \$71,315.25.

Through the Implementation grant, South Texas College will curate readings and activities from existing OER for Introduction to Ethics (PHIL 2306), which is also among the fifty most frequently transferred courses in Texas. South Texas College will redesign them for online delivery. The implementation award is in the amount of \$4,830. The combined total amount awarded is \$76,145.25. The funding period is upon execution of the agreement to August 31, 2022.

This grant aligns with Strategic Goal #3, Create Educational Opportunities, by providing accessible and inclusive educational opportunities that align programs with emerging technologies.

**4. Additional funds for the U.S. Department of Education, Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions, Developing Hispanic Serving Institutions under the American Rescue Plan Act in the amount of \$3,873,690**

Authorization is requested to accept additional funds in the amount of \$3,873,690 for the period of August 6, 2021 to August 5, 2022. Funds will be used to assist students with their cost of attendance, including food, housing, course materials, technology, health care, and child care.

The college administration is using these funds to establish two separate grant-supported scholarship funds to support eligible students with micro-scholarships to cover qualified expenses.

Additional Funds will increase the awarded amount to \$7,423,452. This allocation is managed by the Division of Student Affairs and Enrollment Management. Vice President Matthew Hebbard serves as the Project Director for this federal award and Juan Miguel Galvan is the Financial Manager.

**5. Greater Texas Foundation, Healthcare and Information Technology Postsecondary Career Pathways, in the amount of \$80,592**

This award seeks to serve 57 individuals without secondary credentials in postsecondary career pathways by co-enrolling them in GED and technical training programs leading to industry-recognized certifications (EKG, Phlebotomy, and Microsoft Office) and college credit conversion, and transitioning them to college certificate programs, Associate's

programs, and employment in target occupations. The grant funding period is from September 1, 2021 to August 31, 2022.

This grant aligns with Strategic Direction #3, Create Educational Opportunities for Students, by ensuring that students engage in learning that will prepare them for the workforce, which positively affects the economic and social mobility of residents in our region.

**6. Rio South Texas Education and Community Development Foundation, Postsecondary Career Pathways in Healthcare, Information, Technology, and Manufacturing in the amount of \$116,330.08**

This award will recruit, assess and select 72 individuals without high school diploma or GED, and co-enroll them in GED and one of six technical training programs (EKG Technician, Phlebotomy Technician, Microsoft Office Specialist, FANUC Robot Operator, CNC Machine Operator Assistant, and Production Operator Assistant) leading to industry-recognized certifications and college credit conversion. Daily case management will be provided to help with persistence and completion. Participants will be assisted in transitioning into a college certificate program and employment. The amount requested will be matched 1:1 using South Texas College's Texas Public Educational Grant funds. The grant funding period is from September 1, 2021 to August 31, 2022.

This grant aligns with Strategic Direction #3, Create Educational Opportunities for Students, by ensuring that students engage in learning that will prepare them for the workforce, which positively affects the economic and social mobility of residents in our region.

**7. RGV Focus, Communities Foundation of Texas - Educate Texas Grant in the amount of \$30,000**

Grant funds will be used by the South Texas College to provide micro-credential testing to at least 100 students for Industry Based Certifications (IBC) that will help students enter a high-demand workforce occupation and/or the next level of education. South Texas College anticipates at least 75 students will gain an Industry Based Certification.

Funding from Communities Foundation of Texas and Educate Texas, with financial support from The Educate Texas Fund of Communities Foundation of Texas, will help enrolled students earn their certificate of completion and make substantial progress toward earning IBCs in their field of study. The funding period is from August 15, 2021 to May 31, 2022.

This funding will build upon previous support from Communities Foundation of Texas and Educate Texas, which covered the costs for 190 eligible students testing in eight different

IBC. Prior funding helped South Texas College provide IBC exams to workforce students, helping them pursue credentials that lead toward meaningful career opportunities.

With prior funding, a total of 70 STC students successfully obtained an Industry Based Certification. These students can build upon successful attainment of IBCs to continue into further continuing education and/or academic and workforce degree programs, as part of South Texas College's stackable credential pathways.

South Texas College has reflected on both the positive experiences and challenges of the prior grant funded program. Administration is very proud that Dual Credit Students successfully obtained IBCs in Welding in the College's newly license American Welding Society Accredited Test Facility (ATF). Certified by the American Welding Society in October 2020, during the COVID-19 pandemic, the Technology Campus ATF is serving as a model for the college to deliver a vital IBC.

To improve outcomes, South Texas College has started to assess the feasibility of imbedding the opportunity for a student to obtain an IBC into its academic curriculum for high demand occupations. Institutional processes needed to support an IBC based academic curriculum are also under assessment. Overall, South Texas College looks to increase student opportunities and success in earning an Industry Based Credential.

This award aligns to Strategic Direction #3, Create Educational Opportunities for Students, by aligning programs with emerging technologies and changing needs in the job market.

## **8. Any Additional Grants Pending Official Award**

### **Summary of Grant Award Funding**

The presented grants will provide up to \$14,512,745.44 in funding for the college to provide services and opportunities throughout the region.

#### **Recommendation:**

It is recommended the Board of Trustees approve and authorize accepting the following grant awards including the use of related funds and execution of related agreements as necessary for each grant, contingent upon official award as appropriate.

1. Texas Workforce Commission, Information Technology Registered Apprenticeship Expansion Grant in the amount of \$199,467.11
2. US Department of Education, Higher Education Emergency Relief Fund – Supplemental Assistance to Institutions of Higher Education (SAIHE) Program in the amount of \$10,136,521
3. Texas Higher Education Coordinating Board, OER Course Development and Implementation Grant, in the amount of \$76,145.25

4. Additional funds for the U.S. Department of Education, Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions, Developing Hispanic Serving Institutions under the American Rescue Plan Act in the amount of \$3,873,690
5. Greater Texas Foundation, Healthcare and Information Technology Postsecondary Career Pathways, in the amount of \$80,592
6. Rio South Texas Education and Community Development Foundation, Postsecondary Career Pathways in Healthcare, Information, Technology, and Manufacturing in the amount of \$116,330.08
7. RGV Focus, Communities Foundation of Texas - Educate Texas Grant in the amount of \$30,000

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

The Board of Trustees of South Texas College approves and authorizes accepting the following grant awards, including the use of related funds and execution of related agreements as necessary for by each grant, contingent upon official award as appropriate:

1. Texas Workforce Commission, Information Technology Registered Apprenticeship Expansion Grant in the amount of \$199,467.11
2. US Department of Education, Higher Education Emergency Relief Fund – Supplemental Assistance to Institutions of Higher Education (SAIHE) Program in the amount of \$10,136,521
3. Texas Higher Education Coordinating Board, OER Course Development and Implementation Grant, in the amount of \$76,145.25
4. Additional funds for the U.S. Department of Education, Higher Education Emergency Relief Fund (HEERF) Minority Serving Institutions, Developing Hispanic Serving Institutions under the American Rescue Plan Act in the amount of \$3,873,690
5. Greater Texas Foundation, Healthcare and Information Technology Postsecondary Career Pathways, in the amount of \$80,592
6. Rio South Texas Education and Community Development Foundation, Postsecondary Career Pathways in Healthcare, Information, Technology, and Manufacturing in the amount of \$116,330.08
7. RGV Focus, Communities Foundation of Texas - Educate Texas Grant in the amount of \$30,000

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

## **Review of Presentation to the Education and Workforce Development Committee:**

The following items were presented to the Education and Workforce Development Committee on August 10, 2021:

**a. Presentation on the Emergency Medical Technology (EMT) Program and Pathways Aligned to Health Science (PATHS) Grant**

Mrs. Victoria Cantú, Committee Chair, requested a presentation focused on the Emergency Medical Technology Program at South Texas College.

Dr. Jayson Valerio, Dean for Nursing & Allied Health, presented on the Emergency Medical Technology Program at South Texas College, and on the related topic of the Pathways Aligned to Health Science (PATHS) Grant.

### **Emergency Medical Technology (EMT) Program**

Emergency Medical Technology is a critical component of public health and safety, and the EMT Program that provide this training at South Texas College was one of the earliest priorities of South Texas College's allied health programming.

Dr. Valerio provided program background, starting with the need for this program and its original establishment, and detailing the various levels of credentialing available in the EMT program, from basic certification through the Paramedic Associate of Applied Science (AAS) degree, and the faculty and staff who train and support these students.

Dr. Valerio also discussed the standards in place for students seeking entry to the EMT program, as well as their enrollment, licensure, and job placement rates.

While there are several proprietary schools offering their own EMT programs within the Rio Grande Valley, Dr. Valerio highlighted the value of South Texas College's programs and the credentials issued by STC, versus the more expensive and less successful proprietary training programs.

Dr. Valerio reviewed ongoing EMT Program partnerships with school districts, which offer local high school students a pathway to an incredible and critical career path upon graduation.

The College was poised to enhance EMT programs with partnering school districts, including the EMT Dual Credit Academy.

Administration was also developing non-credit and credit EMT pathways to provide police academy cadets and current law enforcement and Custom Border Patrol



Agents with the ability to quickly earn credentials in EMT, which provides an academic pathway toward a Paramedic AAS.

**Pathways Aligned to Health Science (PATHS) Grant**

Region One ESC has supported South Texas College in the Pathways Aligned to Health Sciences (PATHS) Project, enabling the College to provide direct assistance to partnering school districts in the development of healthcare programs for their students, including the curricular and extra-curricular requirements and support that help students achieve success in healthcare programs.

The two-day PATHS Conference was hosted at the STC Nursing & Allied Health Campus on July 14 – 15, 2021, and brought together approximately 40 counselors, CTE directors, and advisors from seven Region One districts, as well as Region One staff. The College represented each of its 13 Nursing and Allied Healthcare programs at this conference, and received great feedback from participants.

Administration looked forward to establishing annual PATHS Conferences to continue building and promoting Nursing and Allied Health partnerships with partnering districts.

This information was provided for the Committee's information and feedback to administration, and no action is requested from the Board of Trustees.

## **Review and Action as Necessary on Consent Agenda Item from the Education and Workforce Development Committee**

The following Consent Agenda item was thoroughly discussed by the Education and Workforce Development Committee. All trustees, whether a member of the Committee or not, received all supporting documentation and were invited to participate in the deliberation on this item. Non-committee members did not participate in Committee votes for recommendation of Board action.

Administration believes that all questions raised during the Committee discussion of Consent Agenda item were resolved to the Committee's satisfaction at the meeting, and the item is presented here substantially as recommended by the Committee, for approval by the Board of Trustees.

Any trustee may identify an item or items that should be removed from the Consent Agenda for further discussion. Otherwise, the Board is asked to formally act on the full consent agenda, according to the details and recommended action presented for the item in the following pages

The Education and Workforce Development Committee recommended Board action on the following item as presented.

- a. Approval of Proposed Memorandum of Understanding between South Texas College and the National Alliance of Concurrent Enrollment Partnership (NACEP)

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the following items:

- a. Approval of Proposed Memorandum of Understanding between South Texas College and the National Alliance of Concurrent Enrollment Partnership (NACEP)

**The Following Minute Order is proposed for consideration by the Board of Trustees:**  
The Board of Trustees approves and authorizes the following items:

- a. Approval of Proposed Memorandum of Understanding between South Texas College and the National Alliance of Concurrent Enrollment Partnership (NACEP)

### **Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**Consent Agenda Item:**

**a. Approval of Proposed Memorandum of Understanding between  
South Texas College and the National Alliance of Concurrent  
Enrollment Partnership (NACEP)**

The Board of Trustees is asked to approve and authorize administration to enter into a Memorandum of Understanding (MOU) with the National Alliance of Concurrent Enrollment Partnerships (NACEP) to join together in support of the upcoming 2022 National Summit for Dual Credit Programs, scheduled for February 27 – March 1, 2022.

**Background on the South Texas College Summit on College and Career Readiness**

South Texas College established the Annual Summit on College and Career Readiness as a forum to engage public schools, private schools, and institutions of higher education in collaborative dialogue focused on closing the achievement gap in college readiness for high school graduates.

South Texas College developed annual programs for elected leaders, administration, counselors, advisors, and teachers, and over the years grew this event to include speakers and panelist from a wide spectrum, including the Texas Higher Education Coordinating Board, Texas Education Agency, and Texas Workforce Commission. While the Summit grew, it retained a sharp focus on helping smooth students' pathways from and through secondary school to higher education, and to prepare them for success along this journey.

**Opportunity for STC to Partner with NACEP in hosting national conference**

South Texas College transformed the regional Summit into a national conference and expanded the scope of the conference from one to three days. South Texas College Dual Credit Programs proudly hosted the first **National Summit for Dual Credit Programs** with 160 **paid** virtual attendees from March 7 to 9, 2021.

Meanwhile, the College's relationship with NACEP continued to thrive after NACEP's formal accreditation of STC's Dual Credit Programs. This accreditation is highly prestigious, and STC is the first College in Texas to receive it.

In discussions with NACEP, Dr. Rebecca De Leon and her team in Dual Credit Programs have developed the opportunity to partner with NACEP as a co-host of a 2022 National Conference, building upon South Texas College's established Summit program.

With NACEP's support, administration believes STC can reach a larger audience, and from there highlight the College's successes for institutions across the nation, and learn from the best practices developed and implemented elsewhere.

Dr. De Leon presented the draft conference agenda to the Education and Workforce Development Committee on August 10, 2021, which is provided in the packet along with a brief narrative.

The Education and Workforce Development Committee recommended Board approval to enter into a Memorandum of Understanding (MOU) with the National Alliance of Concurrent Enrollment Partnerships to join together in support of the upcoming 2022 National Summit for Dual Credit Programs, scheduled for February 27 – March 1, 2022.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize administration to enter into a Memorandum of Understanding (MOU) with the National Alliance of Concurrent Enrollment Partnerships to join together in support of the upcoming 2022 National Summit for Dual Credit Programs, scheduled for February 27 – March 1, 2022.

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

The Board of Trustees of Trustees of South Texas College approves and authorizes administration to enter into a Memorandum of Understanding (MOU) with the National Alliance of Concurrent Enrollment Partnerships to join together in support of the upcoming 2022 National Summit for Dual Credit Programs, scheduled for February 27 – March 1, 2022.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**Request:** South Texas College Dual Credit Programs is seeking approval of the proposed Memorandum of Understanding between South Texas College and the National Alliance of Concurrent Enrollment Partnerships (NACEP) to partner in hosting a national conference in Spring 2022. The proposed agreement has been reviewed by the South Texas College Contract Manager and Academic Affairs Division administration.

**Background:** Throughout the years, numerous colleges and universities from around the nation have inquired to learn about the nationally recognized dual credit program model here at South Texas College. Furthermore, in May 2020, South Texas College Dual Credit Programs became the first in the State of Texas to receive the prestigious NACEP accreditation. To this day, colleges and universities continue to request visits to learn about our Dual Credit Programs.

Hosting a national conference on dual credit programs was a natural progression of offering successful regional conferences. For the last 16 years, South Texas College hosted the **Summit on College and Career Readiness** as a forum for public schools, private schools, and higher education professionals to engage in a dialogue on closing the achievement gap in college readiness for high school graduates. The Summit on College and Career Readiness built a reputation for providing valuable information to regional stakeholders, totaling over 300 annual participants, and hosting notable State and National keynote speakers.

With the ever-growing dual credit programs around the nation, South Texas College transformed the regional Summit on College and Career Readiness into a national platform and expanded the scope of the conference, including a name change. On **March 7-9, 2021**, South Texas College Dual Credit Programs proudly hosted the **National Summit for Dual Credit Programs** with 160 virtual attendees.

**2022 National Conference:** As the only institution of higher education in Texas to be NACEP Accredited, South Texas College Dual Credit Programs initiated discussion with NACEP Administration to partner in hosting the 2022 National Summit for Dual Credit Programs. This National Summit is an opportunity to continue showcasing the importance of dual credit and to reach a larger dual credit audience.

**South Texas College  
Dual Credit Programs  
2022 National Summit for Dual Credit Programs**

### Conference Agenda

**Date:** February 27 – March 1, 2022

**Location:** South Padre Island, TX

<b>Sunday, February 27, 2022</b>	
Check-In 4:00pm - 7:00pm Social Mixer 5:00pm - 7:00pm	<b>Social Mixer &amp; Conference Check-In</b> Join us for a fun-filled social mixer at our host hotel, Hilton Garden SPI. Meet with other Conference attendees as you enjoy the outdoor weather, music and appetizers.
<b>Monday, February 28, 2022</b>	
8:30am - 5:00pm	<b>Conference Check-In</b> Conference Check-In will be held at the SPI Convention Center. Breakfast will be on your own
8:30am - 8:45am	<b>Welcome/Opening Address</b> Dr. Rebecca De Leon, Dean, Dual Credit Programs for South Texas College Amy Williams, Director, National Alliance for Concurrent Enrollment Partnerships
9:00am - 10:00am	<b>Keynote Speaker</b> John Quiñones, Host of <i>What Would You Do?</i> , Author, Broadcast Journalist, and Motivational Speaker
10:00am - 10:20am	<b>Networking Break</b>
10:30am - 11:15am	<b>Breakout Sessions - Round 1</b>
11:30am - 12:15pm	<b>Breakout Sessions - Round 2</b>
12:15pm - 1:30pm	<b>Lunch Break</b> Enjoy the vast selection of restaurants that SPI has to offer (lunch on your own)
1:45pm - 2:30pm	<b>Breakout Sessions - Round 3</b>
2:45pm - 3:30pm	<b>Breakout Sessions - Round 4</b>
3:30pm - 3:50pm	<b>Networking Break</b>
4:00pm - 4:45pm	<b>Breakout Sessions - Round 5</b>
4:45pm	<b>Adjourn</b>
<b>Tuesday, March 1, 2022</b>	
9:00am - 9:05am	<b>Welcome/Opening Address</b> Dr. Rebecca De Leon, Dean, Dual Credit Programs and School District Partnerships for South Texas College Amy Williams, Director, National Alliance for Concurrent Enrollment Partnerships
9:05am - 10:05am	<b>Keynote Speaker</b> Dakota Pawlicki, Director of TalentHubs, Lumina Foundation
10:05am - 10:25am	<b>Networking Break</b>
10:30am - 11:15am	<b>Breakout Sessions - Round 6</b>
11:30am - 12:15pm	<b>Breakout Sessions - Round 7</b>
12:30pm	<b>Adjourn</b>
1:00pm - 5:00pm	<b>Post-Conference: South Texas College Dual Credit Programs Preview</b> Join South Texas College Dual Credit Programs leadership staff as they share insight on where to start and how to sustain a dual enrollment program. Presentations will cover a variety of topics such as faculty credentialing, scheduling, professional development, policies and procedures. Lunch will be provided and session will take place at the SPI Convention Center.

## **Review of Presentation to the Finance, Audit, and Human Resources Committee:**

The following items were presented to the Finance, Audit, and Human Resources Committee on August 10, 2021:

### **a. Update on No-Cost Extension (NCE) Request for the Higher Education Emergency Relief Fund (HEERF) Institutional Award**

Mary Elizondo, Vice President for Finance and Administrative Services, will provide an update on the no-cost extension (NCE) request for the Higher Education Emergency Relief Fund (HEERF) Institutional Award.

Justification – Guidance provided by the Department of Education states that the HEERF Institutional Funds may be used for the installation or renovation of an HVAC system, to improve air filtration to prevent the spread of COVID-19. Grantees may request to initiate a one-time extension to extend the final budget period of the grant up to 12 additional months.

Background – The US Department of Education, Higher Education Emergency Relief Fund II (HEERF II) Institutional Portion allocation under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in the amount of \$32,178,403 was ratified by the Board of Trustees on January 26, 2021. In addition, the US Department of Education, Higher Education Relief Fund III (HEERF III) Institutional Portion allocation under the American Rescue Plan (ARP) in the amount of \$36,274,751 was ratified by the Board of Trustees on May 25, 2021.

On July 27, 2021, the South Texas College Board of Trustees approved use of Higher Education Emergency Relief Fund (HEERF) Institutional funds in the amount of \$8,719,740 for the district wide air handler replacement project, which had an estimated completion date of September 2022 subject to approval of a no-cost extension by the Department of Education.

A no-cost extension (NCE) request was necessary because the estimated completion timeline for the project extends beyond the end date of the HEERF Institutional Award of May 19, 2022.

On August 6, 2021, the College submitted an NCE request for the HEERF Institutional Award. The NCE indicated that remaining funds from the preliminary estimate would be used for other allowable expenses, such as air filters and student emergency awards.

By the August 10, 2021 Finance, Audit, and Human Resources Committee meeting, the Department of Education had not responded.

Administration will notify the Board of Trustees once a response is received from the US Department of Education.

**b. Update on Interlocal Agreement for Policy Management Services between South Texas College and Texas Association of School Boards for FY 2022**

Mary Elizondo, Vice President for Finance and Administrative Services, presented an update on the interlocal agreement for policy management services between South Texas College and Texas Association of School Boards (TASB) for FY 2022 to maintain a legally sound policy manual for the College and will also provide an update on the pricing.

Purpose – The College has maintained an internal Board Policy Manual since its inception and entered into an interlocal agreement with TASB for FY 2022 for Policy Management Services to produce a comprehensive and current policy manual that will include legal and local provisions and updates for the College.

Justification – The College entered into an interlocal agreement with TASB to provide policy manual maintenance and update services. TASB is a voluntary, non-profit, statewide educational association that provides legal expertise and comprehensive policy development and maintenance responsive to the needs of Texas community colleges and school districts.

The purchase of the policy management services with Texas Association of School Boards (TASB) (Austin, TX), through an interlocal agreement was approved at the March 31, 2020, Board Meeting. Subsequent to Board approval, South Texas College was notified of the following:

- The performance work by TASB will commence in Fall 2021, due to TASB entering into agreements with two (2) other institutions for Fall 2020, which occurred prior to board approval. TASB only partners with two (2) institutions per year.
- Increased pricing for Year One to \$28,200 from \$24,550 and for Year Two to \$14,200 from \$12,550. The increase in pricing is due to their normal pricing increase that occurs every other year.

The College has entered into an interlocal agreement with TASB due to various benefits including, but not limited to, the following:

- Continuous Monitoring of Legal Landscape



- ⇒ TASB initiates semiannual updates and ensures policies follow the latest compliance requirements from state and federal law regulations.
- Policy Development and Management
  - ⇒ To produce a comprehensive, current, and legally sound policy manual for use by the board and administration.
  - ⇒ TASB has in-house attorneys dedicated to policy development for community colleges and assigns a policy consultant available to provide unlimited policy consultation.
  - ⇒ TASB converts the policies to a standard template.
  - ⇒ Access to board policy manual published on the Policy On-Line tool.
- Development of Local and Legal policies
  - ⇒ Legal Policies
    - Summarize the law on a topic, which outline local board mandates regarding governance issues. They are compiled by TASB Community College Services to provide the legal framework for key areas of the college operations. (Appendix A)
  - ⇒ Local Policies
    - Are unique and consistent with College practices. This provides the College the opportunity to incorporate provisions that are in accordance with the College mission, vision, and Board of Trustee's preferences.
- Streamline of Policy Management Process
  - ⇒ Professional resources to supplement staff working on the policy management process.
  - ⇒ Policy review cycle and timely updates.

TASB's consultant and attorney will administer in person or remote training sessions during FY 2022 for Board members and Administrators. The purpose of the training is to provide an overview of TASB Policy Management and answer any questions. The training is included in the localization cost except for travel expenses.

Background - TASB is a voluntary, non-profit, statewide educational association. TASB was established in 1949 with two main goals:

- To share information through publications and training to help Texas board members serve their communities more effectively.
- To speak with a unified voice to decision-makers to chart the best future for Texas public schools.

Entering an interlocal agreement with TASB provides the College with an opportunity to strengthen the current policy management process. The policy manual under TASB will continue to adhere to the College's vision, mission, and core values for the continued commitment of excellence.

Enclosed Documents – A PowerPoint Presentation and a sample of the TASB Legal Policy on Student Rights and Responsibilities Student Expression and Freedom from Discrimination, Harassment, and Retaliation follow in the packet for the Board's review and information.

This information was provided for the Committee's information and feedback to administration, and no action is requested from the Board of Trustees.






## Policy Management Services

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

Frank Jason Gutierrez, MS, CSRM  
Director of Accountability, Risk, and Compliance


August 24, 2021



The College has maintained a Board Policy Manual since its inception and is entering into an agreement with the Texas Association of School Boards (TASB) in fiscal year 2022.

### Texas Association of School Boards (TASB)

- TASB provides expertise and comprehensive policy development and maintenance that includes legal and local provisions and annual updates responsive to the needs of Texas community colleges.



2

## TASB Policy Manual Statistics

### Community colleges with policy manuals maintained by TASB:

- |  |                                    |
|--|------------------------------------|
| • Alvin Community College                  | • Odessa College                   |
| • Austin Community College                 | • Panola College                   |
| • Blinn College                            | • Paris Junior College             |
| • Brazosport College                       | • Ranger College                   |
| • Coastal Bend College                     | • San Jacinto College              |
| • College of the Mainland                  | • Southwest Texas Junior College   |
| • Collin College                           | • Tarrant County College           |
| • Dallas County Community College District | • Temple College                   |
| • Frank Phillips College                   | • Texarkana College                |
| • Galveston College                        | • Texas Southmost College District |
| • Grayson College                          | • Trinity Valley Community College |
| • Hill College                             | • Tyler Junior College             |
| • Houston Community College                | • Vernon College                   |
| • Laredo College                           | • Victoria College                 |
| • Lee College                              | • Weatherford College              |
| • Midland College                          | • Western Texas College            |
| • North Central Texas College              | • Wharton County Junior College    |
| • Northeast Texas Community College        |                                    |

**35 out of 50 (70%)  
Community Colleges have  
their policy manual  
maintained by TASB.**



3

## Benefits and Services



### Monitoring and Updating

- TASB monitors changes in the legal landscape and prepares recommended revisions to the policy manual.
- TASB performs semiannual updates in accordance with the state and federal regulations.
- TASB prepares new and/or revises policies based on the regulatory requirements



### Policy Development and Management

- Produce a comprehensive, current, and legally sound policy manual.
- TASB has in-house attorneys dedicated to policy development.
- Conversion of policies to a standard template.
- Policy review cycle and timely updates.



### Develop Local and Legal policies

- TASB prepares local and legal policies.
- TASB prepares local policies that are unique and consistent with College practices.



### Policy Consultant

- Assigned to the college to provide individualized service and answer policy questions.
- Provides sample policies and drafts language consistent with TASB policies.



4

## Legal, Local, and Procedures



### Legal

- Legal Policies contain citations to the statutes, rules, and case law governing a particular topic and are compiled by TASB Community College Services to provide the legal framework for key areas of the college operations.



### Local

- Local Policies are unique and consistent with College practices and provides the college the opportunity to incorporate provisions that are in accordance with the College mission, vision, and Board of Trustee's preferences.



### Procedures

- TASB issues recommendations to transition College policies to internal procedures.



SOUTH TEXAS  
COLLEGE

5

## Policy Owners

- The College has a total of 277 policies.
- Policy Owners are assigned to their respective policies under their scope and are responsible for the following:
  - Reviewing policies,
  - Verifying policies are aligned with current operations,
  - Policy adherence to regulatory requirements.
- There are a total of 26 Policy Owners

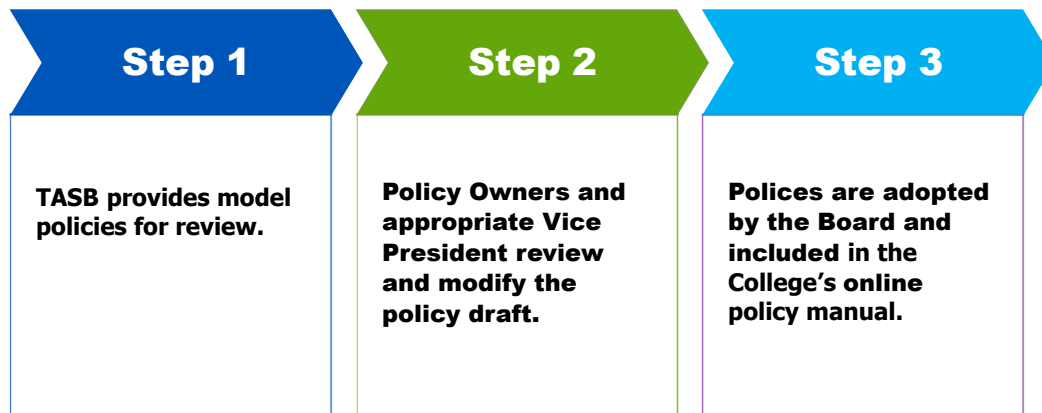


SOUTH TEXAS  
COLLEGE

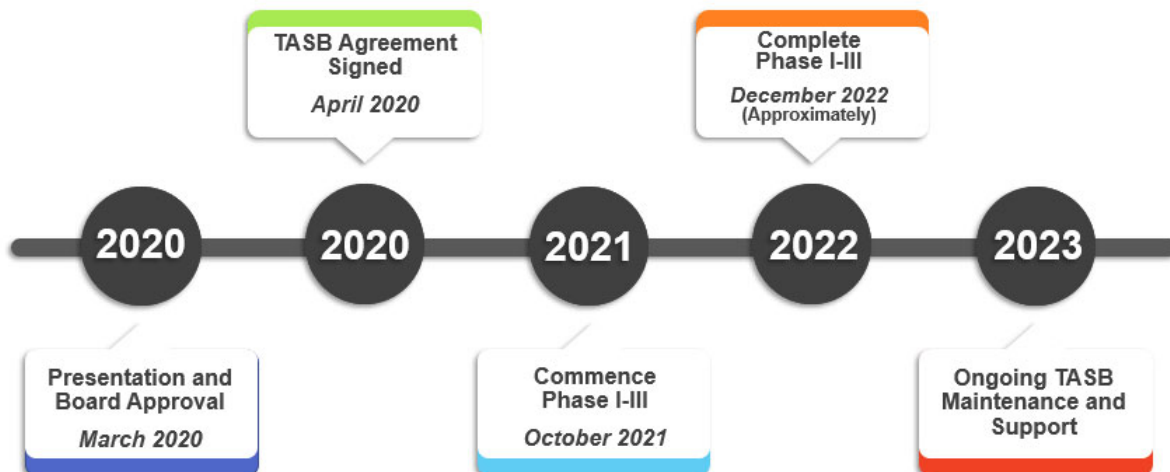
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## Initial Steps

TASB's development of the policy manual is divided into three phases.



## Policy Manual Timeline



## TASB Policy Management Services Pricing

**YEAR 1**

**\$28,200**

- 1<sup>st</sup> Year Policy Manual Update
- Policy Online Tool Setup
- Policy Online usage
- Community College Policy Reference Manual (CCPRM) Subscription

**YEAR 2**

**\$14,200**

- Semi-annual Policy Updates
- Policy Online usage
- Local Policy Maintenance
- Community College Policy Reference Manual (CCPRM) Subscription



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# Questions

## **Review and Action as Necessary on Consent Agenda Items from the Finance, Audit, and Human Resources Committee**

The following Consent Agenda items were thoroughly discussed by the Finance, Audit, and Human Resources Committee. All trustees, whether a member of the Committee or not, received all supporting documentation and were invited to participate in the deliberation on each item. Non-committee members did not participate in Committee votes for recommendation of Board action.

Administration believes that all questions raised during the Committee discussion of Consent Agenda items were resolved to the Committee's satisfaction at the meeting, and the items are presented here substantially as recommended by the Committee, for approval by the Board of Trustees.

Any trustee may identify an item or items that should be removed from the Consent Agenda for further discussion. Otherwise, the Board is asked to formally act on the full consent agenda, according to the details and recommended action presented for each item in the following pages

The Finance, Audit, and Human Resources Committee recommended Board action on the following items as presented.

- a. Approval of Award of Proposals, Purchases, Renewals, and Interlocal Agreement totaling \$5,660,203.90
- b. Acceptance of Internal Auditor's Annual Statement of Organizational Independence
- c. Approval of Internal Audit Charter
- d. Approval of Proposed Projects for Internal Auditor for FY 2021 – 2022
- e. Acceptance of the Internal Audit Annual Report for FY 2021

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the following items:

- a. Approval of Award of Proposals, Purchases, Renewals, and Interlocal Agreement totaling \$5,660,203.90
- b. Acceptance of Internal Auditor's Annual Statement of Organizational Independence
- c. Approval of Internal Audit Charter
- d. Approval of Proposed Projects for Internal Auditor for FY 2021 – 2022
- e. Acceptance of the Internal Audit Annual Report for FY 2021



**The Following Minute Order is proposed for consideration by the Board of Trustees:**  
The Board of Trustees approves and authorizes the following items:

- a. Approval of Award of Proposals, Purchases, Renewals, and Interlocal Agreement totaling \$5,660,203.90
- b. Acceptance of Internal Auditor's Annual Statement of Organizational Independence
- c. Approval of Internal Audit Charter
- d. Approval of Proposed Projects for Internal Auditor for FY 2021 – 2022
- e. Acceptance of the Internal Audit Annual Report for FY 2021

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**Consent Agenda Item:**

**a. Approval of Award of Proposals, Purchases, Renewals, and Interlocal Agreement totaling \$5,565,862.36**

Approval of the following award of proposals, purchases, renewals, and interlocal agreement is requested.

The Director of Purchasing has reviewed each item, including the procurement procedures and evaluation of all responses, and recommends approval as follows:

**A. Award of Proposals**

**1) Promotional Items for Student Outreach (Award)**

Award the proposal for promotional items for student outreach for the period beginning September 1, 2021 through August 31, 2022, at an estimated amount of \$70,000.00. The vendors are as follows:

<b>Vendor</b>	<b>Vendor</b>
<b>AuthenticPromotions.com</b> (Carmichael, CA)	<b>Imprezos Pro Uniforms, LLC.</b> (Pharr, TX)
<b>4 Imprint, Inc.</b> (Oshkosh, WI)	<b>Promo Universal, LLC.</b> (Corpus Christi, TX)
<b>Promo Masters</b> (Alton, TX)	

Purpose – Public Relations and Marketing and College Connections are requesting the purchase of promotional items for community awareness and various student events. Some of the promotional items purchased are as follows: pens, pencils, keychains, erasers, rulers, pouches, stress relievers, water bottles, cups, bags, lanyards, totes, etc.

Although the circumstances surrounding COVID-19 limited the College's physical engagements, the staff has been able to connect with prospective students through drive thru events, mail services, and other methods. Public Relations and Marketing and College Connections foresee the need to increase the College's engagement efforts to once again to meet enrollment goals.

Justification and Benefit – The requesting departments have provided a list of a few South Texas College events below:

- Public Relations and Marketing provides promotional items for the College's community outreach efforts, in the amount of \$35,000.00. Items are ordered as needed throughout the fiscal year.
  - ⇒ Increase community engagement during and after the pandemic to meet the enrollment goals and maintain brand awareness.

- ⇒ Increase the awareness of South Texas College at K-12 schools and other community organizations through the distribution of promotional items as requested.
- ⇒ And many more College/community events.
- College Connections purchases promotional items in the amount of \$35,000.00 for the following reasons:
  - ⇒ New Student Recruitment – College Connections recruits students from the two county district. Recruitment efforts target traditional and non-traditional students, parents, and the community. Traditional recruitment targets over 77 high school sites with over 55,000 students in grades 9-12. competitive with other college and university recruitment efforts and promotion.
  - ⇒ Campus Tours – College Connections connects students and their families to South Texas College campus tours. The Campus Tour has been redesigned as the South Texas College Experience to share the South Texas College story with prospective students and their families. Campus Tours introduce students to South Texas College and let them see and connect with the campus. Campus Tours include K-12 grades and community organizations. Over 5,000 students toured a South Texas College Campus in 2018-2019. Although impacted by the pandemic, campus tours have already been inquired about by schools for the 2021-2022 academic year.
  - ⇒ Community Awareness – College Connections hosts “Coffee Talks” with parents and the community at local community centers to begin the college conversation. The information sessions increase communication in the community and increase access for parents and community members that may not be able to attend a session at the local high school or college campus. Support is provided to parents and students to complete the Apply Texas application and the Free Application for Federal Student Aid (FAFSA). Community outreach efforts have expanded to partner with the Catholic Diocese of Brownsville to present to the community in parish halls to increase awareness and provide support for enrollment services.
  - ⇒ Student Ambassador Program – College Connections has launched the Student Ambassador Program to serve as a peer-to-peer mentor program and supplement recruitment efforts in the community. Student Ambassadors meet with current college students to promote registration, financial aid, and overall student success. In addition, Student Ambassadors support recruiter efforts in partner schools and community events.
  - ⇒ Numerous other College/community events.

Background – Proposal documents were advertised on June 9, 2021 and June 16, 2021 and issued to twenty-one (21) vendors. Ten (10) responses were received on June 24, 2021 and reviewed by Public Relations and Marketing, College Connections, and the Purchasing Department.

Funds for this expenditure are budgeted in the various department budgets for FY 2021 – 2022, pending Board approval of the budget.

## 2) Promotional T-Shirts for Student Outreach (Award)

Award the proposal for promotional t-shirts for student outreach for the period beginning September 1, 2021 through August 31, 2022, with two one-year options to renew, at an estimated total amount of \$58,000.00. The vendors are as follows:

Vendor	Vendor
<b>Ad-Wear &amp; Specialty of Texas, Inc.</b> (Houston, TX)	<b>Exclusive Decals &amp; Screenprinting</b> (Alton, TX)
<b>Imprezos Pro Uniforms, LLC.</b> (Pharr, TX)	<b>AuthenticPromotions.com</b> (Carmichael, CA)

Purpose – Public Relations and Marketing, Student Activities, and College Connections are requesting the purchase of promotional t-shirts for various community events and to promote South Texas College.

Although the circumstances surrounding COVID-19 limited the College's physical engagements, the staff has been able to connect with prospective students through drive thru events, mail services, and other methods. Public Relations and Marketing, Student Activities, and College Connection foresee the need to increase the College's engagement efforts to once again to meet enrollment goals.

Justification and Benefit – The requesting departments have provided a list of a few South Texas College events below:

- Public Relations and Marketing - \$13,000.00
  - ⇒ Increase community engagement during and after the pandemic to meet the enrollment goals and maintain brand awareness
  - ⇒ College t-shirts instill college pride among our community, parents, business members, and educators
  - ⇒ Youth t-shirts are distributed among elementary school students to promote a college-attending culture
  - ⇒ T-shirts are used to create awareness of South Texas College throughout community events and College mascot Jerry the Jaguar appearances
  - ⇒ During general marketing projects including social media and student photo shoots, t-shirts are used as an incentive for student participation and engagement
  - ⇒ And many more College/community events
- Student Activities and Wellness - \$25,000.00
  - ⇒ Student Intramural Sport Teams (Basketball, Soccer, Flag Football, Dodge Ball, Volleyball, etc.)
  - ⇒ Student Leadership Academy and Student Government Association
  - ⇒ Community College Day when students visit at the State Capital
  - ⇒ Student Activities and Wellness events for marketing and recruitment (Earth Day, etc.)

⇒ And many more College/community events.

- College Connections - \$20,000.00

- ⇒ High School Recruitment – College Connections distributes shirts at recruitment events and high schools. Students participating in college bound programs and campus visits wear the College shirts. With over 77 high school sites in Hidalgo and Starr Counties, and over 55,000 students in grades 9-12, the college competes with other institutions of higher education to engage and recruit students and their families to South Texas College. Although recruitment initiatives were impacted by the pandemic, the College Connections staff welcomed over 2,000 prospective students to one of our 5 campuses and helped them connect to the institution. In addition, multiple mailout packages were sent to prospective and new students. T-shirts are an essential part of the College's recruitment and connection process.
- ⇒ Non-Traditional Recruitment – College Connections leads several initiatives to target non-traditional student populations. The adult learners are reengaged through the recruitment process and connected to the College. These populations include local law enforcement, fire fighters, border patrol, custom agents, TxDot, active military, and veterans and their families.
- ⇒ Excitement and Branding - South Texas College t-shirts are provided as promotional giveaways at recruitment events, community events, college fairs, and local schools. The South Texas College t-shirt builds excitement about the College and are worn by students and the community.
- ⇒ Numerous other College/community events.

Background – Proposal documents were advertised on June 9, 2021 and June 16, 2021 and issued to twenty-seven (27) vendors. Eight (8) responses were received on June 24, 2021 and reviewed by Public Relations and Marketing, Student Activities and Wellness, College Connections, and the Purchasing Department.

Funds for this expenditure are budgeted in the various department budgets for FY2021 – 2022, pending Board approval of the budget.

### 3) Welding Gases, Metals, and Supplies (Award)

Award the proposal for welding gases, metals, and supplies for the period beginning October 1, 2021 through September 30, 2022 with two one-year options to renew, at an estimated total amount of \$175,000.00. The vendors are as follows:

Vendor	Vendor
<b>Fastenal Company</b> (McAllen, TX)	<b>Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co.</b> (Brownsville, TX)
<b>Matheson</b> (San Benito, TX)	<b>Praxair Distribution, Inc.</b> (McAllen, TX)
<b>Rio Grande CAS</b> (Edinburg, TX) (New)	<b>Rio Grande Steel</b> (Edinburg, TX)
<b>Triple-S Steel Supply, LLC./ dba Alamo Iron Works</b> (San Antonio, TX)	

Purpose – The Welding Program in the Division of Technology and Continuing Professional and Workforce Education are requesting to purchase welding gases, metals, and supplies.

Justification and Benefit – The welding supplies will be used for student instruction by the Welding Program and Continuing Education. The purchases will include various gases and metals and classroom/lab supplies used by students for hands on instruction in welding classes throughout the College district. The proposal award to each vendor will be based upon the items they provide, pricing, and item availability (delivery timeline).

Background – Proposal documents were advertised on July 7, 2021 and July 14, 2021 and issued to sixteen (16) vendors. Eight (8) responses were received on June 24, 2021 and reviewed by the Welding Program, Continuing Education, and the Purchasing Department. One vendor submitted an incomplete proposal, therefore were not considered.

Funds for this expenditure are budgeted in the Welding Program and Continuing Education budgets for FY 2021 – 2022, pending Board approval of the budget.

## **B. Purchases and Renewals (B-b. Non – Instructional Item)**

### **4) Chill Water Chiller (Purchase)**

Purchase a chill water chiller from **Johnson Control, Inc.** (Milwaukee, WI), The Interlocal Purchasing System (TIPS) approved vendor, at a total amount of \$300,342.86.

Purpose – The Facilities Operations and Maintenance Department and the Facilities Planning and Construction Department are requesting the purchase of a new chill water chiller system for the Technology Campus. The new chiller will replace a twenty (20) year old chiller, which is currently located at the Technology Campus and is out of warranty and end of life. The upgrade to a newer more efficient model is needed and will serve as the second chiller at the location.

Justification and Benefit - Because of the length of time the chiller has been operating, there have been numerous operational issues with the chiller including the requirement to have the compressor veins and seals either replaced or repaired. The existing chiller does not maintain compressor oil, the compressor is always in fault and needs to be serviced often, and the display monitor is constantly going blank.

Every other week, the Facilities Operations and Maintenance Department will designate the new and existing chiller to serve as the lead chiller or the backup chiller (for redundancy). The chillers will alternate as leads every other week. These chillers will support three (3) existing buildings: Buildings A-Emerging Technologies, B-Advanced Technical Careers, and E-Institute for Advanced Manufacturing. The purchase of a new

chiller would be a turnkey operation and Johnson Controls will remove the existing chiller and replace it with a new chiller.

Funds for this expenditure are budgeted in the Facilities Renewal and Replacement budget for FY 2020 – 2021 and FY 2021 – 2022, pending Board approval of the budget.

## **B. Purchases and Renewals (B-c. Technology Items)**

### **5) Banner Application Maintenance Agreement (Renewal)**

Renew the Banner application maintenance agreement with Ellucian, Inc. through **Texas A&M University – Corpus Christi** (Corpus Christi, TX), acting by and through the State of Texas Department of Information Resources (DIR) for the Texas Connection Consortium (TCC), for the period beginning September 1, 2021 through August 31, 2022, at an estimated total amount of \$406,556.92.

Purpose – Information Technology is requesting to renew the Banner application maintenance and support for the Banner applications and existing third party applications that work with the Banner system.

Justification and Benefit – The applications included in the renewal agreement are as follows:

Banner Financial Aid	Banner Finance	Banner Finance Self-Service
Banner Human Resources	Banner Employee Self-Service	Banner Student
Banner Student Self-Service	Banner Faculty Self-Service	Luminis Basic
Banner Workflow	Campus Loan Manager	Operational Data Store
Electronic Data Interchange (EDI) Smart	Mobile Platform Edition	Banner Document Management Suite
Banner Recruiting and Admission Performance	Degree Works	Degree Works Transfer Equivalency
AppWorx	Xtender Solutions	Application Xtender
Financial Aid Federal Methodology (FM) Need Analysis	Document Management Suite	Application Xtender Test Bundle
Banner Enterprise Job Scheduler	Application Xtender Web Services	Intelligent Learning Platform

The Banner system applications collaborate across departments in fulfilling the day-to-day operations and improving processes for faculty, staff, and students. The three (3) main systems are Banner Finance, Banner Human Resources, and Banner Student.

The agreement is a standing maintenance agreement with Ellucian, a sole source vendor. The contract is purchased through the Texas Connection Consortium (TCC) in order to purchase at a substantially discounted rate.

Funds for this expenditure are budgeted in the Application Development budget for FY 2021 – 2022, pending Board approval of the budget.

#### **6) Banner Travel and Expense System Subscription (Renewal)**

Renew the Banner travel and expense system subscription with Ellucian, Inc. through **Texas A&M University – Corpus Christi** (Corpus Christi, TX), acting by and through the State of Texas Department of Information Resources (DIR) for the Texas Connection Consortium, for the period beginning October 1, 2021 through September 30, 2024, at an annual amount of \$29,600.00 and total contract amount of \$88,800.00.

Purpose – The Business Office is requesting to renew the annual subscription for the cloud platform for the travel and expense system. This system will be used to process travel documents for college employees district wide. It facilitates the submission of travel documents, minimizes repetitive processes, and strengthens controls.

Justification and Benefit – This online system stores the following information related to faculty and staff travel: airfare, mileage, hotel, car rental, and per diem.

Funds for this expenditure are budgeted in the Applications Development budget for FY 2021 – 2022, FY 2022 – 2023, and FY 2023 – 2024, pending Board approval of the budgets.

#### **7) Communication Software Agreement (Renewal)**

Renew the communication software agreement with **Hit Labs, Inc.** (Lehi, UT), a sole source vendor, for the period beginning September 1, 2021 through August 31, 2022, at an estimated amount of \$71,465.63.

Purpose – Distance Education is requesting to renew the communication software agreement which is used with Blackboard for communication with students taking online courses.

Justification and Benefit – The communication software connects student and instructors with real-time chat, group video chat, allow for announcements, provides message language translation, file sharing and storage, and task management. It supports the student in learning faster, working smarter, and the ability to communicate seamlessly. In addition, this software has instant translation so the instructor or student can create a message in English and the reader can enable the option to see that message in multiple language options. Given our large number of ESL students, this tool is a valuable option for student-instructor interactions.



Funds for this expenditure are budgeted in the Higher Education Emergency Relief Fund (HEERF) award budget for FY 2021 – 2022, pending Board approval of the budget.

**8) Course Management and Hosting Services (Renewal)**

Renew the course management and hosting services contract with **Blackboard, Inc.** (Washington, DC), a sole source vendor, for the periods beginning and ending, and total amounts as follows:

<b>Period</b>	<b>Amount</b>
September 30, 2021 through September 29, 2022	\$773,804.00
September 30, 2022 through September 29, 2023	\$781,242.00
September 30, 2023 through September 29, 2024	\$788,755.00
September 30, 2024 through September 29, 2025	\$796,342.00
<b>Total for 4 years</b>	<b>\$3,140,143.00</b>

Purpose – Distance Education is requesting to renew the course management and hosting and collaborative services for four (4) years with modify services. On July 28, 2020, the Board of Trustees approved a five (5) year contract with Blackboard to provide course management and hosting services, accessibility, outcomes and pyramid data reporting, 24/7 Help Desk services, and the EesySoft communication tool. The services have been modified and reduced pricing has been offered. The vendor has requested a new contract which will replace or supersede the previous contract with the term/period remaining the same.

Justification and Benefit – The course management provides South Texas College students and faculty with the virtual environment through which online courses are taught and service is provided for the College's online campus (eSTC). The hosting services agreements will provide South Texas College with the technical services needed to keep up with the growth and success of the online campus (eSTC), in addition to supporting the College's Instructional Continuity Plan.

The collaborative services will provide the instructors with the ability to engage students through online classrooms in several ways which includes meet, share, and learn in real time.

Funds for this expenditure are budgeted in the Distance Education budget for FY 2021 – 2022, pending Board approval of the budget.

**9) Data Hosting and Maintenance Agreement (Renewal)**

Renew the data hosting and maintenance agreement with **TouchNet Information Systems, Inc.** (Atlanta, GA), a sole source vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$265,838.00.

Purpose – Information Technology is requesting to renew the annual hosting and maintenance services for the College's cashiering system.

Justification and Benefit - The data hosting services provide a data secure environment for all payments received at the College. All personal, bank, and credit card information must be stored in a Payment Card Industry (PCI) certified data center to prevent fraud. The maintenance covers support issues for the cashiering system including online payments by credit cards and checks and for the equipment used by South Texas College staff.

Funds for this expenditure are budgeted in the Application Development budget for FY 2021 – 2022, pending Board approval of the budget.

#### **10) Email Security Software License Agreement (Renewal)**

Renew the email security software license agreement with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 30, 2021 through September 29, 2022, at a total estimated amount of \$39,219.60.

Purpose – Information Security is requesting to renew the email security cloud solution, Proofpoint, to protect the College's Office 365 email services from inbound cyber-attacks, and to protect email users from malware, spam, and phishing attempts. It also provides secure messaging capabilities to be able to send sensitive data through email.

Justification and Benefit – Email is widely used as a method to deliver malware, trick people into providing login credentials, and constantly targeted by spammers. The College needs to protect the service with a tool that provides protection against these threats. This license provides a service for sharing sensitive information securely with trusted parties and can greatly reduce the probability of a successful phishing attempt.

Funds for this expenditure are budgeted in the Information Security budget for FY 2021 – 2022, pending Board approval of the budget.

#### **11) Enterprise Software Licenses and Maintenance Agreements (Renewal)**

Renew the enterprise software licenses and maintenance agreements with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR), Texas Association of School Boards – Buyboard, and Purchasing Association of Cooperative Entities (PACE) approved vendor, for the period beginning September 1, 2021 through September 20, 2022, at an estimated total amount of \$75,063.40.

Purpose – Information Technology (IT) is requesting to renew various enterprise software licenses and maintenance agreements used on computers at all campuses, ticketing

system licenses used by the Information Services and Planning (IS&P) Help Desk, monitoring and alert system, at the College's data backup storage systems.

**Justification and Benefit** – The software licenses are installed on the student lab computers and classroom computers throughout all the college's campuses and remote sites. The software retains the computer's original settings and configurations in order to keep them running efficiently and to prevent hardware failures or downtime.

The ticketing system licenses are used by the IT Service Desk to keep track of any technical support issue called in by the South Texas College faculty, staff, and students using the support ticketing system licenses.

IT uses the monitoring and alert system to continuously monitor all systems (servers and switches) to prevent any service interruptions for the faculty, staff, and students.

Funds for this expenditure are budgeted in the Information Technology Risk and Security, Client Services, and Technology Support Services budgets for FY 2021 – 2022, pending Board approval of the budget.

### **12) Internet Service – District Wide (Renewal)**

Renew the internet service - district wide agreement with Spectrum Gulf Coast through the State of Texas **Department of Information Resources (DIR) – TEXAN** (Austin, TX), for the period beginning September 1, 2021 through August 31, 2022, at an estimated monthly total of \$15,000.00 and estimated annual total amount of \$180,000.00.

**Purpose** – Information Technology is requesting to renew the agreement for direct internet service to the Pecan Campus Building M Data Center. This service is also distributed throughout the College district from the Pecan Campus.

**Justification and Benefit** – The service will be utilized by student, faculty, and staff to access the internet for use in classrooms, labs, and offices at all campuses and centers.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2021 – 2022, pending Board approval of the budget.

### **13) Oracle License Maintenance Agreement (Renewal)**

Renew the Oracle license maintenance agreement with **Oracle America, Inc.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$497,293.72.

Purpose – Information Technology is requesting to renew the support for database licenses, database security licenses, and database backup licenses at a quantity of 24,241 for each type of license, which is used for the College's administrative computing system.

Justification and Benefit – The support services include maintenance and upgrades to the database licenses. The upgrades are needed so that the College stays up to date with the latest version of the software that supports the Banner system as well as other enterprise level software throughout the College.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2021 – 2022, pending Board approval of the budget.

#### **14) Public Website Hosting Services Agreement (Renewal)**

Renew the public website hosting services agreement with **Rackspace US, Inc.** (San Antonio, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total estimated amount of \$75,000.00.

Purpose – Information Technology is requesting to renew the agreement for the College's public website hosting services.

Justification and Benefit – The public website hosting service hosts the South Texas College public and library websites in a secure off-site location. The maintenance agreement provides 24/7 technical support and the ability to keep the websites running during events such as hurricanes or routine systems maintenance. The service also provides redundancy to the College's public website in the event of a shutdown of computing resources at the College.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2021 – 2022, pending Board approval of the budget.

#### **15) Server Hardware Maintenance and Support Agreement (Renewal)**

Renew the server hardware maintenance and support agreement with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$79,438.43.

Purpose – Information Technology is requesting to renew the server hardware maintenance and support agreement for the Dell servers.

Justification and Benefit - The Dell hardware maintenance agreement supports and maintains the College's computer servers that include the servers used for the security cameras. The agreement provides twenty-four (24) hour, year-round support.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2021 – 2022, pending Board approval of the budget.

**16) System Appliances Maintenance (Renewal)**

Renew the system appliances maintenance with **Netsync Network Solutions, Inc.** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$20,700.80.

Purpose – Information Technology is requesting to renew the hardware maintenance agreement for the F5 system appliances.

Justification and Benefit - The F5 system appliances provide high availability, security, and performance for critical business applications such as Luminis, JagPride, Outlook Web Access, JagParking, and Dual Enrollment. The agreement covers the maintenance and technical support of the appliances and provides twenty-four (24) hour, year-round support.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2021 – 2022, pending Board approval of the budget.

**C. Interlocal Agreement**

**17) Graduation Facility (Lease Agreement)**

Lease the graduation facility from the **City of Hidalgo / dba Payne Arena** (Hidalgo, TX), through an interlocal license agreement, from December 10, 2021 beginning at 8:00 a.m. through December 12, 2021 at midnight, at an estimated amount of \$23,000.00.

Purpose – The Division of Student Services is requesting a license agreement for the rental of a facility for graduation ceremonies, which will be held on Saturday, December 11, 2021 at 9:00 a.m., 1:00 p.m., and 5:00 p.m.

Justification and Benefit – The facility will be used for South Texas College graduation ceremonies in December 2021. The cost includes the use of the facility, audiovisual equipment, and personnel.

Funds for this expenditure are budgeted in the Graduation budget for FY 2021 – 2022, pending Board approval of the budget.

### Recommendation:

On August 10, 2021, the Finance, Audit, and Human Resources Committee recommend for Board approval of the award of proposals, purchases, renewals, and interlocal agreement as listed below.

The Committee's recommendation also included another item, for the renewal of a Network Hardware and Software Maintenance Agreement with Netsync Network Solutions, Inc. Since the Committee meeting, the pricing has increased from what the Committee recommended, and that item will be presented separately for deliberation by the Board of Trustees.

### A. Award of Proposals

- 1) **Promotional Items for Student Outreach (Award):** award the proposal for promotional items for student outreach for the period beginning September 1, 2021 through August 31, 2022, at an estimated amount of \$70,000.00. The vendors are as follows:

Vendor	Vendor
<b>AuthenticPromotions.com</b> (Carmichael, CA)	<b>Imprezos Pro Uniforms, LLC.</b> (Pharr, TX)
<b>4 Imprint, Inc.</b> (Oshkosh, WI)	<b>Promo Universal, LLC.</b> (Corpus Christi, TX)
<b>Promo Masters</b> (Alton, TX)	

- 2) **Promotional T-Shirts for Student Outreach (Award):** award the proposal for promotional t-shirts for student outreach for the period beginning September 1, 2021 through August 31, 2022, with two one-year options to renew, at an estimated total amount of \$58,000.00. The vendors are as follows:

Vendor	Vendor
<b>Ad-Wear &amp; Specialty of Texas, Inc.</b> (Houston, TX)	<b>Exclusive Decals &amp; Screenprinting</b> (Alton, TX)
<b>Imprezos Pro Uniforms, LLC.</b> (Pharr, TX)	<b>AuthenticPromotions.com</b> (Carmichael, CA)

- 3) **Welding Gases, Metals, and Supplies (Award):** award the proposal for welding gases, metals, and supplies for the period beginning October 1, 2021 through September 30, 2022, with two one-year options to renew, at an estimated total amount of \$175,000.00. The vendors are as follows:

Vendor	Vendor
<b>Fastenal Company</b> (McAllen, TX)	<b>Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co.</b> (Brownsville, TX)
<b>Matheson</b> (San Benito, TX)	<b>Praxair Distribution, Inc.</b> (McAllen, TX)

<b>Rio Grande CAS</b> (Edinburg, TX) (New)	<b>Rio Grande Steel</b> (Edinburg, TX)
<b>Triple-S Steel Supply, LLC./ dba Alamo Iron Works</b> (San Antonio, TX)	

**B. Purchases and Renewals (B-b. Non-Instructional Items)**

- 4) **Chill Water Chiller (Purchase):** purchase a chill water chiller from **Johnson Controls, Inc.** (Milwaukee, WI), The Interlocal Purchasing System (TIPS) approved vendor, at a total amount of \$300,342.86;

**B. Purchases and Renewals (B-c. Technology Items)**

- 5) **Banner Application Maintenance Agreement (Renewal):** renew the Banner application maintenance agreement with Ellucian, Inc. through **Texas A&M University – Corpus Christi** (Corpus Christi, TX), acting by and through the State of Texas Department of Information Resources (DIR) for the Texas Connection Consortium (TCC), for the period beginning September 1, 2021 through August 31, 2022, at an estimated total amount of \$406,556.92;
- 6) **Banner Travel and Expense Subscription (Renewal):** renew the Banner travel and expense subscription with Ellucian, Inc. through **Texas A&M University – Corpus Christi** (Corpus Christi, TX), acting by and through the State of Texas Department of Information Resources (DIR) for the Texas Connection Consortium, for the period beginning October 1, 2021 through September 30, 2024, at an annual amount of \$29,600.00 and total contract amount of \$88,800.00;
- 7) **Communication Software Agreement (Renewal):** renew the communication software agreement with **Hit Labs, Inc.** (Lehi, UT), a sole source vendor, for the period beginning September 1, 2021 through August 31, 2022, at an estimated amount of \$71,465.63;
- 8) **Course Management and Hosting Services (Renewal):** renew the course management and hosting services contract with **Blackboard, Inc.** (Washington, DC), a sole source vendor, for the periods beginning and ending, and total amounts as follows:

<b>Period</b>	<b>Amount</b>
September 30, 2021 through September 29, 2022	\$773,804.00
September 30, 2022 through September 29, 2023	\$781,242.00
September 30, 2023 through September 29, 2024	\$788,755.00
September 30, 2024 through September 29, 2025	\$796,342.00
<b>Total for 4 years</b>	<b>\$3,140,143.00</b>

- 9) **Data Hosting and Maintenance Agreement (Renewal):** renew the data hosting and maintenance agreement with **TouchNet Information Systems, Inc.** (Atlanta, GA), a sole source vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$265,838.00;
- 10) **Email Security Software License Agreement (Renewal):** renew the email security software license agreement with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information

Resources (DIR) approved vendor, for the period beginning September 30, 2021 through September 29, 2022, at a total amount of \$39,219.60;

- 11) Enterprise Software Licenses and Maintenance Agreements (Renewal):** renew the enterprise software licenses and maintenance agreements with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR), Texas Association of School Boards – Buyboard, and Purchasing Association of Cooperative Entities (PACE) approved vendor, for the period beginning September 1, 2021 through September 20, 2022, at a total amount of \$75,063.40;
- 12) Internet Service – District Wide (Renewal):** renew the internet service – district wide agreement with Spectrum Gulf Coast through the State of Texas **Department of Information Resources (DIR) – TEXAN** (Austin, TX), for the period beginning September 1, 2021 through August 31, 2022, at an estimated monthly total amount of \$15,000.00 and estimated annual total amount of \$180,000.00;
- 13) Oracle License Maintenance Agreement (Renewal):** renew the Oracle license maintenance agreement with **Oracle America, Inc.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$497,293.72;
- 14) Public Website Hosting Services Agreement (Renewal):** renew the public website hosting services agreement with **Rackspace US, Inc.** (San Antonio, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total estimated amount of \$75,000.00;
- 15) Server Hardware Maintenance and Support Agreement (Renewal):** renew the server hardware maintenance and support agreement with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$79,438.43;
- 16) System Appliances Maintenance Agreement (Renewal):** renew the system appliances maintenance agreement with **Netsync Network Solutions, Inc.** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$20,700.80;

#### **C. Interlocal Agreement**

- 17) Graduation Facility (Lease Agreement):** Lease the graduation facility from the **City of Hidalgo / dba Payne Arena** (Hidalgo, TX), through an interlocal license agreement, from December 10, 2021 beginning at 8:00 a.m. through December 12, 2021 at midnight, at an estimated amount of \$23,000.00;

Recommend Action - The total for all award of proposals, purchases, renewals, and interlocal agreement is \$5,565,862.36.



**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the award of proposals, purchases, renewals, and interlocal agreement totaling \$5,565,862.36.

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

The Board of Trustees of Trustees of South Texas College approves and authorizes the award of proposals, purchases, renewals, and interlocal agreement totaling \$5,565,862.36.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**Consent Agenda Item:**

**b. Acceptance of Internal Auditor's Annual Statement of Organizational Independence**

Mr. Khalil Abdullah, Internal Auditor, confirmed the organizational independence of the internal audit activity to the Finance, Audit, and Human Resources Committee as required by applicable IIA *Standard* 1110 as listed below.

The Board is now asked to formally accept the Auditor's Annual Statement of Organizational Independence.

The audit organization and the individual auditor should be free in both fact and appearance from personal, external, and organizational impairments to independence. Internal auditors are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render the impartial and unbiased judgments essential to the proper conduct of audits. It is achieved through organizational structure and objectivity.

South Texas College's Office of Internal Audits expects our auditors to comply with professional standards and internal policies and procedures; maintain independence of mental attitude in the conduct of all assigned work; to be objective, fair, and impartial; and to conduct themselves so that auditees and third parties will see our office in this way. Each staff member must promptly notify the Chief Audit Executive (CAE), in writing, concerning any situation that would impair the staff member's or the office's independence on an audit, or that might lead others to question it. The Chief Audit Executive (CAE) describes the person responsible for effectively managing the internal audit activity. At South Texas College, those responsibilities reside with the Internal Auditor.

IIA *Standard* 1110 *Organizational Independence* – The CAE must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The CAE must confirm to the board, at least annually, the organizational independence of the internal audit activity.

IIA *Standard* 1100 *Independence and Objectivity* – The internal audit activity must be independent, and internal auditors must be objective in performing their work.

*Interpretation* of *Standard* 1100 – "Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the chief audit executive has direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship. Threats to independence must be managed at the individual auditor, engagement, functional, and organizational levels. Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional, and organizational levels."

Enclosed Documents – The Internal Auditor's Annual Statement of Organizational Independence follows in the packet for the Board's information and review.

The Finance, Audit, and Human Resources Committee recommended Board acceptance of the Internal Auditor's Statement of Organizational Independence as presented.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College accept the Internal Auditor's Statement of Organizational Independence as presented.

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

The Board of Trustees of Trustees of South Texas College accepts the Internal Auditor's Statement of Organizational Independence as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

## Internal Auditor's Annual Statement of Organizational Independence

As required by the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of internal Auditing (Standards)*, The chief audit executive (CAE)<sup>1</sup> "must confirm to the board, at least annually, the organizational independence of the internal audit activity" (Attribute Standard 1110); and "must communicate and interact directly with the board" (Attribute Standard 1111); and "should discuss the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework with senior management and the board" (Attribute Standard 1010);

In conjunction with the Internal Auditor's responsibilities for coordinating the effective auditing and reporting audit activities to South Texas College's Finance, Audit, and Human Resources Committee, the Internal Auditor will report annually to the Finance, Audit, and Human Resources Committee on the following statements to fulfill adherence with IIA *Standards*.

Internal Auditor: Khalil M. Abdullah

Institution: South Texas College

☒ I confirm that an annual departmental process is in place to certify that South Texas College's internal auditors, including myself, will comply with the IIA *Standards* and Code of Ethics, which contains guidance on confidentiality. This process includes a discussion with Finance, Audit, and Human Resources Committee as appropriate.

☒ I confirm the organizational independence of the internal audit activity at the institution. In addition, I confirm that an annual departmental process is in place to certify that South Texas College's internal auditors, including myself, have reviewed personal situations with respect to the institution and are not aware of any circumstances that might impair our ability to be independent and objective on any audit or that might lead others to question it.

☒ I understand that I am responsible to make timely written notification to the Finance, Audit, and Human Resources Committee in the event any circumstances arise during the course of the year that might impair or appear to impair independence.

☒ I am receiving support for audit activities from the President, Vice Presidents, and other employees of South Texas College to provide the necessary audit services, with the following exception(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: Khalil M. Abdullah

Date: 6-29-2021

<sup>1</sup> The Chief Audit Executive (CAE) describes the person responsible for effectively managing the internal audit activity. At South Texas College, those responsibilities reside with the Internal Auditor.

Institute of Internal Auditor's (IIA)

**Mission of Internal Audit:**

To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

**Definition of Internal Auditing:**

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**Code of Ethics:**

The purpose of The Institute's Code of Ethics is to promote an ethical culture in the profession of internal auditing.

**Principles**

Internal auditors are expected to apply and uphold the following principles:

1. **Integrity** – The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
2. **Objectivity** – Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
3. **Confidentiality** – Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
4. **Competency** – Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

## **Rules of Conduct**

### **Integrity:**

Internal auditors...

- 1.1 Shall perform their work with honesty, diligence, and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a part to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organization

### **Objectivity:**

Internal auditors...

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

### **Confidentiality:**

Internal auditors...

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

### **Competency:**

Internal auditors...

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2 Shall perform internal audit services in accordance with the *International Standards for the Professional Practice of Internal Auditing*.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.



**Consent Agenda Item:**

**c. Approval of Internal Audit Charter**

Approval of the Internal Audit Charter for the period of September 1, 2021 through August 31, 2022 is requested.

Purpose – An Internal Audit Charter is required by the Institute of Internal Auditors (IIA) *Standards*. Specifically, IIA Attribute Standard 1000 states that “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the *Standards*. The chief audit executive must periodically review the Internal Audit Charter and present it to senior management and the Board for approval.”

Justification – Approval of the Internal Audit Charter aligns South Texas College’s internal audit function with the IIA *Standards* as prescribed in Manual of Policy 5460.

Background – The Internal Audit Charter is a formal document that defines the internal audit activity’s purpose, authority, and responsibility. The charter establishes the internal audit activity’s position within the organization, including the nature of the internal auditor’s functional reporting relationship with the Board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter resides with the Board.

Enclosed Documents – The Internal Audit Charter follows in the packet for the Board’s review and discussion.

Dr. Ricardo J. Solis, President, Mary Elizondo, Vice President for Finance and Administrative Services, and Khalil Abdullah, Internal Auditor, attended the August 10, 2021 Finance, Audit, and Human Resources Committee meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval of the Internal Audit Charter for the period of September 1, 2021 through August 31, 2022 as presented.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the Internal Audit Charter for the period of September 1, 2021 through August 31, 2022 as presented.

**The Following Minute Order is proposed for consideration by the Board of Trustees:**  
The Board of Trustees of Trustees of South Texas College approves and authorizes the Internal Audit Charter for the period of September 1, 2021 through August 31, 2022 as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**



**SOUTH TEXAS COLLEGE  
INTERNAL AUDIT CHARTER  
EFFECTIVE AUGUST 24, 2021**

**INTRODUCTION**

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the College. It assists the College in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, governance, and internal controls.

**ROLE**

The internal audit function is established by the College Board of Trustees, Finance, Audit, and Human Resources Committee (hereafter referred to as the Board). The internal audit function's responsibilities are defined by the Board as part of their oversight role.

**AUTHORITY**

The internal audit function, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of the College's property, records (manual or electronic), and personnel pertinent to carrying out authorized engagements. All employees are requested to assist the internal audit function in fulfilling its roles and responsibilities. The internal audit function will also have free and unrestricted access to executive management and the Board.

**INDEPENDENCE & OBJECTIVITY**

The internal audit function will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's independence or objectivity. Internal auditors are not authorized to perform any operational duties, initiate or approve accounting transactions external to the internal audit function, or direct the activities of any employee not employed by the internal audit function, except to the extent such employees have been appropriately assigned to auditing teams or otherwise assist the internal audit function. Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Internal Auditor will confirm to the Board, at least annually, the organizational independence of the internal audit activity.

## **INTERNAL AUDIT PLAN**

At least annually, the Internal Auditor will submit to senior management and the Board an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal year. The Internal Auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Board. The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Board. The Internal Auditor will review and adjust the plan, as necessary, in response to changes in the College's risks, operations, programs, systems, and internal controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Board.

## **ORGANIZATION**

The Internal Auditor will report functionally to the President and the Board and administratively (i.e. day to day operations) to the Vice President of Finance and Administrative Services.

The Board will

- Approve the internal audit charter;
- Approve the risk-based annual audit plan;
- Approve decisions regarding the appointment and removal of the Internal Auditor;
- Approve the remuneration of the Internal Auditor;
- Complete an annual performance appraisal of the Internal Auditor;
- Approve the internal audit budget and resource plan;
- Receive communications from the Internal Auditor on the internal audit activity's performance relative to its plan and other matters; and
- Make appropriate inquiries of management and the Internal Auditor to determine whether there are inappropriate scope or resource limitations.

The Internal Auditor will communicate and interact directly with the Board, including in executive sessions and between Board meetings as appropriate.

## **SCOPE OF ACTIVITIES**

Assurance Services are objective examinations of evidence for the purpose of providing an independent assessment. The scope of work for assurance services is to determine whether the College's risk management, governance, and control processes as designed and represented by management, is adequate and functioning in a manner to help ensure:

- Risks are appropriately identified and managed;
- Significant financial, managerial, and operating information is accurate, reliable, and timely;
- Employees' actions are in compliance with policies, standard, procedures, and applicable laws and regulations;

- Resources are acquired economically, used efficiently, and adequately protected;
- Established objectives and goals are met and whether operations or activities are being conducted as planned;
- Quality and continuous improvement are fostered in the institution's control process.

Consulting Services are advisory and include other service activities such as counsel, advice, facilitation, training, and participation on standing or temporary management committees or project teams. The objective of consulting services is to add value in the development or modification of organization processes, procedures, and controls to minimize risk and achieve department objectives. Accepted consulting engagements will be included in the audit plan.

## **STANDARDS OF AUDIT PRACTICE**

The internal audit function will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the College's relevant policies and procedures and the internal audit activity's audit manual.

## **RESPONSIBILITIES**

The Internal Auditor has a responsibility to:

- Develop a flexible, annual work plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the President, and the Board of Trustees' Finance, Audit, and Human Resources Committee for review and approval as well as periodic updates;
- Implement the annual work plan, as approved by the Finance, Audit, and Human Resources Committee;
- Issue periodic reports to the President and the Finance, Audit, and Human Resources Committee summarizing results of audit activities, annual work plans, sufficiency of office resources, and emerging trends and successful practices in internal auditing;
- Review systems to verify compliance with established policy, procedures, and applicable regulations;
- Review compliance with guidelines for ethical professional conduct.
- Maintain a follow-up process to monitor management actions on reported engagement observations and whether recommendations have been effectively implemented;
- Identify indicators of fraud and facilitate the investigation of suspected fraudulent activities within the organization;
- Act as liaison between the College and external auditors, including the review of their findings and the follow-up on necessary corrective action;

## **RESPONSIBILITIES (Cont.)**

- Identify necessary training to improve the knowledge, skills, and competencies necessary for the internal auditors to have sufficient proficiency for auditing with the organization and maintaining professional certifications;
- Obtain competent advice and assistance necessary for the engagement when needed or decline the engagement;
- Ensure that an external review of the internal audit function in accordance with the Standards is conducted at least once every five years.
- Evaluate specific operations at the request of the Finance, Audit, and Human Resources Committee or the President, as appropriate.

## **QUALITY ASSURANCE AND IMPROVEMENT PROGRAM**

The internal audit function will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit function's conformance with the Definition of Internal Auditing and the IIA Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit function and identifies opportunities for improvement. The Internal Auditor will communicate to senior management and the Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five (5) years.

The results of internal audit reviews as well as a report on Internal Audit's activities shall be presented to the President and the Board of Trustees. The report shall include:

- 1) Internal audit finding(s);
- 2) Internal audit recommendation(s);
- 3) Management response(s);
- 4) Date of implementation of audit recommendation(s).

The Internal Auditor verifies corrective action has been taken by management and reports on the corrective action to the Board of Trustees' Finance, Audit, and Human Resources Committee.

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Khalil M. Abdullah  
Internal Auditor

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Date

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Maria G. Elizondo  
Vice President for Finance and Administrative Services

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Date

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Dr. Ricardo J. Solis  
President

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Date

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Rene Guajardo  
Chair, Finance, Audit, and Human Resources Committee

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Date

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Rose Benavidez  
Chair, Board of Trustees

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Date

**Consent Agenda Item:**

**d. Approval of Proposed Projects for Internal Auditor for FY 2021 – 2022**

Approval of proposed projects for the Internal Auditor for FY 2021 - 2022 is requested.

Purpose – Staff is recommending projects for the Board's consideration for the Internal Auditor's review for Fiscal Year 2021 - 2022. The projects listed below are proposed as the assignments for the Internal Auditor.

- FY 2021 - 2022 (Scheduled)
  1. Fraud Survey
  2. Teacher Retirement System of Texas (TRS)
  3. Science Lab Safety and Storage Compliance
  4. HR Processes – Faculty Credentials
  5. Financial Aid – Federal Awards
  6. Purchasing
  7. Faculty Overloads & Stipends
  8. Texas Administrative Code (TAC) 202
  9. Emergency Medical Technology (EMT) Program
  10. IT - Business Continuity / Disaster Recovery
  11. Quality Assurance and Improvement Program – External QAR

Enclosed Documents - The list of Internal Audits conducted for FY 2007 - 2008 through FY 2020 - 2021 follows in the packet for the Board's information and review.

Dr. Ricardo J. Solis, President, Mary Elizondo, Vice President for Finance and Administrative Services, and Khalil Abdullah, Internal Auditor, attended the August 10, 2021 Finance, Audit, and Human Resources Committee meeting to address any questions by the Committee.

The Finance, Audit, and Human Resources Committee recommended Board approval of the proposed projects for the Internal Auditor for FY 2021 - 2022 as presented.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the proposed projects for the Internal Auditor for FY 2021 - 2022 as presented.

**The Following Minute Order is proposed for consideration by the Board of Trustees:**  
The Board of Trustees of Trustees of South Texas College approves and authorizes the proposed projects for the Internal Auditor for FY 2021 - 2022 as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**South Texas College**  
**Internal Auditing Services for the Period of FY 2008 through FY 2022**

	Audit Area	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
1	Fraud Survey	11/22/07	11/03/08	11/18/09	11/12/10	11/08/11	10/18/12	11/08/13	Complete	Complete	12/07/16	10/18/17	10/22/18	10/08/19	10/12/20	Proposed
2	Fraud Hotline Calls/Investigations							10/29/13								
3	Cash -Controls and safeguards -Bank Reconciliation -Check and deposit preparation	02/06/08														
4	Cash -Bank Reconciliation				06/15/11											
5	Surprise Cash Counts and Cash Handling Controls over Student Tuition and Fees Collection				10/20/10 06/16/11			Requested- Not Performed	Requested- Not Performed	Requested- Not Performed	11/04/16					
6	Food Services Department Cash Handling Procedures								Requested - Not Performed	Requested - Not Performed	11/04/16					
7	Student Receivables/ Third Party -Billing -Collections -Reconciliation			05/25/10												
8	Scholarship Funds -Valley Scholars -Pledges -Awards -Other Scholarships			05/25/10			08/22/13									
9	Grants- Title V															
10	Grants- Wired		05/19/09 06/19/09													
11	Grants - Federal Work-study, Federal Pell Grant, Carl Perkins, and Workforce Investment Act		01/19/09													
12	Property Taxes -Rec. & Rollback Taxes				10/14/10			Requested- Not Performed	Requested- Not Performed							
13	Property Taxes - Internal Controls of Hidalgo and Starr County Tax Assessor-Collector's Offices									Requested - Not Performed	06/20/17					
14	AP - Operations															
15	AP - Commercial Card Use				06/30/11							Requested - In Progress	01/29/19			
16	Fuel Card Use	08/15/08										Requested - In Progress	10/23/18			
17	Travel												Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	Postponed
18	Mileage Reimbursement Procedures								Requested - Not Performed	Requested - Not Performed	02/17/17					
19	Purchasing			02/19/10											Requested - Not Performed	Proposed
20	Contracts -Solicitation/Renewal Process -Record keeping	06/25/08				06/28/12										
21	Construction Contracts				10/14/10											
22	2013 Bond Construction Program - Payment Applications											Closed				
23	2013 Bond Construction Program - Change Orders											Closed				



**South Texas College**  
**Internal Auditing Services for the Period of FY 2008 through FY 2022**

	Audit Area	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
24	2013 Bond Construction Program - Broaddus & Associates Reconciliation of Budget and Actual Expenditures Reports at August 31, 2017											01/19/18				
25	2013 Bond Construction Program - Billings of Selected 2013 Bond Program Related Additional Services Consultants											Closed				
26	Financial Aid - State Awards		01/19/09				05/07/13					Requested - Not Performed	In Process	01/07/20		
27	Financial Aid - Federal Awards														In Process	In Process
28	Investments -Compliance -Collateral Documentation -Transfers for Debt Service -System for Monitoring Maturities			02/19/10												
29	Debt Service -Bond Payments -Continuing Disclosure Requirements -Arbitrage -Bond Restrictions				10/14/10											
30	Human Resources and Payroll -Compliance & Controls					10/21/11										
31	HR - Human Resources- Employment Eligibility Verification Form I-9 (U.S. Citizenship and Immigration Services)							Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	02/17/17					
32	HR Processes - Faculty Credentials												Requested - Not Performed	In Process	In Process	In Process
33	TimeClock Plus [Time Keeping System Compliance] -Departmental Timeforce Procedures							Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	Requested - In Progress	10/04/18			
34	TimeClock Plus [Time Keeping System Compliance] -Internal Control Procedures				5/5/2011 In Progress- Not completed											
35	Fixed Assets			02/19/10	07/01/11			Requested - Not Performed	Requested - Not Performed	Requested - Not Performed		11/08/17				
36	Continuing Professional and Workforce Education Department					01/05/12										
37	Facilities, Operation & Maintenance- Workorders and Purchase Orders						07/18/13									
38	Custodial Services- Work Orders, Purchase Orders and Inventory							Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	Requested - Not Performed		06/06/19			
39	Enrollment Audit (Traditional and Continuing Education)											Requested - In Progress	07/26/18			
40	Student Activities & Wellness								Requested - Not Performed	Requested - Not Performed		12/01/17				
41	Memorandum of Understanding [MOU] -Early College High Schools -Dual Credit												Requested - Not Performed	In Process	01/11/21	
42	Blueprint Expectations for Early College High Schools												Requested - Not Performed	Requested - Not Performed		
43	Science Lab Safety and Storage Compliance												Requested - Not Performed	In Process	In Process	In Process

**South Texas College**  
**Internal Auditing Services for the Period of FY 2008 through FY 2022**

	Audit Area	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
44	Red Flag Rules					01/06/12										
45	IT Security and Procedures							09/05/13								
46	IT - Business Continuity / Disaster Recovery															Proposed
47	Texas Administrative Code Sec. 202															Proposed
48	Banner Computer System Security and Access								Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	Requested - Not Performed	In Process	In Process	01/11/21	
49	Instructional Technologies Inventory							Requested - Not Performed	11/06/14							
50	Copiers		10/17/08													
51	Cell Phones		10/01/08													
52	Clery Act, and VAWA											Requested - Not Performed	In Process	07/14/20		
53	Title IX													Requested - Not Performed	Requested - Not Performed	Postponed
54	Internal Assessment of the Office of Internal Audits - (QAIP)														07/13/21	
55	External Assessment of the Office of Internal Audits - (QAIP)														Requested - Not Performed	Proposed
56	Faculty Overloads & Stipends														Requested - Not Performed	Proposed
57	Teacher Retirement System (TRS)														Proposed	In Process
58	Emergency Medical Technology (EMT) Program															Proposed
59	Child and Adult Care Food Program - Application Process													10/01/19		
60	SAO - Catch the Next Complaint: 20-0044													11/07/19		
61	CARES Act Compliance													In Process	08/26/20	
	<b>Total Number of Audits Completed</b>	<b>4</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>5</b>	

**Other Activities**

Annual Financial Report [CAFR]  
Risk Assessment & Audit Plan  
Internal Audit Annual Report

**Consent Agenda Item:**

**e. Acceptance of the Internal Audit Annual Report for FY 2021**

Acceptance of the Internal Audit Annual Report for FY 2021 is requested.

Purpose – “Texas Government Code Section 2102.015 *Publication of Audit Plan and Annual Report on Internet* requires state agencies and institutions of higher education to post certain information on their website. To comply with Texas Government Code 2102.015, an Internal Audit Annual Report has been completed.”

Justification – The Internal Audit Annual Report for FY 2021 provides the Finance, Audit, and Human Resources Committee with information related to the Internal Audit Function’s activities over the past fiscal year. Specifically, the annual report includes the prior year’s approved projects and audit plan; a summary of findings; management’s plan for corrective action; implementation status of corrective action; and next fiscal year’s approved projects and audit plan.

Enclosed Documents - A copy of the Internal Audit Annual Report for FY 2021 follows in the packet for the Board’s information and review.

Presenters – Mr. Khalil Abdullah, Internal Auditor, attended the August 10, 2021 Finance, Audit, and Human Resources committee meeting to discuss and address any questions by the Committee.

The Internal Audit Annual Report for FY 2021 includes a summary of audit findings along with management’s planned corrective actions.

The Finance, Audit, and Human Resources Committee recommended Board approval of the acceptance of the Internal Audit Annual Report for FY 2021 as presented.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the acceptance of the Internal Audit Annual Report for FY 2021 as presented.

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

The Board of Trustees of Trustees of South Texas College approves and authorizes the acceptance of the Internal Audit Annual Report for FY 2021 as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**



**SOUTH TEXAS  
COLLEGE**

# Internal Audit Annual Report Fiscal Year 2021

Prepared by:  
The Office of Internal Audits  
Khalil M. Abdullah

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## **I. Compliance with TGC, Sec 2102.015**

Texas Government Code Section 2102.015 was added by House Bill 16 (83<sup>rd</sup>. Legislature) on June 14, 2013. House Bill 16 amended the Internal Auditing Act to require state agencies and institutions of higher education, as defined in the bill, to post agency internal audit plans, internal audit annual reports, and any weaknesses or concerns resulting from the audit plan or annual report on the entities' website, at the time and in the manner provided by the State Auditor's Office. Specifically, the College must post the following information within 30 days of approval by the Board of Trustees:

- The approved audit plan for the current fiscal year;
- The audit plan from the previous fiscal year;
- A detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns raised by the audit plan or annual report; and
- A summary of the action taken by the College to address concerns raised by the audit plan or annual report.

To comply with the requirements, South Texas College's Office of Internal Audits will submit its Internal Audit Annual Report to the website coordinators to be posted on the Internal Audit section of the College's website no later than 30 days after the Board of Trustees approves the current year audit plan at its August 24, 2021 scheduled meeting. This report includes all the elements required by Texas Government Code Section 2102.015.

## II. Internal Audit Plan for Fiscal Year 2021

The Board of Trustees approved the internal audit plan for FY 2021 on August 25, 2020. The audit plan was prepared using risk assessment techniques as required by the Institute of Internal Auditor (IIA) *Standards*.

All audits that were not completed in FY 2021 were carried forward and included in the FY 2022 audit plan with the exception of the Contractor Adherence to Prevailing Wage Rate Determination (#7) and the Travel audit (#9).

### FY 2021 (Scheduled)

1. Fraud Survey
2. Memorandum of Understanding for Early College High Schools and Dual Credit
3. Banner Computer System Security and Access
4. Science Lab Safety and Storage Compliance
5. Human Resources Processes – Faculty Credentials
6. Financial Aid – Federal Awards
7. Contractor Adherence to Prevailing Wage Rate Determination
8. Faculty Overloads & Stipends
9. Travel
10. Purchasing
11. Teacher Retirement System (TRS)
12. Office of Internal Audit – Quality Assurance and Improvement Program –  
External Assessment/Peer Review
13. CARES Act Compliance Review

Office of Internal Audits  
Fiscal Year 2021 Audit Plan

<b>FY 2021 Audit Plan - Engagements</b>	<b>Status of Plan</b>
<b>Risk Based Audits</b>	
Banner Computer System Security and Access Audit	Reporting
MOUs for Early College High School and Dual Credit	Reporting
HR Processes - Faculty Credentials	Reporting
Science Lab Safety and Storage Compliance	Fieldwork
Financial Aid - Federal Awards	Planning
Contractor Adherence to Prevailing Wage Rate Determination	Removed
Faculty Overloads & Stipends	FY 2022
Purchasing	FY 2022
Travel	Postponed
Quality Assurance and Improvement Program - External QAR	FY 2022
<b>Consulting Engagements</b>	
CARES Act Compliance Review	8/26/2020
<b>Follow Up</b>	
Clery Act	5/3/2021
<b>Other Audit Responsibilities and Special Projects</b>	
Fraud Survey	10/12/2020
Administration (e.g. secure resources, budget development, etc.)	In Process
Annual Financial Report [CAFR]	In Process
Misc. data analytics / fraud detection procedures, fraud risk assessment	In Process
Est. the Quality Assurance and Improvement Program (QAIP & QAR)	In Process
Professional Development & Training (40 hrs.CPE)	In Process
Annual Risk Assessment & Risk Based Audit Plan Development	6/9/2021
Annual Report [Texas Govt. Code Sec. 2102.015]	8/24/2021
Unassigned/Unplanned/Mgmt. Special Requests	N/A



### **III. Consulting and Nonaudit Services**

The Office of Internal Audit's staff worked on one consulting engagement in FY 2021:

- CARES Act Compliance Review

### **IV. External Quality Assurance Review (Peer Review)**

IIA *Standard* 1312 requires an external assessment of an internal audit activity be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The Office of Internal Audits is in its fourth year of operations.

IIA *Standards* allows for the completion of a self-assessment that includes a comprehensive and fully documented process completed by the Internal Auditor with independent external validation. In FY 2020 the Internal Auditor completed a comprehensive self-assessment and provided the results to the President and the Vice President of Finance and Administrative Services on 2/3/2020. The results of the internal self-assessment are projected to be reviewed in FY 2022 by a qualified, independent external assessor.

**V. Summary of Findings and Management's Corrective Action Plan**

Report No.	Report Date	Project Name	Summary of Finding	Summary of Corrective Action Plan	Status of Correction Action Plan
21-01	6/10/2021	Early College High School - MOUs	Management should establish procedures to ensure that signed MOUs are completely filled out and that dates are included in the signed document.	The Dual Credit Program will establish procedures for final review of the Interlocal Agreements prior to placing the document on file.	Follow up - Pending
21-01	6/10/2021	Early College High School - MOUs	Mgmt. should review the Dual Credit Program's MOU to ensure that all of the required elements are included under TAC 4.84	The Dean of Dual Credit Programs will ensure that all required elements are included in the 2021-2022 Interlocal Agreements prior to submission for Board approval.	Follow up - Pending
21-02	6/10/2021	Banner Computer System Security and Access	IT Should assume responsibility for the development of all IT access controls and est. formal access control procedures. Est. procedures should be communicated throughout the College.	IT will seek collaboration with the established Banner User Groups to help develop a uniform procedure for all areas. This same group will help communicate and enforce the new procedures.	Follow up - Pending

South Texas College Internal Audit Annual Report

Report No.	Report Date	Project Name	Summary of Finding	Summary of Corrective Action Plan	Status of Correction Action Plan
21-02	6/10/2021	Banner Computer System Security and Access	Data owners should begin defining Banner screens/forms and work collaboratively with IT to map each class to the College's 'Data Classification Standard.' IT should work with the data owners to est. employee role-based access restrictions.	IT will work with the data owners to conduct a data classification standard and define Banner screens/forms. IT can organize and facilitate the meetings and in conjunction with data owners identify what data within Banner is confidential, restricted, or public.	Follow up - Pending
21-02	6/10/2021	Banner Computer System Security and Access	IT should est. formal procedures that require periodic monitoring of employee system access rights. The results of these monitoring activities should be documented.	The format will change to allow business analysts to grant system access rights. IT will work with InfoSec to develop formal procedures that all Banner power users will follow.	Follow up - Pending

## **VI. Internal Audit Plan for Fiscal Year 2022**

In accordance with the Institute of Internal Auditor's (IIA) *Standard* 2010, a formal audit plan is required for fiscal year (FY) 2022. An entity-wide risk assessment was conducted to evaluate each area based on current conditions, circumstances, and management concerns. Input to the annual plan was requested from the Board, the President, Vice presidents, and other senior managers. Major goals and institutional objectives were reviewed to identify areas where value-added audit services could be provided. On August 24, 2021 South Texas College's Board of Trustees approved the following projects for FY 2022.

### **FY 2022 (Scheduled)**

1. Fraud Survey
2. Teacher Retirement System of Texas (TRS)
3. Science Lab Safety and Storage Compliance
4. Human Resources (HR) Processes – Faculty Credentials
5. Financial Aid – Federal Awards
6. Purchasing
7. Faculty Overloads & Stipends
8. Texas Administrative Code (TAC) 202
9. Emergency Medical Technology (EMT) Program
10. IT – Business Continuity / Disaster Recovery
11. Quality Assurance and Improvement Program – External QAR

Office of Internal Audits  
Fiscal Year 2022 Audit Plan

<b>FY 2022 Audit Plan - Engagements</b>		
<b>Risk Based Audits</b>	<b>Hours</b>	<b>Percent</b>
Teacher Retirement System of Texas (TRS)	50	2%
Science Lab Safety and Storage Compliance	150	5%
Human Resources Processes - Faculty Credentials	50	2%
Financial Aid - Federal Awards	200	7%
Purchasing	250	8%
Faculty Overloads & Stipends	200	7%
Texas Administrative Code (TAC) 202	200	7%
Emergency Medical Technology (EMT) Program	150	5%
IT - Business Continuity / Disaster Recovery	250	8%
Quality Assurance & Improvement Program- External QAR	200	7%
<b>Subtotal</b>	<b>1700</b>	<b>55%</b>
<b>Other Audit Responsibilities and Special Projects</b>	<b>Hours</b>	<b>Percent</b>
Fraud Survey	100	3%
Administration (e.g. secure resources, align with IIA, etc.)	150	5%
Annual Financial Report [CAFR]	25	1%
Misc. data analytics / fraud detection procedures	150	5%
Professional Development & Training (40 hrs.CPE)	100	3%
Annual Risk Assessment & Risk Based Audit Plan Development	250	8%
Annual Report [Texas Govt. Code Sec. 2102.015]	200	7%
Follow-up on reported findings	250	8%
Unassigned/Unplanned/Mgmt. Special Requests	150	5%
<b>Subtotal</b>	<b>1375</b>	<b>45%</b>
<b>Total</b>	<b>3075</b>	<b>100%</b>

## **VII. External Audit Services – Fiscal Year 2021**

All external audit services that were procured or were ongoing in fiscal year 2021 by South Texas College are listed below.

- Carr, Riggs & Ingram - Annual Financial Statement Audit;
- State Auditor Office – Compliance with Public Funds Investment Act and Rider 5, General Appropriations Act, Reporting Requirements;
- Texas Higher Education Coordinating Board – AY 2020 – A133 Single Audit Report

## **VIII. Reporting Suspected Fraud and Abuse**

South Texas College has taken the following actions to implement the fraud detection and reporting requirements of Section 7.09 of the 84<sup>th</sup> Legislature's General Appropriations Act, and Texas Government Code, Section 321.022:

- A confidential fraud hotline is available for employees to report suspected fraud.
- Solicits feedback from employees related to fraud through an annual fraud survey.
- Established formal guidelines for reporting and investigating suspected or known fraud, waste, abuse and other improprieties;
- South Texas College's *Guidelines for Reporting and Investigating Suspected or Known Fraud, Waste, Abuse and Other Improprieties* describes how to report suspected fraud to the State Auditor's Office and includes information on the State Auditor's Office Fraud, Waste, and/or Abuse Hotline.

## **Review and Approval to Renew the Network Hardware and Software Maintenance Agreement with Netsync Network Solutions, Inc.**

The Board of Trustees is asked to approve and authorize renewal of the network hardware and software maintenance agreement with Netsync Network Solutions, Inc. (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$109,393.67.

Purpose – Information Technology requests approval to renew the network hardware and software maintenance agreement for the College network hardware and software.

Justification and Benefit – The network equipment and software maintenance agreement will provide online phone support and software upgrades for all Cisco network equipment. It will cover equipment failure by providing equipment replacements within the next business day. The equipment is critical to the network infrastructure which provides faculty, staff, and students connectivity to the internet and intranet applications and services such as Blackboard and Banner.

At the August 10, 2021 Finance, Audit, and Human Resources Committee meeting, this item was presented for the Committee's recommendation at a total price of \$94,341.54.

Following the Committee meeting, staff noted that the pricing provided by the vendor did not include new licensing support requested by the College. Staff has secured a new quote from the vendor, resulting in a total price increase to \$109,393.67.

Administration has reviewed the requested licensure changes and correlated cost increase, and recommends approval at this new price point. These licenses are required to support current and future upgrades to IT infrastructure. Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2021 – 2022, pending Board approval of the budget.

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize renewal of the network hardware and software maintenance agreement with Netsync Network Solutions, Inc. (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$109,393.67.

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

The Board of Trustees of Trustees of South Texas College approves and authorizes renewal of the network hardware and software maintenance agreement with Netsync Network Solutions, Inc. (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2021 through August 31, 2022, at a total amount of \$109,393.67.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**



**SOUTH TEXAS COLLEGE  
NETWORK HARDWARE AND SOFTWARE MAINTENANCE AGREEMENT**

<b>NAME</b>			Netsync Network Solutions, Inc.	
<b>ADDRESS</b>			2500 W Loop S Ste 410	
<b>CITY/STATE/ZIP</b>			Houston, TX 77027	
<b>PHONE</b>			469-557-2869	
<b>FAX</b>			713-664-9964	
<b>CONTACT</b>			Kristi Matsunaga	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	Network Hardware and Software Maintenance Agreement Contracts: 221764409 / 21764770 Period: 9/1/21 - 8/31/22	\$ 109,393.67	\$ 109,393.67
<b>TOTAL AMOUNT</b>			\$ 109,393.67	

## **Discussion and Action as Necessary on Potential Refunding of the Series 2015 Bonds**

Approval of Potential Refunding of the Series 2015 Bonds is requested.

The College's Financial Advisor, Estrada Hinojosa & Company, have indicated that there may be an opportunity to issue taxable bonds to refund outstanding Series 2015 Bonds and produce savings to the College and taxpayers.

Estrada Hinojosa & Company presented a Market Overview and a Taxable Refunding Analysis and a Taxable Savings Summary associated with refunding Series 2015 Bonds at the August 10, 2021 Finance, Audit, and Human Resources Committee Meeting.

Enclosed Documents – The presentation, which includes a Market Overview, the Taxable Refunding Analysis, and the Taxable Savings Summary submitted by Estrada Hinojosa & Company, is provided in the packet for the Committee's review and information.

The Finance, Audit, and Human Resources Committee recommended Board approval on the potential refunding of the Series 2015 Bonds.

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize action as necessary to allow the College and Estrada Hinojosa & Company, the College's Financial Advisor, to prepare the bond refunding Resolution and compile proposed parameters to present at the August 24, 2021 Board Meeting.

### **The Following Minute Order is proposed for consideration by the Board of Trustees:**

The Board of Trustees approves and authorizes action as necessary to allow the College and Estrada Hinojosa & Company, the College's Financial Advisor, to prepare the bond refunding Resolution and compile proposed parameters to present at the August 24, 2021 Board Meeting.

### **Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**



# South Texas College

## Debt Overview & Taxable Refunding Analysis Municipal Market Overview

ESTRADA • HINOJOSA  
INVESTMENT BANKERS



## Section 1

# Debt Overview & Taxable Refunding Analysis

# EXISTING GENERAL OBLIGATION DEBT

## Ratings

S&P AA

Moodys Aa2

General Obligation Debt Outstanding				
Series	Par Outstanding	Amount Callable	Call Date	
Ltd Tax Ref Bds Taxable Ser 2020	\$ 41,194,693	\$ 16,795,000	8/15/2030	
Ltd Tax Bds Ser 2015	79,725,000	58,165,000	8/15/2024	
Ltd Tax Bds Ser 2014	7,895,000	-	Non-Callable	
<b>Total</b>	<b>\$ 128,814,693</b>	<b>\$ 74,960,000</b>		

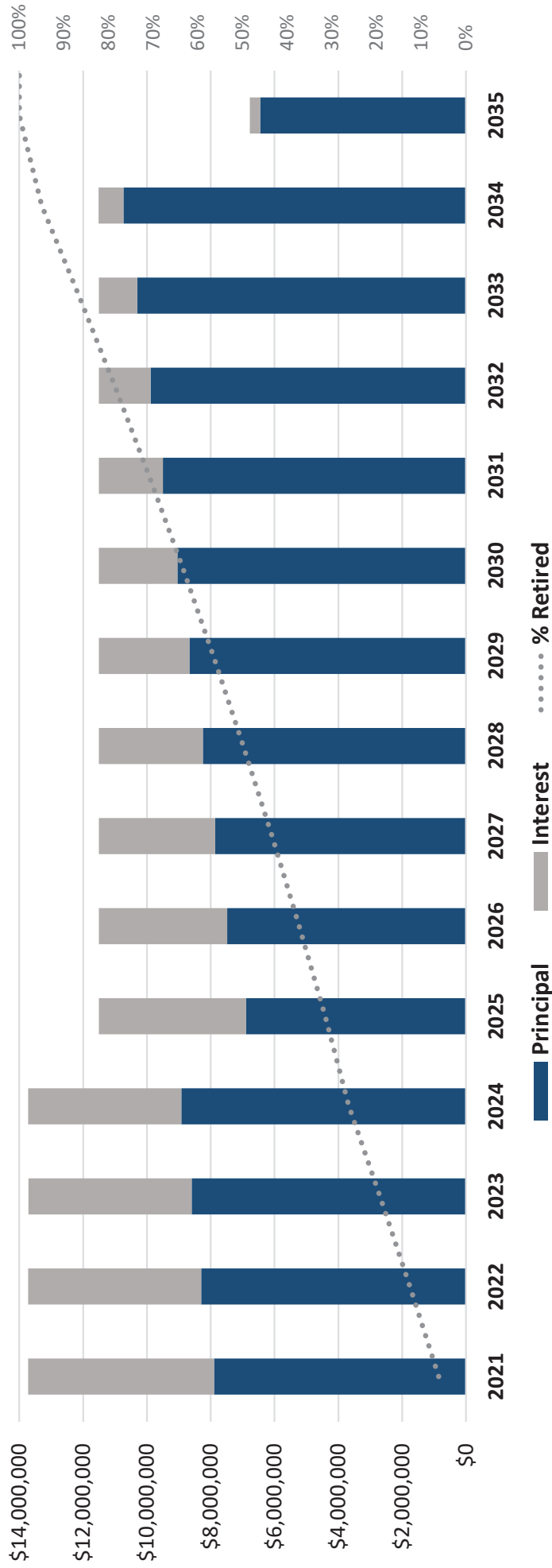
Historical TAV				
Fiscal Year	2018	2019	2020	2021
TAV	\$36.60 bn	\$38.38 bn	\$40.26 bn	\$42.83 bn

Historical Tax Rate				
Fiscal Year	2018	2019	2020	2021
M&O	\$ 0.1400	\$ 0.1400	\$ 0.1400	\$ 0.1400
I&S	0.0450	0.0380	0.0333	0.0318
Total	\$ 0.1850	\$ 0.1780	\$ 0.1733	\$ 0.1718

## SOUTH TEXAS COLLEGE

### OUTSTANDING PRINCIPAL & INTEREST



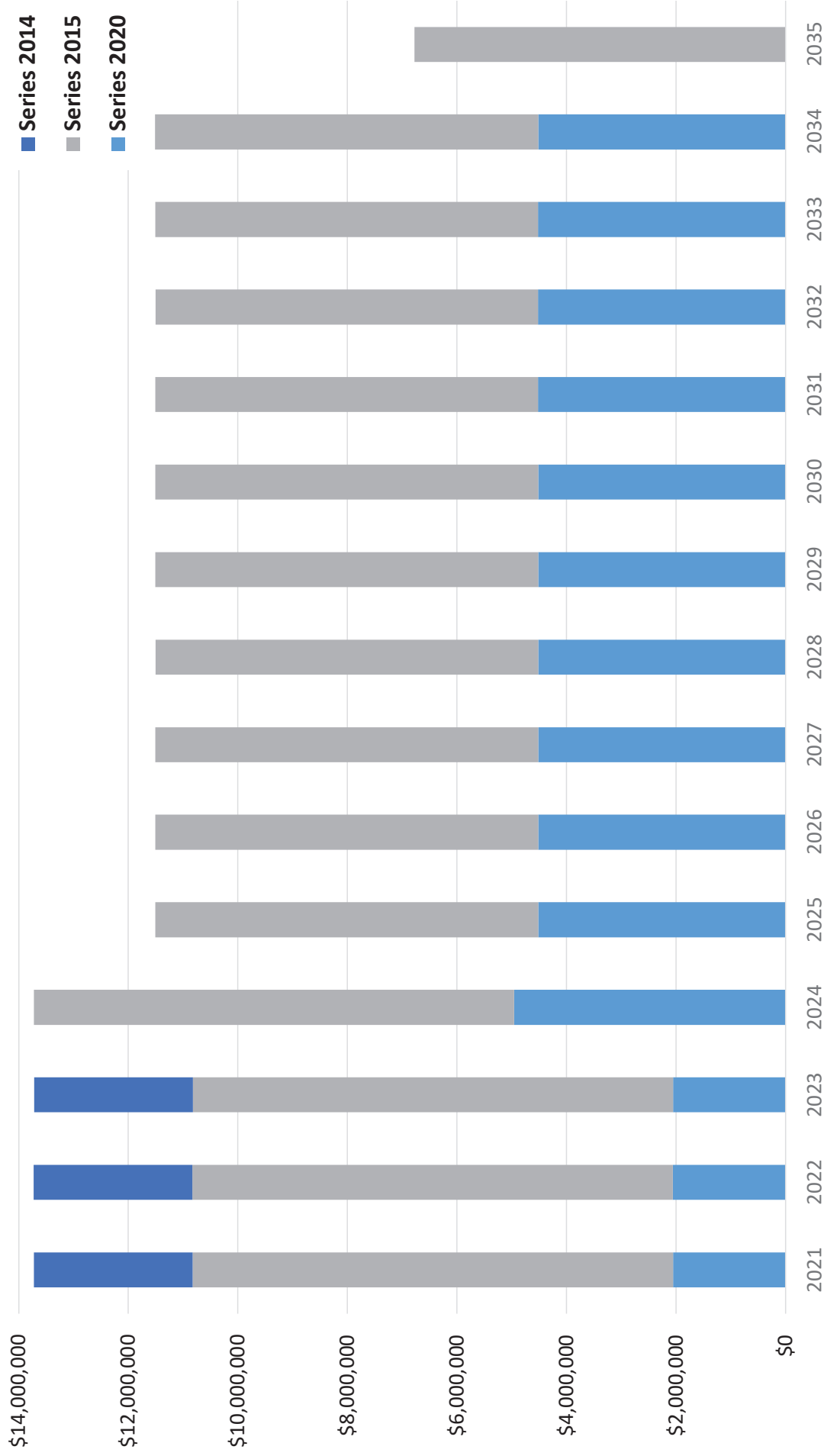
# OUTSTANDING DEBT BY SERIES

## Debt Statistics (\$M):

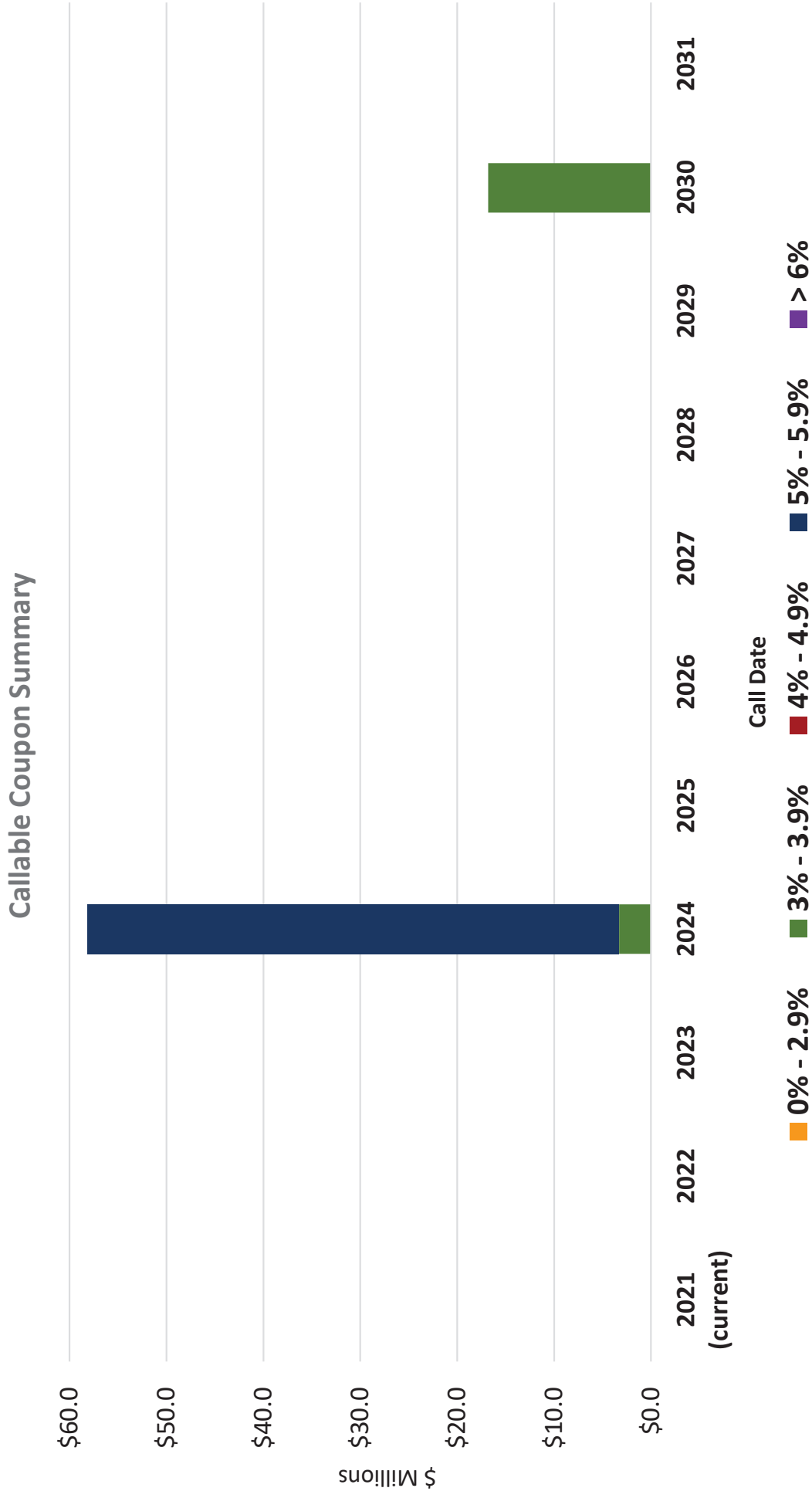
Total Par: \$128.815 million (as of 8/10/2021)

Callable Par: \$74.960 million (58%)

Avg. Callable Coupon: 4.480%



# CALL ANALYSIS



# TAXABLE REFUNDING ANALYSIS

## SELECTED MATURITIES FOR DEBT SERVICE SAVINGS

- The College's existing Limited Tax Bonds, Series 2015 are callable on 8/15/2024 and can be advance refunded on a taxable basis.
- As shown below, current rates offer savings on a maturity-by-maturity basis versus the existing interest rates for the bonds.
- Our analysis assumes rates as of July 30, 2021.

Selected Bonds to be Refunded								
Series	Maturity Date	Existing Coupon	Par Amount	Call Date	Call Price	2021 Yields	Rate Difference	
<b>Limited Tax Bonds, Series 2015</b>								
	8/15/2025	5.000%	\$ 4,135,000	8/15/2024	100%	0.750%	4.250%	
	8/15/2026	5.000%	4,340,000	8/15/2024	100%	0.950%	4.050%	
	8/15/2027	5.000%	4,560,000	8/15/2024	100%	1.210%	3.790%	
	8/15/2028	5.000%	4,785,000	8/15/2024	100%	1.360%	3.640%	
	8/15/2029	3.375%	3,295,000	8/15/2024	100%	1.530%	1.845%	
	8/15/2029	5.000%	1,730,000	8/15/2024	100%	1.530%	3.470%	
	8/15/2030	5.000%	5,225,000	8/15/2024	100%	1.580%	3.420%	
	8/15/2031	5.000%	5,485,000	8/15/2024	100%	1.680%	3.320%	
	8/15/2032	5.000%	5,755,000	8/15/2024	100%	1.830%	3.170%	
	8/15/2033	5.000%	6,045,000	8/15/2024	100%	1.980%	3.020%	
TERM	8/15/2035	5.000%	12,810,000	8/15/2024	100%	2.180%	2.820%	
<b>Total Bonds to be Refunded:</b>			<b>\$ 58,165,000</b>					



# TAXABLE SAVINGS SUMMARY

- Should current market rates exist for a pricing in October with delivery in November, the College could realize 13.09% present value savings or \$8.66 million in overall debt service savings.
- We are assuming an investment in State & Local Government Securities (SLGS) for the escrow fund in our analysis but note that the SLGS window is currently closed. For day-of pricing we would need to access the open market to fund the escrow with Open Market Securities (OMS).
- Note that the College could realize more savings by waiting until 2024 to do a tax-exempt refunding, depending on market rate movements. Rates could rise by about 145 basis points (1.45%) between now and then to produce about the same net present value savings as a taxable refunding now. Under that scenario, savings would not start until 2025, however. As a matter of reference, over the last three-years, 30-year tax-exempt rates have moved approximately 220 bps (2.20%) from the low (8/10/20) to the high (11/6/18) as measured by 30-year MMD.

FYE 8/31	Prior Net Cash Flow	Refunding Net Cash Flow	Savings	Present Value Savings	FYE 8/31
2022	\$ 2,133,100	\$ 2,132,063	\$ 1,037	\$ (654)	2022
2023	2,854,706	2,188,057	666,649	649,761	2023
2024	2,854,706	2,187,307	667,399	639,394	2024
2025	6,989,706	6,321,557	668,149	629,191	2025
2026	6,987,956	6,324,057	663,899	614,542	2026
2027	6,990,956	6,326,057	664,899	604,967	2027
2028	6,987,956	6,322,057	665,899	595,540	2028
2029	6,988,706	6,321,807	666,899	586,258	2029
2030	6,991,000	6,324,557	666,443	576,066	2030
2031	6,989,750	6,324,557	665,193	565,194	2031
2032	6,985,500	6,321,307	664,193	554,734	2032
2033	6,987,750	6,319,435	668,315	547,998	2033
2034	6,995,500	6,331,724	663,776	534,364	2034
2035	6,777,750	6,110,364	667,386	527,443	2035
	\$ 84,515,044	\$ 75,854,906	\$ 8,660,137	\$ 7,624,797	

Refunding Summary		Dated:	11/16/2021
Par Amount of Refunding Bonds:			\$58,165,000
Future Value Savings :			\$8,660,137
Present Value Savings from Cash Flow:			\$7,624,797
Less Issuer Contribution for Par-to-Par Restriction:			-\$15,000
Funds on Hand (rounding):			\$2,380
Net Present Value Savings :			\$7,612,177
% Savings of Refunded Bonds:			13.087%
Refunded Par:			\$58,165,000
Avg. Coupon of Refunded Bonds:			4.923%
True Interest Cost (2021 TIC):			1.796%
Negative Arbitrage:			\$2,450,881
Escrow Efficiency:			76%
Current Market Rates as of:			7/30/2021

# PRELIMINARY TIMETABLE



SOUTH TEXAS  
COLLEGE

## South Texas College

Limited Tax Refunding Bonds, Taxable Series 2021

### Preliminary Timetable of Events\*

	AUGUST 2021							SEPTEMBER 2021							OCTOBER 2021							NOVEMBER 2021								
	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
	1	2	3	4	5	6	7								1	2	3	4	5	6			1	2	3	4	5	6		
	8	9	10	11	12	13	14	5	6	7	8	9	10	11		3	4	5	6	7	8	9		7	8	9	10	11	12	13
	15	16	17	18	19	20	21	12	13	14	15	16	17	18		10	11	12	13	14	15	16		14	15	16	17	18	19	20
	22	23	24	25	26	27	28	19	20	21	22	23	24	25		17	18	19	20	21	22	23		21	22	23	24	25	26	27
	29	30	31					26	27	28	29	30			24/31	25	26	27	28	29	30		28	29	30					

Key Financing Dates

Board Meetings

Federal or College Holiday

August 10, 2021 (Tuesday) Board of Trustees' Finance Committee Meeting to review Preliminary Plan of Finance.

August 24, 2021 (Tuesday) Board of Trustees adopts Parameters Order.

October 14, 2021 (Thursday) Price Bonds.

November 16, 2021 (Tuesday) Closing.

\*Preliminary, subject to change.



SOUTH TEXAS  
COLLEGE

ESTRADA • HINOJOSA  
INVESTMENT BANKERS

## Top 25 Community / Junior Colleges Comparables Ranked by District Population\*

FYE	District	Ratings Underlying		Taxable Assessed	TAV RATIO	Total G.O	Debt As % of	Dept Per	Total	Student Fee	Rev/Debt
8/31/2020	Population	Fitch	Moodys	Valuation**	(TAV / Pop)	Debt	T.A.V	Capita	Enrollment	Rev Debt	Per Student
1	Dallas Co CCD	2,734,111	AAA	Aaa	AAA	\$ 271,168,476,338	\$ 99,180	\$ 60.52	82,246	\$ -	\$ -
2	Lone Star College System	2,725,265			AAA	224,233,231,463	82,279	213.41	86,043	86,663,950	1,007.22
3	Houston CC System	2,480,760		Aaa	AA+	224,723,075,150	90,586	212.90	79,877	149,305,000	1,869.19
4	Austin CCD	2,175,847	AA+	Aa1	AA+	255,251,439,977	117,311	188.17	38,730	198,373,690	5,121.96
5	Tarrant Co College District	2,102,515			AAA	220,876,522,612	105,053	125.65	54,487	-	-
6	Alamo CCD	2,062,088		Aaa	AAA	184,858,336,388	89,646	212.30	57,042	76,510,000	1,341.29
7	South Texas College	1,076,737		Aa2	AA	42,834,514,596	39,782	119.63	32,478	-	-
8	Collin Co CCD	1,035,300		Aaa	AAA	160,037,947,365	154,581	513.46	35,144	-	-
9	San Jacinto CCD	580,000		Aa2	AA	64,248,427,551	110,773	828.35	32,452	45,979,683	1,416.85
10	Alvin CCD	374,264		Aa3	AA	11,973,064,603	31,991	76.48	5,985	-	-
11	Del Mar College District	362,265	AA+	Aa2	AA	29,052,187,360	80,196	795.16	12,008	12,620,000	1,050.97
12	Laredo College District	278,184	AA-	Aa3	AA-	13,832,273,948	49,723	467.19	10,200	49,535,000	4,856.37
13	McLennan Co JCD	256,623	AA		AA	20,450,950,266	79,693	202.94	13,172	17,600,000	1,336.17
14	Texas Southmost College District	217,365	AA		AA	13,914,009,596	64,012	161.32	22,334	10,660,000	477.30
15	Tyler JCD	209,174			AA+	17,559,014,954	83,945	234.56	16,485	64,200,000	3,894.45
16	Amarillo JCD	202,028	AA+		AA+	14,245,425,446	70,512	363.14	9,766	2,950,000	302.07
17	Odessa JCD	172,026	AA		AA-	15,610,700,207	90,746	346.37	6,847	4,650,000	679.13
18	Midland College District	172,000		Aa2	AA	37,854,764,949	220,086	96.51	7,656	8,715,000	1,138.32
19	College of the Mainland	142,879		Aa3	AA-	13,333,284,378	93,319	1,193.74	8,035	-	-
20	Parker Co JCD	142,878			AA	15,572,339,273	108,990	7.98	5,391	32,445,000	6,018.36
21	Grayson Co JCD	136,212	AA	Aa2		12,837,708,543	94,248	171.17	4,493	4,090,000	910.30
22	Lee College Dist	99,528		Aa3	AA-	16,189,416,379	162,662	396.47	7,516	15,590,000	2,074.24
23	Texarkana College	94,250		Aa2		6,039,815,044	64,083	122.25	4,087	-	-
24	Victoria Co JCD	92,467		Aa3	AA	7,460,704,248	80,685	235.16	8,536	-	-
25	Angelina Co JCD	86,620			AA-	4,930,723,265	56,924	137.74	4,851	-	-

Ranking:

7	10	9	24	14	18	5	8	1	1
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Source: Municipal Advisory Council - TMR Reports and Issuer's CAFR

\*Listed in descending order. Ranking methodology; the lower the numbers, the more favorable the ranking; the higher the number, the less favorable the ranking.

\*\*Values are subject to change throughout the year as contested values are resolved and the County Appraisal District updates records.

## Top 25 Community / Junior Colleges Comparables Ranked by District Population

FYE	Total Direct and Overlapping Debt	As % of T.A.V	M & O	I & S	Total Tax Rate	Total Tax Levy	M&O Tax Levy as a % of Budget**	Total Fund Balance	Unrestricted Net Position	Unrestricted Fund as % of Operating Budget	Net Pension Liability
8/31/2020											
1 Dallas Co CCD	\$ 12,806,084,092	4.723%	\$0.1040	\$ 0.0200	\$ 0.1240	\$ 336,248,911	84%	\$ 553,772,626	\$ 6,018,047	1%	\$ 115,825,304
2 Lone Star College System	18,023,683,098	8.038%	0.0800	0.0278	0.1078	243,325,078	74%	138,973,232	(141,595,557)	-102%	107,595,575
3 Houston CC System	8,340,740,113	3.712%	0.0792	0.0211	0.1003	227,726,043	79%	431,645,883	(156,354)	-0.04%	90,173,836
4 Austin CCD	10,047,047,814	3.936%	0.0900	0.0158	0.1058	270,056,023	85%	65,335,885	(118,997,341)	-182%	145,608,449
5 Tarrant Co College District	10,798,903,558	4.889%	0.1215	0.0087	0.1302	287,514,969	93%	1,072,772,600	184,023,018	17%	73,488,867
6 Alamo CCD	11,538,271,568	6.242%	0.1078	0.0414	0.1492	254,322,861	72%	214,158,407	(145,335,014)	-68%	76,191,272
7 South Texas College	2,377,840,730	5.551%	0.1400	0.0318	0.1718	73,589,696	81%	377,299,822	150,897,921	40%	52,245,580
8 Collin Co CCD	8,136,649,316	5.084%	0.0791	0.0021	0.0812	129,986,022	97%	572,945,777	281,614,752	49%	36,646,040
9 San Jacinto CCD	3,901,439,260	6.072%	0.1117	0.0576	0.1694	108,809,000	66%	80,169,233	(82,070,191)	-102%	45,813,261
10 Alvin CCD	1,499,701,988	12.526%	0.1706	0.0129	0.1834	22,055,322	93%	(1,333,767)	(22,789,823)	-1709%	9,596,705
11 Del Mar College District	1,685,933,106	5.803%	0.2053	0.0833	0.2886	88,074,339	71%	93,285,921	(41,688,611)	-45%	20,571,896
12 Laredo College District	1,096,239,260	7.925%	0.2529	0.0726	0.3255	48,451,335	78%	46,087,379	(11,651,501)	-25%	15,208,758
13 McLennan Co JCD	1,285,239,908	6.284%	0.1217	0.0280	0.1498	30,615,073	81%	9,192,975	(47,815,356)	-520%	16,048,584
14 Texas Southmost College District	595,080,378	4.277%	0.1212	0.0412	0.1624	22,597,326	75%	142,180,830	40,519,685	28%	13,059,553
15 Tyler JCD	639,271,052	3.641%	0.1580	0.0419	0.1999	35,463,839	79%	45,070,725	(44,795,316)	-99%	15,350,364
16 Amarillo JCD	603,871,528	4.239%	0.1650	0.0629	0.2279	31,557,960	72%	12,438,422	(71,789,988)	-577%	18,764,815
17 Odessa JCD	383,953,765	2.460%	0.1627	0.0262	0.1889	29,547,109	86%	49,957,629	(11,179,354)	-22%	9,890,177
18 Midland College District	551,207,319	1.456%	0.0847	0.0075	0.0922	33,622,323	92%	90,322,395	(2,656,268)	-3%	10,751,196
19 College of the Mainland	1,133,193,714	8.499%	0.1868	0.0552	0.2420	25,132,078	77%	(27,816,604)	(39,553,479)	-142%	11,299,584
20 Parker Co JCD	730,848,334	4.693%	0.1208	0.0046	0.1254	19,949,912	96%	53,212,883	(17,230,649)	-32%	7,689,136
21 Grayson Co JCD	624,602,537	4.865%	0.1407	0.0311	0.1718	20,831,242	82%	46,648,116	(7,242,595)	-16%	6,881,705
22 Lee College Dist	1,230,463,192	7.600%	0.2103	0.0198	0.2301	36,778,055	91%	25,056,944	(17,766,332)	-71%	11,082,243
23 Texarkana College	233,330,530	3.863%	0.1231	0.0000	0.1231	7,191,623	100%	4,172,224	(12,578,868)	-301%	5,575,117
24 Victoria Co JCD	224,007,563	3.002%	0.1828	0.0375	0.2203	15,426,999	83%	8,792,251	(26,338,090)	-300%	8,019,398
25 Angelina Co JCD	227,454,681	4.613%	0.1459	0.0251	0.1710	8,423,481	85%	25,468,765	(12,157,241)	-48%	5,208,084

17

16

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16

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Source: Municipal Advisory Council - TMR Reports and Issuer's CAFR

\*Listed in descending order. Ranking methodology; the lower the numbers, the more favorable the ranking; the higher the number, the less favorable the ranking.

\*\*Was calculated by dividing M&O by Total Tax Rate



## Section 2

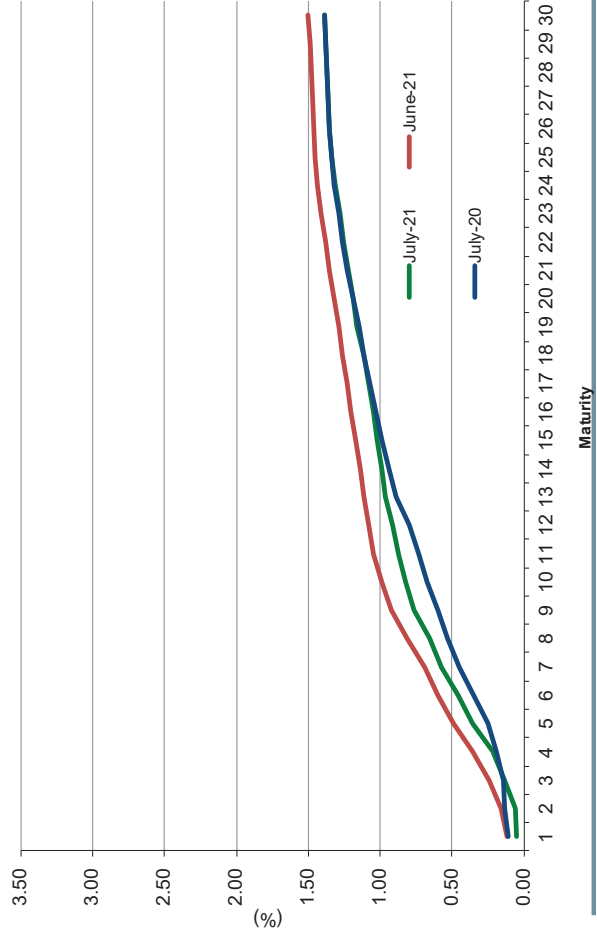
# Municipal Market Overview

# MARKET UPDATE

## • Commentary for the week of August 2<sup>nd</sup>

- Municipals were slightly firmer on the shorter-end of the curve with AAA MMD yields lower 1-3 bps and slightly weaker on the longer-end with benchmark yields higher 1-3 bps. Cash continues to pour into the muni market, Refinitiv Lipper reported an additional \$1.4 billion of inflows into muni bond funds. The inflows into muni bond funds coupled with the supply/demand imbalance will help keep rates low. Municipal to U.S. Treasury ratios rose for the 10 and 30-year. As of last Friday, the 10-year and 30-year AAA MMD yields stood at 0.82% and 1.39%, respectively.
- U.S. equities are mixed and U.S. Treasury yields are lower due to a soft manufacturing report and the rise in the COVID-19 cases. The FOMC met last week and kept the benchmark interest rate in the 0.00-0.25% range. Supply chain constraints are extending longer than expected, putting further upward pressure on inflation. Also, investors will pay close attention on the \$1 trillion bipartisan infrastructure bill introduced by the Senate. The package includes over \$500 billion in new spending on bridges, broadband, water systems, roads, airports and the power grid.
- The primary calendar is estimated to be \$9.6 billion and is comprised of \$7.4 billion in negotiated deals and \$2.2 billion in competitive sales. Texas municipal issuance is estimated to be \$1.9 billion this week. The Texas primary calendar is comprised of \$1.4 billion in negotiated financings and \$484.9 million in competitive sales.
- Estrada Hinojosa will participate in the following deals: a \$10.0 million City of Weslaco, Texas Certificates of Obligation, Series 2021B issue and a \$17.4 million Kermit Independent School District Unlimited Tax Refunding Bonds, Taxable Series 2021 issue, both as Co-Managing Underwriter.

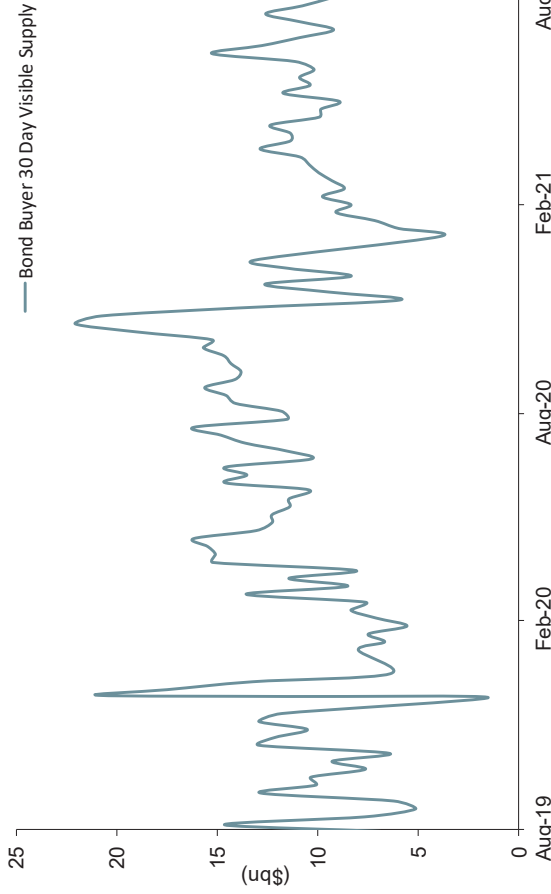
Municipal Market Data Yield Curve



# MARKET SUPPLY

Calendar Week of August 2<sup>nd</sup>

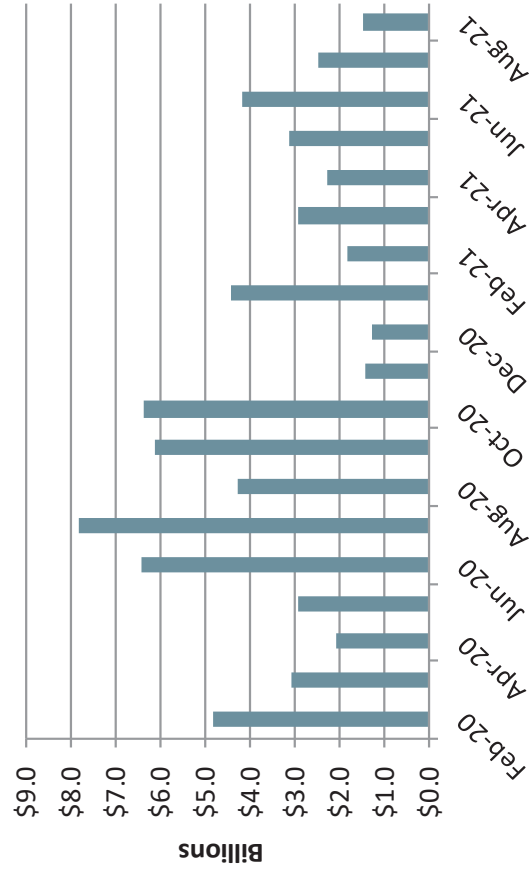
Bond Buyer 30-Day Visible Supply\*\*



Issue Description	Par Amount (\$000)	Ratings*		
		Moody's	S&P	Fitch
Port of Beaumont Navigation Dist (Jefferson Energy Companies Project), TX - Dock & Wharf Fac Rev Bds, Ser. 2021A & Fac Rev Bds, Taxable Ser. 2021B	\$ 425,000	NR	NR	NR
Prosper Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2021A	\$ 200,000	Aaa	NR	AAA
Eagle Mountain-Saginaw Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2021B	\$ 177,180	Aaa	NR	AAA
Bastrop Independent School District, TX - U/L Tax Bds, Ser. 2021	\$ 157,685	Aaa	AAA	NR
Temple Junior College District, TX - Ltd Tax Bds, Ser. 2021	\$ 110,330	NR	AA-	NR
Forney Independent School District, TX - U/L Tax Sch Bldg & Ref Bds, Ser. 2021B	\$ 75,599	NR	AAA	NR
Bell County, TX - Comb Tax & Rev C/O, Ser. 2021	\$ 64,900	NR	AA+	NR
Academy Independent School District, TX - U/L Tax Sch Bldg & Ref Bds, Ser. 2021	\$ 42,555	NR	AAA	NR
Azle Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2021	\$ 40,165	Aaa	AAA	NR
City of Waxahachie, TX - Comb Tax & Rev C/O, Ser. 2021	\$ 37,120	Aa2	AA	NR
Texas Top 10 Total Negotiated Supply	\$ 1,330,534			
<b>Texas Total Negotiated Weekly Supply</b>	<b>\$ 1,462,034</b>			

Total Texas Issuance YTD (000s) 2021 \$ 23,105,079 2020 \$ 30,832,321 2019 \$ 23,231,700

Texas Monthly Negotiated Issuance \*\*\*



\*Rating reflects underlying or insured rating, as appropriate

\*\*Source: The Bond Buyer

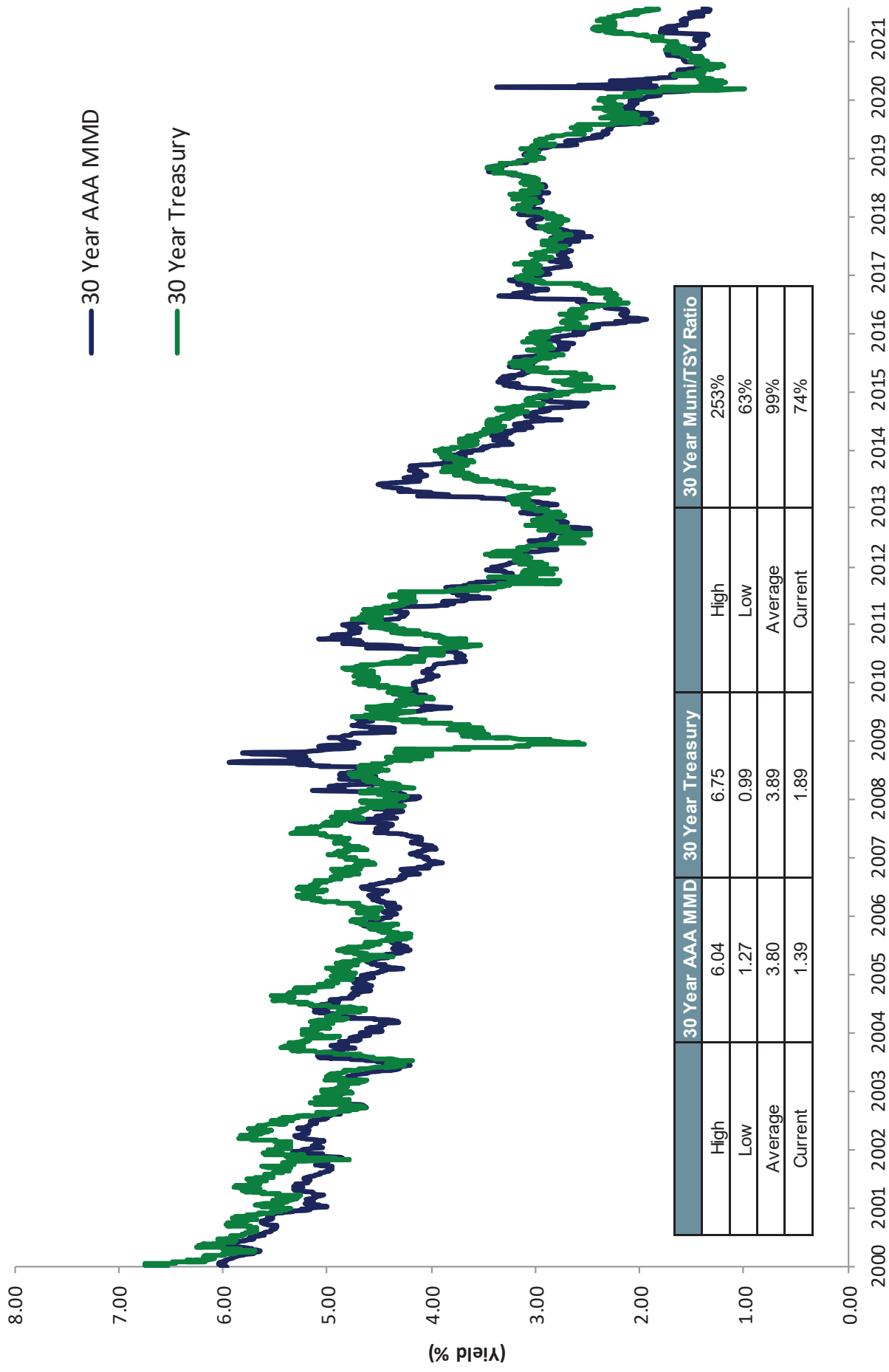
\*\*\*Source: Bloomberg



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# 30 YEAR AAA MMD vs. 30 YEAR TREASURY: SINCE 2000



Source: Thomson Reuters & Bloomberg



# ESTRADA HINOJOSA IS A LEADER WITH A GROWING NATIONAL FOOTPRINT...

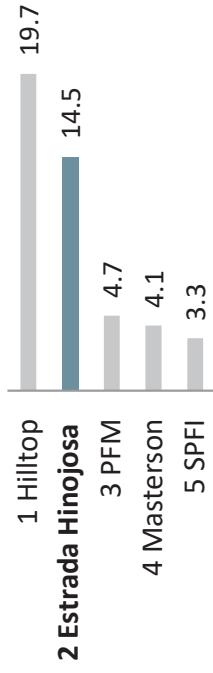
## ■ In 29 years, the Firm has completed:

- ✓ 6,147 transactions totaling \$564 billion.
- ✓ #2 FA Firm in TX and #5 in the Nation.

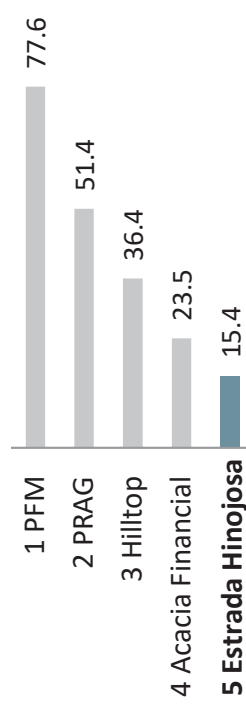
## ■ In calendar year 2020, OUR BEST EVER the Firm completed:

- ✓ Financial Advisory 145 financings totaling \$17.9 billion
- ✓ Negotiated Underwriting 97 financings totaling \$16.5 billion
- ✓ Competitive Underwriting 124 financings totaling \$10.4 billion
- ✓ 366 transactions totaling \$44.8 billion

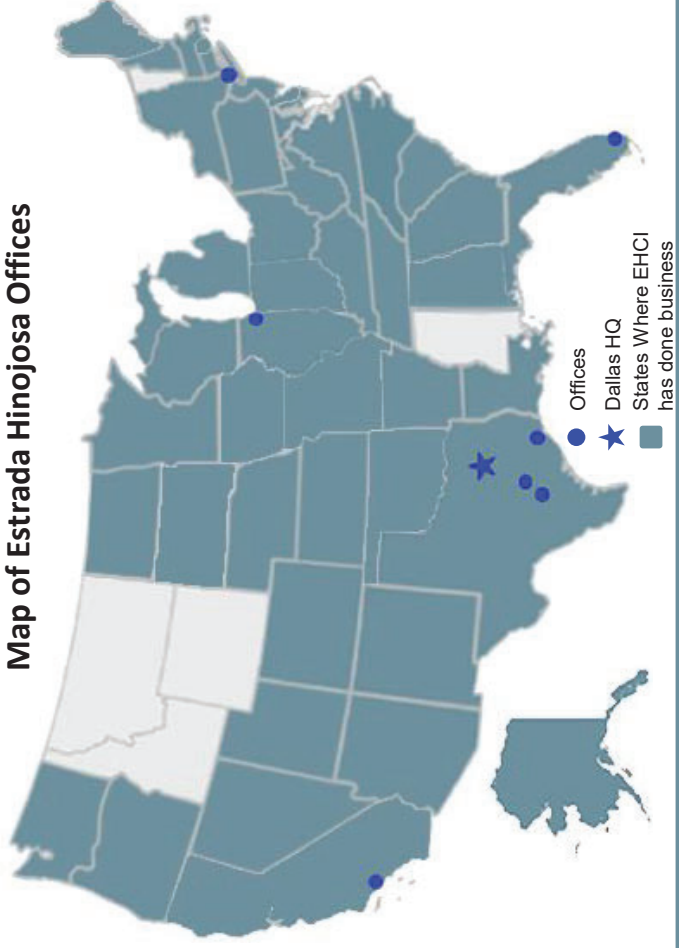
### 2020 Texas Financial Advisory Rankings (Par Amount)



### 2020 U.S. Financial Advisory Rankings (Par Amount)

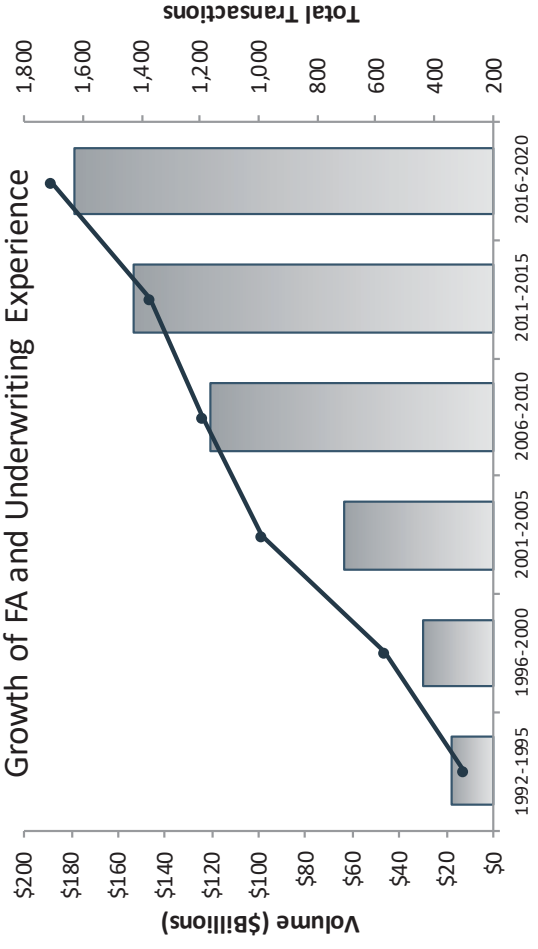


### Map of Estrada Hinojosa Offices



### Estrada Hinojosa

#### Growth of FA and Underwriting Experience



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**Discussion and Action as Necessary on Resolution 2021-005  
Authorizing the Issuance of South Texas College Limited Tax  
Refunding Bonds, Taxable Series 2021; Delegating the Authority to  
Certain College Officials to Execute Certain Documents Related to the  
Sale of the Bonds; Entering into a Bond Purchase Agreement, an  
Escrow Agreement, and a Paying Agent/Registrar Agreement;  
Approving an Official Statement for Use in the Marketing of the  
Bonds; and Authorizing and Approving Other Matters Related Thereto**

Approval of Resolution 2021-005 authorizing the issuance of South Texas College Limited Tax Refunding Bonds, Taxable Series 2021; delegating the authority to certain college officials to execute certain documents related to the sale of the bonds; entering into a bond purchase agreement, an escrow agreement, and a paying agent/registrar agreement; approving an official statement for use in the marketing of the bonds; and authorizing and approving other matters related thereto is requested.

Dr. Miguel de los Santos from Estrada Hinojosa & Company, Mr. Ricardo Perez, Bond Counsel, and Mary Elizondo, Vice President for Finance and Administrative Services, have discussed and reviewed the proposed parameters regarding a bond sale for refunding of Bond Series 2015.

The refunding Bond issue is in 'Day-to-Day' mode, meaning bonds can be priced at any time within the 180 days recommended in the parameters and in an interest rate environment will result in at least the minimum parameters being achieved. Unlike a new money transaction where the timing is based on a construction schedule, refinancing transactions are more dependent on the interest rate environment. Additionally, the recommended parameters for Board consideration provide the most flexibility in executing a potential transaction should the market conditions exist. This does not obligate that the entire amounts for Series 2015 Bonds will be refunded. Based on the prevailing market conditions, the Series 2015 Bonds may be refunded as applicable, in order to optimize the debt service savings

The general parameters for Board consideration are as follows:

- Maximum par Amount: \$58,165,000
- Minimum Savings: 8%
- Maximum TIC (True Interest Cost): 2.75%
- The Bonds will be issued as Taxable Advance Refunding Bonds
- Maximum Maturity Date – August 15, 2035
- Expiration of Delegated Authority – 180Days
- Delegation Authority- The Chairperson of the Board of Trustees, the President, and the Vice President for Finance and Administrative Services

At the Board of Trustees Meeting on July 27, 2021, the Board appointed Mr. Ricardo Perez as Bond Counsel.

If Resolution 2021-005 and the parameters are approved, Estrada Hinojosa & Company, will prepare a Timetable of Events to expeditiously undertake the required steps of the process, which include document preparation and seeking ratings on the proposed refunding bond issue.

If Resolution 2021-005 is approved, Estrada Hinojosa & Company, will continue to monitor the interest rates on a day to day basis.

Resolution 2021-005 delegates certain authority to the Chairperson of the Board of Trustees, the College President, and the Vice President for Finance and Administrative Services to authorize the refunding of bonds, including the selection of the underwriters, if the parameters are achieved as approved.

The next steps in the process are as follows:

- Financial advisor prepares Timetable of Events and works with Staff to finalize debt service savings structure
- Staff, bond counsel, and financial advisor prepare and finalize required documentation
- Rating agency process is initiated
- Underwriting syndicate selected
- Financial advisor and underwriting syndicate monitor municipal markets
- Upon determination targeted debt service savings can be achieved, pricing occurs
- STC executes Officer's Pricing Certificate
- Transaction closes

Dr. Miguel de los Santos from Estrada Hinojosa & Company will be available at the meeting to review the parameters and timeline for the Board's information and consideration.

Enclosed Documents – The Resolution and the Presentation, which includes a Market Overview and the Proposed Parameters for Refunding Opportunities submitted by Estrada Hinojosa & Company, is provided in the packet for the Board's review and information.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the Resolution 2021-005 authorizing the issuance of South Texas College Limited Tax Refunding Bonds, Taxable Series 2021; delegating the authority to certain college officials to execute certain documents related to the sale of the bonds; entering into a bond purchase agreement, an escrow agreement, and a paying agent/registrar agreement; approving an official statement for use in the marketing of the bonds; and authorizing and approving other matters related thereto as presented.

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

The Board of Trustees approves and authorizes the Resolution 2021-005 authorizing the issuance of South Texas College Limited Tax Refunding Bonds, Taxable Series 2021; delegating the authority to certain college officials to execute certain documents related to the sale of the bonds; entering into a bond purchase agreement, an escrow agreement, and a paying agent/registrar agreement; approving an official statement for use in the marketing of the bonds; and authorizing and approving other matters related thereto as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**RESOLUTION 2021-005 AUTHORIZING THE ISSUANCE OF SOUTH TEXAS COLLEGE LIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021; DELEGATING THE AUTHORITY TO CERTAIN COLLEGE OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATED TO THE SALE OF THE BONDS; ENTERING INTO A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING AN OFFICIAL STATEMENT FOR USE IN THE MARKETING OF THE BONDS; AND AUTHORIZING AND APPROVING OTHER MATTERS RELATED THERETO**

WHEREAS, the South Texas College (the “College”) has been organized, created, and established pursuant to the laws of the State of Texas (the “State”) as a junior college district and political subdivision of the State, and operates pursuant to Chapter 130, Texas Education Code, as amended;

WHEREAS, the College desires to refund certain of its outstanding obligations identified in Schedule I attached hereto that are payable from ad valorem taxes (the “Refunded Obligations”);

WHEREAS, Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), authorizes the College to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Section 1207.061(a) further authorizes the College to enter into an escrow agreement with a trust company or commercial bank that does not act as depository for the College and is named in this Resolution with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the College and such paying agent may agree, provided that such deposits may be invested and reinvested in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Obligations;

WHEREAS, the Escrow Agreement hereafter authorized constitutes an escrow agreement of the kind authorized and permitted by Chapter 1207;

WHEREAS, the Board of Trustees of the College (the “Board”) hereby finds and declares a public purpose and deems it advisable to refund the Refunded Obligations in order to effect a gross debt service savings and a present value saving in interest cost; and that such benefit is sufficient consideration for the refunding of the Refunded Obligations, and that the issuance of the refunding bonds is in the best interest of the College; and

WHEREAS, the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SOUTH TEXAS COLLEGE, THAT:

**Section 1. Definitions.** In addition to other words and terms defined in this Resolution (except those defined and used in Section 3), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Act” means Section 130.122, Texas Education Code, as amended.

“Board” means the duly constituted Board of Trustees of the College, or any successor thereto.

“Bond or Bonds” means any bond or bonds or all of the bonds, as the case may be, of that series styled “South Texas College Limited Tax Refunding Bonds, Taxable Series 2021” authorized by this Resolution.

“Bond Purchase Agreement” means the agreement dated the date of adoption of the Resolution between the College and the Initial Purchaser attached hereto as Exhibit “B.”

“Business Day” means any day which is not a Saturday, a Sunday, or a legal holiday or a day on which banking institutions are authorized by law or executive order to close.

“Capital Appreciation Bonds” means the Bonds on which no interest is paid prior to maturity, maturing on the dates, in each of the years and in the principal amounts set forth in the Pricing Certificate.

“Certified Public Accountant” means a person holding a currently valid license issued by the State of Texas to engage in the practice of public accountancy.

“Code” means the Internal Revenue Code of 1986, as amended.

“College” means the South Texas College, or any successor thereto.

“Current Interest Bond” means the Bonds bearing current interest maturing on the dates, in each of the years and in the maturity amounts set forth in the Pricing Certificate.

“DTC” means the Depository Trust Company or any successor thereto.

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agent” means the escrow agent authorized by the Pricing Officer in the Pricing Certificate and its successors in the capacity of escrow agent for the Refunded Bonds.

“Escrow Agreement” means the escrow agreement between the College and the Escrow Agent attached hereto as Exhibit “C”.

“Fiscal Year” means the College’s fiscal year, which currently is September 1 to August 31, but which may be changed from time to time by the Legislature.

“Governmental Obligations” means direct noncallable obligations of the United States, including (i) obligations that are unconditionally guaranteed by, the United States; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally

recognized investment rating firm of not less than “AAA” or its equivalent; or any other defeasance securities authorized by law.

“Initial Capital Appreciation Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 11 hereof.

“Initial Current Interest Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 11 hereof.

“Initial Purchaser” means the Initial Purchaser as provided in the Pricing Certificate.

“Interest Payment Date” means, when used with respect to the Current Interest Bonds, the date(s) determined by the Pricing Officer and set forth in the Pricing Certificate while any of the Bonds are Outstanding.

“MSRB” means the Municipal Securities Rulemaking Board.

“Outstanding” means, as of any particular date, any Bonds theretofore and thereupon delivered except: (a) any such bonds cancelled by or on behalf of the College at or before said date, (b) any such bond defeased or no longer considered Outstanding pursuant to the provisions of the resolution authorizing its issuance, or otherwise defeased as permitted by applicable law, and (c) any such bond in lieu of or in substitution for which another bond shall have been delivered pursuant to the resolution authorizing the issuance of such bond. Provided, however, that in determining whether the Owners of the requisite principal amount of Bonds which are Outstanding have given any request, demand, authorization, direction, notice, consent, or waiver as called for by this Resolution, Bonds owned by the College shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Paying Agent/Registrar shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Bonds which the Paying Agent/Registrar knows to be so owned shall be disregarded.

“Owners” means any person or persons who shall be the registered owner of any Bonds.

“Paying Agent/Registrar” means the paying agent/registrar authorized by the Pricing Officer in the Pricing Certificate and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Resolution.

“Paying Agent/Registrar Agreement” means the agreement between the Paying Agent/Registrar and the College relating to the registration, authentication, and transfer of the Bonds, attached hereto as Exhibit “D.”

“Permitted Investments” means any investment to the extent permitted under the laws of the State and the College’s investment policy, unless limited under documents authorizing the Bonds.

“Pricing Certificate” shall mean the certificate of a Pricing Officer provided in accordance with this Order.

“Pricing Officer” shall mean one or more of the following: the Chair, the Vice-Chair, or the Secretary of the Board of Trustees, the President of the College, or the Vice-President for Finance & Administrative Services.



“Record Date” means the 15th day of the month next preceding the applicable Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Resolution” means this resolution authorizing the issuance of the Bonds, as revised and completed as herein permitted.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“State” means the State of Texas.

“Underwriters” mean the Initial Purchaser and the syndicate of underwriters as provided in the Pricing Certificate.

**Section 2. Authorization of the Bonds.** There is hereby ordered to be issued, under and by virtue of the laws of the State, including particularly Chapter 1207, a series of bonds of the College to be known as “SOUTH TEXAS COLLEGE LIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021” (the “Bonds”) payable from available funds of the College provided in the Act, including an ad valorem tax levied on all taxable property in the College as provided in this Resolution, for the purposes of paying costs incurred in connection with the refunding of the Refunding Obligations and paying costs associated with issuance of the Bonds.

As authorized by Chapter 1207.007, Texas Government Code, as amended, the Chair, the Vice-Chair, or the Secretary of the Board of Trustees, the President of the College, or the Vice-President for Finance & Administrative Services (each an “Authorized Representative”) are each hereby authorized, appointed, and designated as an officer of the College authorized to act on behalf of the College in selling and delivering the Bonds, authorized herein and carrying out the procedures specified in this Resolution, including determining the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the aggregate principal amount of each maturity of the Bonds and the rate of interest to be borne on the principal amount of each maturity, determining the allocation of any premium generated from the sale of the Bonds, determining the redemption provisions, if any, determining the College contribution, if any, selecting an insurer, if any, determining whether the Bonds shall be issued in one or more series and whether such series will be issued as tax-exempt or taxable, Current Interest Bonds and/or Capital Appreciation Bonds, and determining the final obligations to be refunded, and all other matters relating to the issuance, sale, and delivery of the Bonds. Each of the above individuals, acting for and on behalf of the College, is authorized to execute the Pricing Certificate attached hereto as Exhibit “A” (the “Pricing Certificate”) and the Bond Purchase Agreement attached thereto within 180 days after the date of adoption of this Resolution. The Bonds shall be issued in the aggregate principal amount not to exceed \$58,165,000; the maximum maturity of the Bonds will not exceed August 15, 2035; the refunding must result in a net present value savings of at least 8.00%, including the College’s cash contribution, if any; and the true interest cost shall not exceed 2.75%. The execution of the Pricing Certificate and the Bond Purchase Agreement shall evidence the sale date of the Bonds by the College to the Initial Purchaser (hereinafter defined).

**Section 3. Date, Denominations, Numbers, and Maturities of the Bonds.** The Bonds of each series shall be dated as provided in the Pricing Certificate (the “Dated Date”). Interest shall commence to

accrue on the Current Interest Bonds (hereinafter defined) from the date of initial delivery. Interest shall commence to compound on the Capital Appreciation Bonds (hereinafter defined) on the date of initial delivery pursuant to the Bond Purchase Agreement herein authorized and shall be payable on the dates specified in the Form of Bonds in Section 5. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, with the Current Interest Bonds being numbered consecutively from R-1 upward for the definitive Current Interest Bonds and CRI-1 for the Current Interest Bond initially delivered, and the Capital Appreciation Bonds being numbered consecutively from CR-1 upward for the definitive Capital Appreciation Bonds and CABI-1 for the Capital Appreciation Bond initially delivered, payable to the Initial Purchaser (hereinafter defined), or to the registered assignee or assignees of the Bonds or any portion or portions thereof (in each case, the "Owner").

The Current Interest Bonds shall mature in each of the years and in the amounts and bear interest as set forth in the Pricing Certificate.

The Capital Appreciation Bonds shall mature in maturing amounts of \$5,000 or any integral multiple thereof and be payable in each of the years in the aggregate principal amount and aggregate payment at maturity at the yield, respectively, as set forth in the Pricing Certificate.

The Accreted Value (per \$5,000 payment at maturity) shall mean the original principal amount of a Capital Appreciation Bond plus the initial premium, if any, paid therefor with interest thereon compounded semiannually on the dates established by a Pricing Officer (each such date being an "Accretion Date") as the case may be, next preceding the date of such calculation (or the date of calculation, if such calculation is made on an Accretion Date), at the stated yield shown therefor in the Table of Accreted Values set forth in the Pricing Certificate. For any date other than an Accretion Date, the Accreted Value shall be determined by a straight-line interpolation between the values for the applicable semi-annual compounding dates, based on 30-day months.

**Section 4. Right of Prior Redemption.** (a) Optional Redemption. The Bonds shall be subject to redemption prior to maturity on such dates, at such prices and in such amounts as shall be provided in the Pricing Certificate.

(b) Notice. Notice of such redemption shall be given as provided in the FORM OF BONDS included in Section 5 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Register all such redemptions of principal of the Bonds or any portion thereof. By the date fixed for any such redemption due provision shall be made by the College with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds, or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities and shall not bear interest after the date fixed for their redemption and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and

in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the College all as provided in this Resolution.

**Section 5. General Characteristics and Form of the Bonds.** The Bonds shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated in the form set forth below. The Form of the Bonds, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State to be printed and manually endorsed on the Initial Bond(s), the Form of the Authentication Certificate, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Resolution, and the definitions contained with each such form shall apply solely to such form:

## FORM OF BONDS

### Form of Current Interest Definitive Bonds

United States of America  
State of Texas  
SOUTH TEXAS COLLEGE  
LIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021

NUMBER	DENOMINATION
R-_____	\$ _____
REGISTERED	REGISTERED

INTEREST <u>RATE (%)</u>	DELIVERY <u>DATE</u>	MATURITY <u>DATE</u>	DATED <u>DATE</u>	<u>CUSIP NO.</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ (\$\_\_\_\_\_)

SOUTH TEXAS COLLEGE (the “College”), a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the “Owner”) on the Maturity Date, specified above, upon presentation and surrender of this Bond at the designated payment office of \_\_\_\_\_, or its successor (the “Paying Agent/Registrar”), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of 12, 30-day months, from the later of the Delivery Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check dated \_\_\_\_\_, and each \_\_\_\_\_ and \_\_\_\_\_ thereafter, mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the “Register”), as of the date which is the last calendar day of the month next preceding the interest payment date or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the College. Notice of the Special Record Date and of the scheduled payment date of the

past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the Register at the close of business on the 15th day next preceding the date of mailing of such notice. The College covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Resolution defined below.

THIS BOND is one of a series of Bonds dated as of \_\_\_\_\_ (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the resolution adopted by the Board of Trustees of the College (the "Board") on \_\_\_\_\_ and a Pricing Certificate executed pursuant thereto (collectively, the "Resolution"), in the original aggregate principal amount of \$ \_\_\_\_\_ for the purpose of refunding certain outstanding obligations of the College and to pay costs of issuance of the Bonds, by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended. [The series of which this Bond is one is comprised of (i) Bonds in the aggregate principal amount of \$ \_\_\_\_\_ that pay interest semiannually until maturity (the "Current Interest Bonds") and (ii) Bonds in the aggregate original principal amount of \$ \_\_\_\_\_ that pay interest only at maturity (the "Capital Appreciation Bonds").]

THE COLLEGE RESERVES THE RIGHT, at its option, to redeem the Bonds maturing on or after \_\_\_\_\_ prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on \_\_\_\_\_, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the College. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bond or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

IF A BOND subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

NOTICE OF REDEMPTION shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the Owner of each Bond, or portion thereof to be redeemed, at its address as it appeared on the Register on the close of business or the business day next preceding the date of mailing such notice; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made by the College with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying

Agent/Registrar shall record in the Register all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the College, all as provided in the Resolution. Capitalized terms used herein have the same meanings assigned in the Resolution.

With respect to any optional redemption of the Bonds, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on the Bonds to be redeemed before giving of a notice of redemption, the notice of redemption may state that the College may condition redemption on the receipt by the Paying Agent/Registrar of such funds on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the College shall not redeem the Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

IF ANY BOND shall not be paid upon the surrender thereof at the redemption or on a maturity date, such Bonds shall continue to bear interest until paid and, to the extent permitted by law, interest on any overdue payments of principal of or interest on such Bond shall be paid at the rate of interest borne by such Bond.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the College or the city where the principal corporate trust offices of the Paying Agent/Registrar are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date of payment.

THE BONDS are issued pursuant to the Resolution whereunder the College covenants to levy a continuing, direct, annual ad valorem tax on all taxable property within the College, not to exceed \$0.50 on the \$100 valuation for each year while any part of the Bonds are considered outstanding under the provisions of the Resolution, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal of the Bonds when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Resolution for provisions with respect to the custody and application of the College's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner. By acceptance of this Bond, the Owner consents to all of the provisions of the Resolution, a certified copy of which is on file in the office of the Board.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Resolution. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution. The Owner of this Bond shall be deemed and treated by the College and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the College and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the College, resigns, or otherwise ceases to act as such, the College has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owner.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the College have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each Owner and the College.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the Chair of the Board of Trustees of the College and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees, and the official seal of the College has been duly impressed, or placed in facsimile, on this Bond by virtue of the laws of the State of Texas.

SOUTH TEXAS COLLEGE

\_\_\_\_\_  
Secretary, Board of Trustees

\_\_\_\_\_  
Chair, Board of Trustees

(COLLEGE SEAL)

\* \* \*

Form of Definitive Capital Appreciation Bonds

United States of America  
State of Texas  
SOUTH TEXAS COLLEGE  
LIMITED TAX REFUNDING BOND, TAXABLE SERIES 2021

NUMBER  
CR-  
REGISTERED

INTEREST RATE    DATED DATE    DELIVERY DATE    MATURITY DATE    CUSIP NO.

REGISTERED OWNER: CEDE & CO.

PAYMENT AT MATURITY: \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_)

SOUTH TEXAS COLLEGE (the “College”), a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the “Owner”) on the Maturity Date, specified above, the Payment at Maturity, in the amount specified above, representing the principal amount hereof and compounded interest hereon. Interest shall accrete on the principal amount hereof commencing on the Delivery Date, at the Interest Rate per annum, specified above, compounded on \_\_\_\_\_, and semiannually thereafter on \_\_\_\_\_ and \_\_\_\_\_. For convenience of reference, a table appears in Schedule I attached to this Bond showing the “Accreted Value” of the original principal amount plus initial premium per \$5,000 Payment at Maturity compounded semiannually at the approximate yield shown on such table. The Accreted Value with respect to any date other than a \_\_\_\_\_ or \_\_\_\_\_ is the amount set forth on the table with respect to the last preceding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, plus the portion of the difference between such amount and the amount set forth on the table with respect to the next succeeding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, that the number of days (based on 30-day months) from such last preceding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, to the next succeeding \_\_\_\_\_ or \_\_\_\_\_, as the case may be.

THE PAYMENT AT MATURITY of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Payment at Maturity of this Bond shall be paid to the Owner hereof upon presentation and surrender of this Bond at maturity, at the designated payment office of \_\_\_\_\_, which is the initial “Paying Agent/Registrar” for this Bond, and shall be drawn by the Paying Agent/Registrar on, and solely from, funds of the College required by the Order (described below) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the Owner hereof, as it appears on the Register kept by the Paying Agent/Registrar, as hereinafter described. Notwithstanding the above paying procedures, upon written request to the College and the Paying Agent/Registrar, the Owner of at least \$1,000,000 Payment at Maturity may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a “Special Record Date”) will be established by the Paying

Agent/Registrar, if and when funds for the payment thereof have been received from the College. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The College covenants with the Owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" maintained pursuant to the Order, the amounts required to provide for the payment, in immediately available funds, of the Payment at Maturity, when due.

THIS BOND is one of a series of Bonds dated as of \_\_\_\_\_ (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Order adopted by the Board of Trustees of the College on \_\_\_\_\_ and a "Pricing Certificate" executed pursuant thereto (collectively, the "Order"), in the original aggregate principal amount of \$ \_\_\_\_\_ for the purpose of providing money for refunding certain outstanding bonds, and to pay costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended. [The series of which this Bond is one is comprised of (i) Bonds in the aggregate principal amount of \$ \_\_\_\_\_ that pay interest semiannually until maturity (the "Current Interest Bonds") and (ii) Bonds in the aggregate original principal amount of \$ \_\_\_\_\_ that pay interest only at maturity (the "Capital Appreciation Bonds").]

The Capital Appreciation Bonds are not subject to redemption prior to maturity.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the College or the city where the principal corporate trust offices of the Paying Agent/Registrar are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date of payment.

THE BONDS are issued pursuant to the Resolution whereunder the College covenants to levy a continuing, direct, annual ad valorem tax on all taxable property within the College, not to exceed \$0.50 on the \$100 valuation for each year while any part of the Bonds are considered outstanding under the provisions of the Resolution, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal of the Bonds when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Resolution for provisions with respect to the custody and application of the College's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner. By acceptance of this Bond, the Owner consents to all of the provisions of the Resolution, a certified copy of which is on file in the office of the Board.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Resolution. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution. The Owner of this Bond shall be deemed and treated by the College and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the College and the Paying Agent/Registrar shall not be affected by any notice to the contrary.



IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the College, resigns, or otherwise ceases to act as such, the College has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owner.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the College have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each Owner and the College.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the Chair of the Board of Trustees of the College and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees, and the official seal of the College has been duly impressed, or placed in facsimile, on this Bond by virtue of the laws of the State of Texas.

SOUTH TEXAS COLLEGE

\_\_\_\_\_  
Secretary, Board of Trustees

\_\_\_\_\_  
Chair, Board of Trustees

(COLLEGE SEAL)

TO BE INCLUDED AS THE LAST PAGE OF THE DEFINITIVE CAPITAL APPRECIATION BONDS:

#### SCHEDULE I

#### ACCRETED VALUE TABLE

	<u>    </u> / <u>    </u> /20	<u>    </u> / <u>    </u> /20
<u>Date</u>	<u>        </u> %	<u>        </u> %

Form of Initial Current Interest Bond

The Initial Current Interest Bond shall be in the form set forth above for the Definitive Current Interest Bond, except the following shall replace the heading and the first two paragraphs.

NO. CRI-1

\$ \_\_\_\_\_

United States of America  
State of Texas

SOUTH TEXAS COLLEGE  
LIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021

Dated Date:

Delivery Date:

Registered Owner:

Principal Amount: \_\_\_\_\_ DOLLARS

SOUTH TEXAS COLLEGE (the "College"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on August 1 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

YEAR OF  
MATURITY

PRINCIPAL  
AMOUNT

INTEREST  
RATE

(Insert schedule from Pricing Certificate)

INTEREST on the unpaid Principal Amount hereof from the Delivery Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of 12, 30-day months; such interest being payable on \_\_\_\_\_ and \_\_\_\_\_ of each year, commencing \_\_\_\_\_.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of \_\_\_\_\_ which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Owner hereof as shown by the Register kept by the Paying Agent/Registrar at the close of business on the last calendar day of the month preceding a scheduled payment (the "Record Date") by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the College required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the Owner hereof at its address as it appears on the Register kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the

Paying Agent/Registrar, if and when funds for the payment thereof have been received from the College. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the 15th day next preceding the date of mailing of such notice. The College covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the Resolution defined below.

THIS BOND is one of a series of Bonds dated as of \_\_\_\_\_ (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Resolution adopted by the Board of Trustees of the College (the "Board") on \_\_\_\_\_ (the "Resolution"), in the original aggregate principal amount of \$ \_\_\_\_\_ for the purpose of refunding certain outstanding College obligations and paying costs associated with issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended. [The series of which this Bond is one is comprised of (i) Bonds in the aggregate principal amount of \$ \_\_\_\_\_ that pay interest semiannually until maturity (the "Current Interest Bonds") and (ii) Bonds in the aggregate original principal amount of \$ \_\_\_\_\_ that pay interest only at maturity (the "Capital Appreciation Bonds").]

\* \* \*

Form of Initial Capital Appreciation Bond

The Initial Capital Appreciation Bond shall be in the form set forth above for the Definitive Capital Appreciation Bond, except the following shall replace the heading and the first two paragraphs:

NO. CABI-1

\$ \_\_\_\_\_

United States of America

State of Texas

SOUTH TEXAS COLLEGE

LIMITED TAX REFUNDING BOND, TAXABLE SERIES 2021

Dated Date:

Delivery Date:

Registered Owner:

Maturity Amount: \_\_\_\_\_ DOLLARS

SOUTH TEXAS COLLEGE (the "College"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the aggregate of the Maturity Amount, specified below, on August 1 in the year and in the installment in accordance with the following schedule:

<u>Principal Amount (\$)</u>	<u>Stated Maturity</u>	<u>Yield to Maturity (%)</u>	<u>Maturity Amount</u>
----------------------------------	----------------------------	----------------------------------	------------------------

(Information to be inserted from schedule in the Pricing Certificate.)

(without the right of redemption or prepayment prior to Stated Maturity, specified above). The respective installments of the Maturity Amount hereof represent the accretion of the original principal amounts of each year of Stated Maturity from the date of initial delivery of this Bond to the Initial Purchaser thereof to the respective years of Stated Maturity (including the initial premium, if any, paid by the Initial Purchaser) and such accretion in values occurring at the respective Accretion Rate and compounding on \_\_\_\_\_, and semiannually thereafter on each \_\_\_\_\_ and \_\_\_\_\_. A table of the "Accreted Values" per \$5,000 "Accreted Value" at maturity is attached to this Bond. The Accreted Value with respect to any date other than a \_\_\_\_\_ or \_\_\_\_\_ is the amount set forth in the table with respect to the last preceding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, plus the portion of the difference between such amount and the amount set forth in the table with respect to the next succeeding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, that the number of days (based on 30-day months) from such last preceding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding \_\_\_\_\_ or \_\_\_\_\_, as the case may be, to the next succeeding \_\_\_\_\_ or \_\_\_\_\_, as the case may be.

The installments of the Maturity Amount of this Bond are payable in the years of Stated Maturity to the registered owner hereof, without exchange or collection charges, upon its presentation and surrender, at the designated payment office of \_\_\_\_\_, or its successor (the "Paying Agent/Registrar"), and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Form of Registration Certificate of the Comptroller of Public Accounts (to be printed on or attached to only the Initial Current Interest Bond and Initial Capital Appreciation Bond)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this \_\_\_\_\_.

(COMPTROLLER'S SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts of the  
State of Texas

\* \* \*

Form of Authentication Certificate (to be printed on the Definitive Bonds only)

#### AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Resolution described on the face of this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a Bond, Bonds, or a portion of a Bond or Bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

[Bank]  
as Paying Agent/Registrar

Dated \_\_\_\_\_

By \_\_\_\_\_  
Authorized Representative

Form of Assignment (to be printed on the Definitive Bonds only)

#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

/ \_\_\_\_\_ / \_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification No. of Transferee) (Please print name and address, including zip code, of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the

transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

The following abbreviations, when used in the Assignment above or on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

In case any officer of the College whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bond was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The College authorizes the printing of a true and correct copy of an opinion of the Perez Law Firm, PLLC, attorneys at law, relating to the validity and enforceability of the Bonds under Texas law and the status of interest on the Bonds under federal income tax laws on the reverse side of each of the Bonds over a certificate of identification executed by the facsimile signature of the Secretary, Board of Trustees, and also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Resolution, shall in no way effect the validity or enforceability of the Bonds or relieve the Initial Purchaser of their obligation to accept delivery of and pay for the Bonds.

**Section 6. Special Funds.** The College hereby confirms the establishment of the following funds of the College at a depository of the College:

(a) Interest and Sinking Fund, Tax Levy, and Appropriation. A special “2021 Tax Bond Interest and Sinking Fund” (the “Interest and Sinking Fund”) is hereby created and established and shall be maintained by the College at an official depository bank of the College and accounted for as herein provided so long as any of the Bonds remain Outstanding. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the College and shall be used only for paying the interest on and principal of the Bonds. The net proceeds of all ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the principal of or interest on or maturing amounts of (as appropriate) the Bonds are outstanding and unpaid, the Board shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds and the principal on the Bonds as such principal matures, provided that the annual bond tax shall never exceed \$0.50 on the \$100 valuation of taxable property in the College, and the annual ad valorem tax together with the annual maintenance tax shall never exceed the aggregate of \$1.00 on the \$100 valuation of taxable property in the College; the tax shall be based on the latest approved tax rolls of the College, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the College, for each year while any of the Bonds are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

(b) Additional Deposits to the Interest and Sinking Fund. All accrued interest and net premium, if any, received at the time of delivery of the Bonds shall be deposited into the Interest and Sinking Fund.

Any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Interest and Sinking Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in the Interest and Sinking Fund from ad valorem taxes.

(c) Transfers of Money to the Paying Agent/Registrar. While the Bonds are Outstanding, the Board shall transfer the amounts held in the Interest and Sinking Fund for the payment of interest to come due on the Bonds to the Paying Agent/Registrar to pay the interest scheduled to come due on the Parity Bonds on each Interest Payment Date;

(d) Escrow Fund. The “Escrow Fund” is the fund held by the Escrow Agent pursuant to the Escrow Agreement into which the proceeds of the Bonds (or Escrowed Securities purchased therewith if any) shall be placed, except for accrued interest (which shall be paid into the Interest and Sinking Fund) and amounts to pay costs of issuance of the Bonds (which shall be deposited with the College’s depository bank or paid at closing by the Escrow Agent). The Escrow Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Refunding Bonds are issued.

**Section 7. Investments and Security.** (a) Investment of Funds. The Board may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. Interest earnings derived from the investment of proceeds of the Refunded Obligations, if any,

shall be used as provided in the Escrow Agreement. It is provided, however, that any interest earnings on proceeds of the Bonds which are required to be rebated to the United States of America in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) Security for Funds. All funds created by this Resolution shall be secured in the manner and to the fullest extent required by law for the security of funds of the College.

**Section 8. Covenants of the College.** (a) Punctual Payment of Bonds. The College will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each and every Bond issued and delivered hereunder; will promptly pay or cause to be paid from the available funds the principal of and interest on every Bond issued hereunder on the dates and at the places and in the manner prescribed in such Bond and in this Resolution; and, prior to the maturity of each installment of interest and prior to the maturity of each such Bond, at the times and in the manner prescribed herein, will deposit or cause to be deposited, from the available funds lawfully available for such use, the amount of money specified herein.

(b) Accounts, Records, and Audits. So long as any Bonds remain Outstanding, the College covenants and agrees that it will maintain or cause to be maintained a proper and complete system of records and accounts, separate and apart from all other records and accounts, pertaining to the available funds in which full, true, and proper entries will be made of all dealings, transactions, business, and affairs which in any way affect or pertain to the available funds. The College shall after the close of each Fiscal Year direct its independent auditors to audit its books and accounts, prepare financial statements of the College, and have those financial statements audited by the College's independent auditors. Such books, records, accounts, and annual audit reports shall be open to the Owners and their agents and representatives at all reasonable times.

**Section 9. Perfection of Security.** Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, in order to preserve to the owners a security interest in such pledge, the College agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

**Section 10. Paying Agent/Registrar.** The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of the Bonds and the accrued interest on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, as described in the Form of Bonds in Section 5 hereof.

The College, the Paying Agent/Registrar, and any other person shall treat the Owner as the absolute owner of such Bonds for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the College nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Resolution shall be valid and effectual and shall discharge the liability of the College and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.



So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its corporate trust offices in Texas in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Resolution.

The College may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and shall be authorized by law to serve as a paying agent/registrar. In such event, the College shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Resolution.

No resignation or removal of the Paying Agent/Registrar shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent/Registrar, as applicable.

The Chair and the Secretary of the Board are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form presented to the Board on this date.

**Section 11. Initial Bond(s); Book-Entry Only System; Exchange or Transfer of Bonds.** The Initial Bond(s) being in the principal amount as shown in the Pricing Certificate for each year of maturity, and representing the entire principal amount of Bonds shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or her duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Bond(s) to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Bond(s) are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Bond upon authorization of the College as provided in such instructions.

It is intended that the definitive Bonds be registered so as to participate in a securities depository system (the "DTC System") with DTC or any successor entity thereto, as set forth herein. The definitive Bonds shall be issued in the form of a separate single definitive Bond for each maturity. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Board and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a "Blanket Issuer Letter of Representation" (the "Representation Letter").

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an "Indirect Participant"). Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership

interest in the Bonds; or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than an Owner of a Bond, of any amount with respect to principal of or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond evidencing the obligation of the Board to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Owner, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the Board determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Board determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Board shall notify the Paying Agent/Registrar, DTC, and Depository Participants of the availability within a reasonable period of time through DTC of certificated Bonds, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Board may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Board, or such depository's agent or designee, and if the Board and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever names the Owners of the Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

In the event that certificated Bonds are issued, each Bond shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented. Notwithstanding the preceding, the Paying Agent/Registrar is not required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer is not applicable to an exchange by the Owner of the uncalled balance of a Bond.

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with this Resolution and each Bond so delivered shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The College or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the College.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of redemption, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

**Section 12. College Officers' Duties.** (a) Issuance of Bonds. The Chair of the Board shall submit the Initial Bond(s), the record of the proceedings authorizing the issuance of the Bonds, and any and all necessary resolutions, certificates, and records to the Attorney General of the State for his investigation. After obtaining the approval of the Attorney General, the Chair of the Board shall cause the Initial Bond(s) to be registered by the Comptroller of Public Accounts of the State. The officers or acting officers of the Board are authorized to execute and deliver on behalf of the Board such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Bonds to and by the Initial Purchaser.

(b) Execution of Resolution. The Chair and the Secretary of the Board are authorized to execute the certificate to which this Resolution is attached on behalf of the Board and to do any and all things proper and necessary to carry out the intent hereof.

**Section 13. Remedies of Owners.** In addition to all rights and remedies of any Owner of the Bonds provided by the laws of the State, the College and the Board covenant and agree that in the event the College defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Resolution to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Resolution, the Owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board and other officers of the College to observe and perform any covenant, obligation, or condition prescribed in this Resolution. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Resolution shall be available to any Owner of any of the Bonds and shall be cumulative of all other existing remedies.

**Section 14. Lost, Stolen, Destroyed, Damaged, or Mutilated Bonds; Destruction of Paid Bonds.** (a) Replacement Bonds. In the event any outstanding Bond shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the College shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Bond of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Bond, or in lieu of and substitution for such Bond, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Bonds shall be made to the College. In every case the applicant for a substitute Bond shall furnish to the College such deposit for fees and costs as may be required by the College to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the College indemnity to the College's satisfaction and shall file with the College evidence to the College's satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Bonds. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bonds, the College may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a substitute Bond, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Bonds, the College may charge the Owner of such Bond with fees and costs incurred in connection therewith. Every substitute Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the College, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority to Issue Substitute Bonds. This Resolution shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the Board or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Resolution.

(f) Destruction of Paid Bonds. At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Bonds duly paid and shall furnish to the College a certificate evidencing such destruction.

**Section 15. Defeasance.** (a) Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Resolution (a “Defeased Bond”) when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by section 1207.061(a), Texas Government Code, as amended (a “Depository”), with respect to the safekeeping, investment, administration, and disposition of a deposit made under section 1207.061, Texas Government Code, as amended, for such payment (the “Deposit”) (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Bond. To cause a Bond scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the College must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the College shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants or the College’s Financial Advisor verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date thereof (the “Verification”); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Chair of the Board of the College, the College’s Financial Advisor or other qualified finance professional certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the College shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the

Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the College. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Resolution, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the College has reserved the option to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the College (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depositary may at the written direction of the College also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depositary which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the College.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the College shall make proper arrangements to provide and pay for such services as required by this Resolution.

**Section 16. Resolution a Contract; Amendments.** This Resolution shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the College and its successors and assigns, and shall not be amended or repealed by the College as long as any Bond remains outstanding except as permitted in this Section. The College may, without the consent of or notice to any Owners, amend, change, or modify this Resolution as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The College may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Resolution; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the College desires to make any amendment or addition to or rescission of this Resolution requiring consent of the Owners, the College shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the College may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

**Section 17. Sale and Delivery of Bonds.** (a) Sale. The sale of the Bonds to the Initial Purchaser pursuant to the Pricing Certificate and the Bond Purchase Agreement is hereby confirmed and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Resolution, upon payment therefor, in accordance with the Bond Purchase Agreement. An Authorized Representative is hereby authorized to sign and deliver the Bond Purchase Agreement.

(b) Approval of Official Statement. An Authorized Representative is hereby directed to approve the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approve the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement as approved by an Authorized Representative is approved.

(c) Legal Opinion. The Initial Purchaser's obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

(d) Registration and Delivery. Upon the registration of the Initial Bond(s), the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Bond(s) pursuant to the instruction of the Chair of the Board for delivery to the Initial Purchaser.

**Section 18. Approval of Escrow Agreement.** The Chair of the Board is hereby authorized and directed to execute and deliver, and the Secretary of the Board is hereby authorized and directed to attest, the Escrow Agreement.

**Section 19. Use of Proceeds.** The proceeds from the sale of the Bonds shall be used as described in the Pricing Certificate.

**Section 20. Matters Related to Refunding.** (a) In order that the College shall satisfy in a timely manner all of its obligations under this Resolution, the Chair of the Board and all other appropriate officers and agents of the College are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the College all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the College's obligations under this Resolution and to direct the transfer and application of funds of the College consistent with the provisions of this Resolution.

(b) The Chair of the Board is hereby authorized and directed to execute and deliver and the Secretary of the Board is hereby authorized and directed to attest the Escrow Agreement.

(c) To assure the purchase of the "Escrowed Securities", if any, referred to in the Escrow Agreement, the Chair of the Board and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase non-callable obligations of the United States of America, in such amounts and maturities and bearing interest at such rates as may be provided for in the Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization, and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

(d) The College hereby authorizes and directs a notice of redemption of the Refunded Obligations to be given as provided in the form attached hereto as Exhibit “E” and the Refunded Obligations are hereby called for redemption.

**Section 21. Continuing Disclosure Undertaking.** (a) Annual Reports. The College shall provide annually to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to its Electronic Municipal Market Access System (“EMMA”), within six months after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the College of the general type described in Exhibit “F” hereto with respect to such fiscal year or the 12-month period then ended. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted accounting principles or such other accounting principles as the College may be required to adopt from time to time by state law or regulations and (ii) audited, if the College commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, the College will provide unaudited statements by the required time and the College shall provide audited financial statements for the applicable fiscal year to the MSRB when and if the audit report on such statements becomes available.

If the College changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the College otherwise would be required to provide financial information and operating data pursuant to this Section.

(b) The College will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten (10) business days after the occurrence of an event. The College will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the College; (13) consummation of a merger, consolidation, or acquisition involving the College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material (15) incurrence of a financial obligation of the College, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the College, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the College, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent, or similar officer for the College in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the College; (ii) or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of

a court or governmental authority; or (iii) the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the College. The College intends the words used in clauses (15) and (16) and the definition of financial obligation in this section to have the meanings ascribed to them in the Securities and Exchange Commission (the “SEC”) Release No. 34-83885, dated August 20, 2018.

The College shall notify the MSRB, in a timely manner, of any failure by the College to provide financial information or operating data in accordance with this Section by the time required by this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB that theretofore has been provided to each nationally recognized municipal securities information repository and any state information depository, or filed with the SEC.

(c) Limitations, Disclaimers, and Amendments. The College shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the College remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the College in any event will give notice of any deposit made in accordance with Section 15 that causes the Bonds no longer to be Outstanding, and any call of Bonds made in connection therewith.

The provisions of this Section are for the sole benefit of the beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The College undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the College’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The College does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COLLEGE BE LIABLE TO THE BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COLLEGE, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the College in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provisions of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the College under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the College from time to time under the following circumstances, but not otherwise: (a) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the College, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule



and either the Holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds, (b) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (c) in any other circumstance or manner permitted by the Rule.

**Section 22. Further Procedures.** The Chair and the Secretary of the Board, and all other officers, employees, attorneys, and agents of the College, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the College, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the Bond Purchase Agreement, and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the Chair and the Secretary of the Board and Bond Counsel to the College are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized by this Resolution necessary in order to (a) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution, (b) obtain a rating from any of the national Bond rating agencies, or (c) obtain the approval of the Bonds by the Texas Attorney General's office.

**Section 23. Attorney General Examination Fee.** The College recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Bonds and that, based upon the principal amount of the Bonds, such fee is the lesser of one-tenth of one percent or \$9,500 of the final principal amount of the Bonds. The appropriate College official is hereby directed to make such payment, or reimburse Bond Counsel for making such on behalf of the College, and such amount is hereby appropriated for such purpose. The College is also authorized to reimburse the fund used for such payment with proceeds of the Bonds.

**Section 24. Miscellaneous Provisions.** (a) Titles Not Restrictive. The titles assigned to the various sections of this Resolution are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Resolution.

(b) Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed and declared to be inapplicable, and the provisions of this Resolution shall be and remain controlling as to the matters prescribed herein.

(c) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution shall nevertheless be valid and the Board hereby declares that this Resolution would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(d) Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State.

(e) Open Meeting. The Board officially finds and determines that the meeting at which this Resolution is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(f) Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the College, the Paying Agent/Registrar, and the Owners, any right, remedy, or claim under or by reason of this Resolution or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Resolution contained by and on behalf of the College shall be for the sole and exclusive benefit of the College, the Paying Agent/Registrar, and the Owners.

(g) Incorporation of Recitals. The recitals to this Resolution are hereby incorporated by reference herein as if copied in full.

PASSED AND APPROVED this \_\_\_\_ day of August, 2021.

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Chair, Board of Trustees

ATTEST:

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Secretary, Board of Trustees

(COLLEGE SEAL)

## **SCHEDULE I**

### **Obligations Eligible for Refunding**

#### **South Texas College Limited Tax Bonds, Series 2015**

<b><u>Maturity Date</u></b>	<b><u>Interest Rate (%)</u></b>	<b><u>Par Amount (\$)</u></b>	<b><u>Call Date</u></b>
08/15/2025			08/15/2024
08/15/2026			08/15/2024
08/15/2027			08/15/2024
08/15/2028			08/15/2024
08/15/2029			08/15/2024
08/15/2030			08/15/2024
08/15/2031			08/15/2024
08/15/2032			08/15/2024
08/15/2033			08/15/2024
08/15/2034			08/15/2024
08/15/2025			08/15/2024
TOTAL			

**EXHIBIT A**  
**PRICING CERTIFICATE**

**See Tab No. \_\_**

A-1

**EXHIBIT B**  
**BOND PURCHASE AGREEMENT**

See Tab No. \_\_

**EXHIBIT C**  
**ESCROW AGREEMENT**

**See Tab No. \_\_**

**EXHIBIT D**  
**PAYING AGENT/REGISTRAR AGREEMENT**

See Tab No. \_\_



**EXHIBIT E**  
**NOTICE OF REDEMPTION**

**See Tab No. \_\_**

## **EXHIBIT F**

### **Description of Annual Financial Information**

The following information is referred to in Section 21 of this Resolution.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the College to be provided annually in accordance with such Section are as specified and included in the Appendices or under the headings of the Official Statement referred to below:

1. The College's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the College appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. The information included in the Official Statement under the following captions in the Official Statement, but for the most recently concluded fiscal year: Tables 1 – 6 and 8 – 13 and in Appendix B.

#### **Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above, as such principles may be changed from time to time to comply with State law or regulation.

## Discussion and Action as Necessary on Procurement of Air Purifiers for Classrooms

Approval of procurement of air purifiers for classrooms is requested.

Purpose - On July 27, 2021, the Board of Trustees requested information related to air purifiers for classroom throughout the College district.

Justification - As the Fall 2021 semester begins face-to-face instruction, this equipment would create a safer classroom environment for students, faculty, and staff and reduce the spread of COVID-19.

Background - On August 10, 2021, Administration asked the Finance, Audit, and Human Resources Committee to recommend Board approval of an option for the procurement of the air purifiers.

Administration brought to the Finance, Audit, and Human Resources Committee the information provided in Exhibit A.

The Committee requested that more information be brought to the Board Meeting for review and further discussion.

In the Fall semester, the College will be utilizing libraries, open labs, centers for learning excellence, common spaces, and approximately six hundred twenty-three (623) classrooms. Therefore, the College recommends purchasing one thousand (1,000) units, an increase of thirty (30) units originally recommended to the Finance, Audit, and Human Resources Committee, to include common spaces.

Additional information was presented to staff on August 19, 2021 and is being provided to the Board of Trustees as follows:

Vendor / Purchasing Cooperative	Manufacturer / Model / Filters / Filter Life	Warranty Period	Available 8/19/2021	Lead Time	Unit Price	Total for Units	Annual Filters Costs (2 <sup>nd</sup> Yr and Beyond)	Total Purchase Cost for Units and Filters
Aberration, Inc. / TIPS	Surgically Clean Air/ Jade 6 Stage / 2 filters lasting 1 year and 1 UVC light	Standard / 1-year distribution parts replacement warranty	1,000	1 week	\$1,650	\$1,650,000	\$238,000	\$1,888,000
Aberration, Inc. / TIPS	Surgically Clean Air / Jade 6 Stage / 2 filters lasting 1 year and 1 UVC light	3% Cash Back / Life Time Service / 3 years – distribution parts replacement warranty	1,000	1 week	\$1,899	\$1,899,000	\$238,000	\$2,137,000

*Note: The unit prices include shipping and handling.*

The procurement options are as follows:

1. The solicitation of a request for proposals which would take approximately eight (8) weeks and with Board action at the earliest on October 26, 2021. The time frame for delivery would be 1-2 weeks.
2. The purchase of equipment utilizing a purchasing cooperative that will require compliance with federal award procurement requirements. The time frame for delivery would be 1-2 weeks.

Reviewers – The procurement of air purifiers has been reviewed by Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, George McCaleb, Director of Operations and Maintenance, and Becky Cavazos, Director of Purchasing.

Funds for this expenditure are budgeted in the Higher Education Emergency Relief Fund (HEERF) award budget for FY 2020 – 2021 and FY 2021 – 2022, pending Board approval of the budget.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, George McCaleb, Director of Operations and Maintenance, Becky Cavazos, Director of Purchasing, will be present at the Board meeting to address any questions by the Board members.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize an option for the procurement of the air purifiers as presented.

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

The Board of Trustees approves and authorizes an option for the procurement of the air purifiers as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**Exhibit A**  
**Presented at the August 10, 2021**  
**Finance, Audit, and Human Resources Committee Meeting**

<b>Vendor / Purchasing Cooperative</b>	<b>Manufacturer / Filters / Filter Life</b>	<b>Warranty Period</b>	<b>Available 8/5/2021</b>	<b>Lead Time</b>	<b>Unit Price</b>	<b>Total</b>	<b>Five Year Filters Costs</b>
Blick Art / TASB Buyboard	AustinAir / 1 filter lasting 5 years	5 years	700	2 weeks	\$626.00	\$438,200	\$203,000
MSC / TASB Buyboard	Medify / 1 filter lasting 3-4 months	Lifetime	700	2 weeks	\$328.74	\$230,118	\$735,000
Vizocom / TIPS	Medify / 1 filter lasting 3-4 months	Lifetime	700	2 weeks	\$299.00	\$209,300	\$735,000
Vizocom / TIPS	Brondell / 3 filters lasting 1 year	3 years	700	2 weeks	\$495.00	\$346,500	\$350,000
Vizocom / TIPS	AustinAir / 1 filter lasting 5 years	5 years	700	2 weeks	\$414.00	\$289,800	\$203,000

*Note: The unit prices include shipping and handling.*

## **Review and Approval of Award of Proposal for Cyber Liability Insurance**

Approval is requested to award the proposal-for Cyber Liability Insurance for the period beginning September 1, 2021 through August 31, 2022 at a total cost of \$51,871.74.

Purpose - The purpose of insurance is to anticipate losses that could financially impair South Texas College. Insurance allows the College to minimize risk of loss from circumstances beyond its control.

Justification - Every year, prior to the end of the fiscal year, the College requests proposals for an insurance program that provides the broadest coverage at the most competitive price<sup>1</sup> available in accordance with approved or acceptable insurance practices in the State of Texas.

Background – Proposal documents were advertised on July 21, 2021 and July 28, 2021 and issued to six (6) vendors. One (1) response was received on August 10, 2021 and were evaluated by Mr. Raul Cabaza, III, Risk Management Consultant, Jason Gutierrez, Director of Accountability, Risk and Compliance, Ken Lyons, Risk Manager, and Becky Cavazos, Director of Purchasing.

- **Cyber Liability Insurance**

- ⇒ On July 13, 2021, the Risk Management Consultant was notified by Montalvo Insurance that the Cyber Liability Insurance proposal they submitted had been withdrawn by their insurance carrier, Benchmark. The carrier, Benchmark, put a temporary hold on all new public sector, school and college business nationwide as the cyber market continues to deteriorate with carriers exiting, restricting, and retracting from the market.
- ⇒ As such, College staff worked with the Risk Management Consultant to solicit a new request for proposals for Cyber Liability Insurance which will be presented at the August 24, 2021 Board of Trustees Meeting.
- ⇒ Mr. Cabaza recommends the following award: Cyber Liability Insurance to Brit with **Montalvo Insurance** as the carrier, at a total cost of \$31,631.74.
- ⇒ Since the Brit proposal requires a change in insurance company, an extension of the current policy is recommended by Mr. Cabaza. This would then require the purchase of an additional twelve (12) month coverage of the current Beazley policy provided by **Montalvo Insurance**, at a total cost of \$20,240.00. Per Mr. Cabaza, the additional twelve (12) month reporting period through Beazley would offer coverage for an incident occurring in the prior policy period, yet discovered after the policy period expires. Per Mr. Cabaza, it is very common for incidents to

be identified after the policy expires and the extension would add 12 months to file a claim on the prior policy (Beazley).

Brit, the new insurance company, would respond to a covered incident provided you had no knowledge of it prior to policy inception. It is common that cyber claims don't come to light until months after they've occurred and if the new insurance company learns that you had knowledge of the event prior to their policy inception, you have a coverage gap; therefore, our recommendation to purchase the twelve month extended reporting period.

⇒ Total purchase and extension total cost of \$51,871.74.

Funding Source - Funds for this expenditure are budgeted in the Insurance and Benefits budgets for FY 2021 - 2022, pending Board approval of the budget.

Reviewers – This item was reviewed by Mr. Raul Cabaza, III, Risk Management Consultant, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Frank Jason Gutierrez, Director of Accountability, Risk, and Compliance, Ken Lyons, Risk Manager and Becky Cavazos, Director of Purchasing.

Enclosed Documents – The recommendation and spreadsheet provided by Mr. Raul Cabaza, III, follow in the packet for the Board's information and review.

Board approval is requested at the August 24, 2021 Board meeting to award Montalvo Insurance the Cyber Liability Insurance, for the period September 1, 2021 through August 31, 2022, in the amount of \$31,631.74. Approval is also requested to purchase an additional twelve (12) month coverage of the current Beazley policy provided by Montalvo Insurance, at a total cost of \$20,240.00. Total purchase and renewal cost of \$51,871.74.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize awarding Montalvo Insurance the Cyber Liability Insurance, for the period September 1, 2021 through August 31, 2022, in the amount of \$31,631.74. Approval is also requested to purchase an additional twelve (12) month coverage of the current Beazley policy provided by Montalvo Insurance, at a total cost of \$20,240.00. Total purchase and renewal cost of \$51,871.74.

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

The Board of Trustees of Trustees of South Texas College approves and authorizes awarding Montalvo Insurance the Cyber Liability Insurance, for the period September 1, 2021 through August 31, 2022, in the amount of \$31,631.74. Approval is also requested to purchase an additional twelve (12) month coverage of the current Beazley policy provided by Montalvo Insurance, at a total cost of \$20,240.00. Total purchase and renewal cost of \$51,871.74.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**



**SHEPARD WALTON KING**  
INSURANCE GROUP

August 18, 2021

Ms. Maria G. Elizondo  
Finance and Administrative Services  
South Texas College  
P. O. Box 9701  
McAllen, TX 78501

**RE: Cyber Liability Effective September 1, 2021**

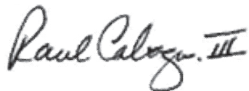
Dear Ms. Elizondo:

Two proposals were received for the Cyber Coverage from Montalvo Insurance. The Brit proposal is at premium of \$31,631.74 and the Beazley proposal at premium of \$73,657.35.

Since the lower Brit proposal requires a change in insurance company on a claims made policy, we suggest purchase of the 12 month extended reporting period on the current Beazley policy for premium of \$20,240 thus bringing total renewal cost to \$51,871.74.

**We recommend purchase of Cyber coverage through Montalvo Insurance with Brit (Underwriters' at Lloyds) for the policy period September 1, 2021 through August 31, 2022 at an annual premium of \$31,631.74. We additionally recommend purchase of the 12-month extended reporting period under Beazley policy #V285CF200201 at premium of \$20,240.**

Submitted by:



Raul Cabaza, III, CIC  
Licensed Risk Manager

Enclosures  
AO

**SOUTH TEXAS COLLEGE  
CYBER LIABILITY INSURANCE  
PROJECT NO. 21-22-1007  
INSURANCE PREMIUM SUMMARY**

**Risk Management Consultant Evaluation**

<b>COVERAGE PREMIUMS</b>	<b><u>Proposed</u> Montalvo Insurance Agency</b>
<b>Address of Proposer:</b>	208 S Texas Blvd
	Weslaco, TX 78596
	956-968-5521
	Ramon Montalvo
<b>CYBER LIABILITY</b>	
<b>Proposal Information</b>	
Cyber Liability - Brit - \$2M w/\$250,000. Crime	\$ 31,631.74
Cyber Liability - Beazley - \$2M w/\$250,000. Crime	\$ 73,657.35
<b>Policy Extension</b>	
Current Policy Extended Reporting Period - 12 Months (Beazley Insurance Company expiring policy)	\$ 20,240.00
<b>TOTAL AMOUNT</b>	<b>\$ 51,871.74</b>

The information on this page is a summary of coverage. It does not reflect complete policy conditions, terms, exclusions or limitations. The policy supersedes and should be reviewed for complete details.

**SOUTH TEXAS COLLEGE  
CYBER LIABILITY INSURANCE  
PROJECT NO. 21-22-1007**

Proposer	<u>Current Program</u> Montalvo Insurance	<u>Option #1</u> Montalvo Insurance	<u>Option #2</u> Montalvo Insurance
<b>Program</b>	<b>Beazley</b>	<b>Beazley</b>	<b>Brit</b>
<b>Insurance Company</b>	<b>Beazley Insurance Company</b>	<b>Syndicate 2623/623 at Lloyd's</b>	<b>Syndicate 2987 at Lloyd's, London</b>
A.M. Best Rating	A XIV		
Admitted/Non-Admitted	Admitted	Non-Admitted	Non-Admitted
<b>Breach Response</b>	In addition to Policy Aggregate Limit of Liability	In addition to Policy Aggregate Limit of Liability	In addition to Policy Aggregate Limit of Liability
Notified Individuals - # of individuals	1,000,000	1,000,000	250,000
Legal, Forensic & Public Relations / Incident Response Services	\$ 2,000,000	\$ 1,000,000	\$ 1,500,000
<b>Policy Aggregate Limit of Liability</b>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Additional Breach Response Limit</b>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>First Party Loss</b>			
Business Interruption Loss (resulting from Security Breach / System Failure)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Dependent Business Loss (resulting from dependent Security Breach/System Failure)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Cyber Extortion Loss	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Data Recovery Costs / Digital Asset Restoration	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Liability Coverages:</b>			
Data & Network Liability / Privacy and Security Liability	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Regulatory Defense & Penalties	\$ 2,000,000	\$ 2,000,000	Regulatory Claims included above.
Payment Card Liabilities & Costs	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Media Liability	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>eCrime Coverages/Cyber Crime</b>	\$ 250,000	\$ 250,000	\$ 250,000
<b>Criminal Reward</b>	\$ 50,000	\$ 50,000	\$ 50,000
<b>Retentions:</b>			
Legal, Forensic & Public Relations / Breach Response Services	\$ 10,000	\$ 25,000	\$ 10,000
Legal	\$ 5,000	\$ 15,000	\$ 10,000
Each Incident, Claim or Loss	\$ 10,000	\$ 100,000	\$ 50,000
Notified Individuals Threshold / Retention for Affected Individuals	100	250	100
Waiting Period	8 Hours	14 Hours	8 Hours
Retroactive Date	Full Prior Acts	Full Prior Acts	Full Prior Acts
<b>Endorsements:</b>			
Reputational Loss / Reputational Harm	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
Computer Hardware Replacement Costs / Bricking Costs	\$ 500,000	\$ 250,000	\$ 2,000,000
Contingent Bodily Injury Endorsement		\$ 250,000	\$ 250,000
Cyberjacking Endorsement / System Hijacking	\$ 250,000	\$ 250,000	\$ 250,000
Invoice Manipulation Coverage	\$ 100,000	\$ 100,000	\$ 250,000
<b>Premium:</b>	<b>\$ 20,240.00</b>	<b>\$ 73,657.35</b>	<b>\$ 31,631.74</b>

The information on this page is a summary of coverage. It does not reflect complete policy conditions, terms, exclusions or limitations.

**SOUTH TEXAS COLLEGE  
CYBER LIABILITY INSURANCE  
PROJECT NO. 21-22-1007  
EVALUATION SUMMARY**

VENDOR		Montalvo Insurance Agency	
ADDRESS		208 S Texas Blvd	
CITY/STATE/ZIP		Weslaco, TX 78596	
PHONE		956-968-5521	
FAX		956-969-9198	
CONTACT		Ramon Montalvo, III	
1	The purchase price. (up to 60 points)	60	60
		60	
		60	
		60	
2	The reputation of the vendor and the vendor's goods or services . (up to 8 points)	8	7.75
		8	
		8	
		7	
3	The quality of the vendor's goods and/or services. (up to 14 points)	14	12.75
		12	
		13	
		12	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	14	13.25
		14	
		13	
		12	
5	The vendor's past relationship with the College. (up to 3 points)	3	3
		3	
		3	
		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0
		0	
		0	
		0	
TOTAL EVALUATION POINTS		96.75	
RANKING		1	

## Review and Discussion of South Texas College Proposed 2021 Tax Rate

Chapter 26 of the Property Tax code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws have two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to roll back or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates, no-new-revenue tax rate and the voter-approval tax rate, after receiving its certified appraisal roll from the chief appraiser.

Comparing a proposed tax rate to these two (2) rates determines which truth-in-taxation steps apply. A taxing unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the no-new-revenue rate and/or the voter-approval rate. The College is proposing to adopt a tax rate that does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate and therefore, is required to hold one public hearing.

The Texas Tax Code 26.04(e) requires the taxing units to publish a Notice of Tax Rate and sets out the requirement for the format and content of the notice. The notice shall be posted prominently on the home page of the taxing unit's website in the form prescribed by the Comptroller's office that include the statutory requirements. In addition, the Texas Tax Code 26.06(c) requires the taxing unit to publish a Notice of Public Hearing in newspaper, website and on TV, if available, if the taxing unit proposes a tax rate that:

- Exceeds the no-new-revenue tax rate and the voter-approval tax rate;
- Exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate; or
- Does not exceed the no-new-revenue tax rate but exceeds the voter-approval tax rate.

The compiled data for both counties and the Truth-in-Taxation calculation used to determine the tax rates is reflected below:

	M&O RATE	DEBT RATE	RATE	REVENUE
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)			\$0.1663	\$75,307,095
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1467	\$0.0315	\$0.1782	\$80,246,066
<b><i>Proposed Tax Rate</i></b>	<b><i>\$0.1400</i></b>	<b><i>\$0.0315</i></b>	<b><i>\$0.1715</i></b>	<b><i>\$77,465,301</i></b>

The proposed maintenance and operations (M&O) tax rate of \$0.1400 is the maximum rate that the College can adopt as approved by the voters on November 5, 2013 and is the rate levied since Levy 2014.

The proposed debt rate of \$0.0315 is the amount necessary to fully fund all the debt service payments that consist of the 2013 Tax Bond Program including Bonds Series 2014, Bond Series 2015, and Refunding Bonds Taxable Series 2020.

South Texas College is required to hold one public hearing and publish special notices before adopting the proposed tax rate of \$0.1715 since this tax rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate.

In fiscal year 2021, South Texas College held one public hearing and published special notices before adopting the tax rate of \$0.1718. The tax rates in 2020 were \$.1400 cents for M&O and \$0.1318 for I&S.

The Notice of No-New-Revenue Rate for 2021 and a presentation on Proposed 2021 Property Tax Rate follow in the packet for your information and review.

No action is required from the Board. This item is presented for information and feedback to staff.

## Notice About 2021 Tax Rates

### Property Tax Rates in South Texas College

This notice concerns the 2021 property tax rates for South Texas College. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

<b>This year's no-new-revenue tax rate:</b>	\$0.1663/\$100
<b>This year's voter-approval tax rate:</b>	\$0.1782/\$100

To see the full calculations, please visit South Texas College for a copy of the Tax Rate Calculation Worksheet.

### Unencumbered Fund Balance

The following estimated balances will be left in the unit's accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Fund	Balance
Interest and Sinking Account	15,156,973

### Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues *(or additional sales tax revenues, if applicable)*.

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Limited Tax Bonds, Series 2014	2,630,000	269,500	0	2,899,500
Limited Tax Bonds, Series 2015	5,310,000	3,459,456	0	8,769,456
Limited Tax Refunding Bonds, Taxable Series 2020	360,000	1,698,850	0	2,058,850

Total required for 2021 debt service	\$13,727,806
- Amount (if any) paid from funds listed in unencumbered funds	\$500,000
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$0
= Total to be paid from taxes in 2021	\$13,227,806
+ Amount added in anticipation that the unit will collect only 101.02% of its taxes in 2021	\$-133,562
= Total debt levy	\$13,094,244

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by Mary G. Elizondo, Vice President for Finance and Administrative Services on August 18, 2021.

# Proposed 2021 Property Tax Rates

Board of Trustees Meeting  
August 24, 2021



1

## Proposed Tax Rates

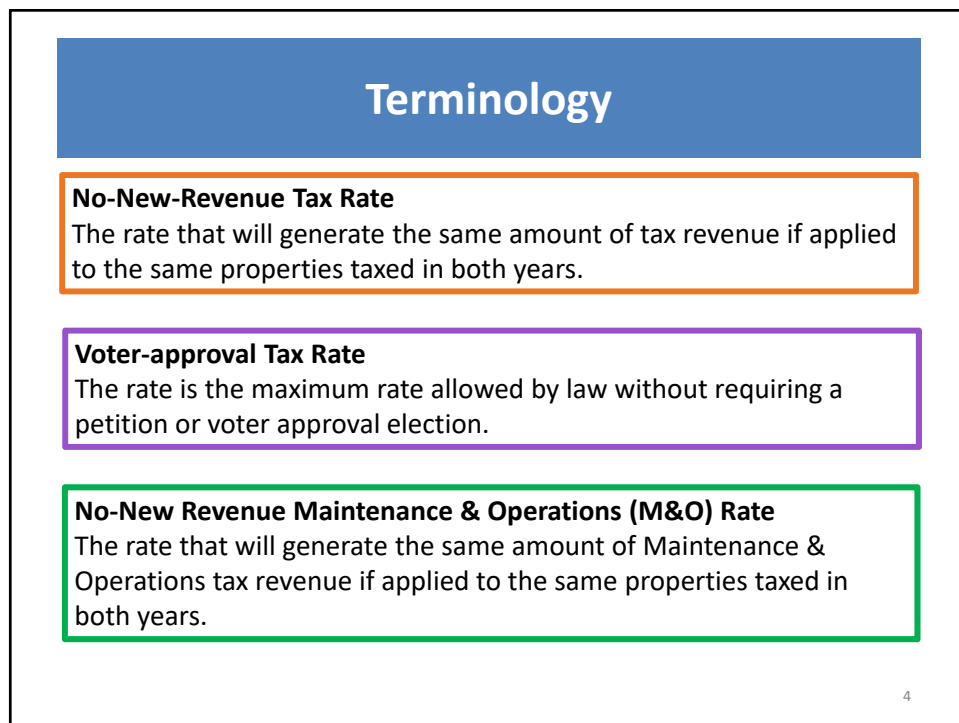
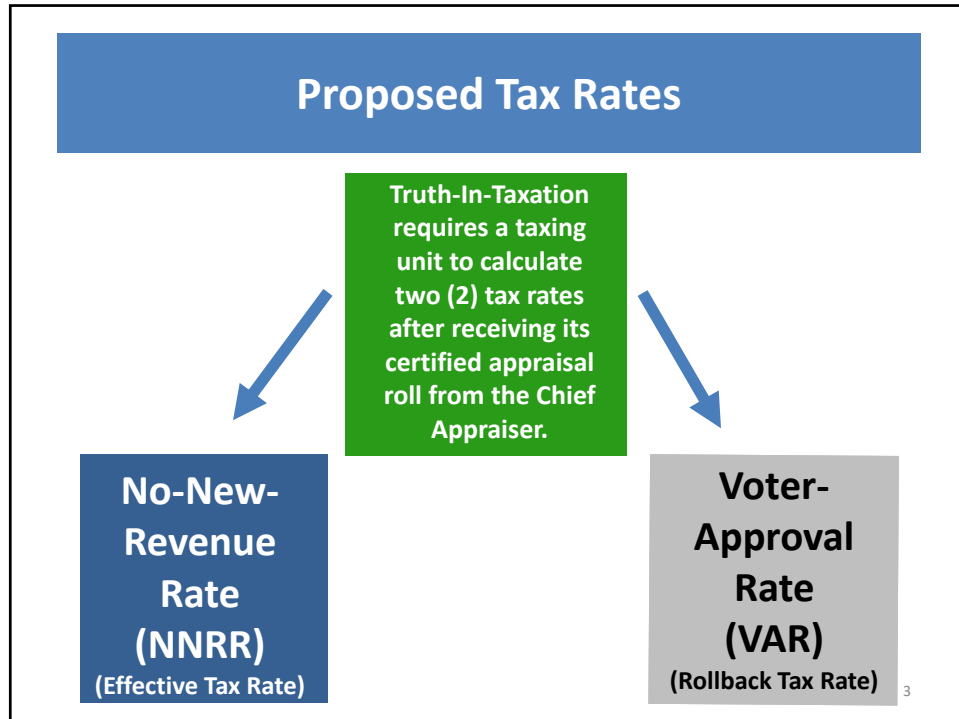


Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate.

Truth in taxation is designed to inform the public of increases in total tax revenues assessed by taxing units.

2





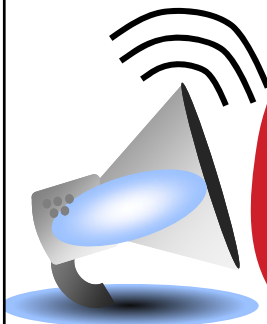
## Special Notices & Public Hearing Requirement

A taxing unit must publish special notices and hold **one public hearing** before adopting a tax rate if the taxing unit proposes a tax rate that:

- Exceeds the no-new revenue tax rate and the voter-approval tax rate;
- Exceeds the no-new revenue tax rate but does not exceed the voter-approval tax rate; or
- Does not exceed the no-new revenue tax rate but exceeds the voter-approval tax rate

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## Proposed Total Tax Rate: \$0.1715



The College is required to hold one public hearing and publish special notices before adopting the proposed tax rate since the proposed rate (\$0.1715):

- does exceed the no-new-revenue rate of (\$0.1663)
- but does not exceed the voter-approval rate of (\$0.1782)

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## Tax Rates Calculations

	M&O Rate	Debt Rate	Rate	Revenue
No-New-Revenue Rate (Formerly Effective Tax Rate)			\$0.1663	\$75,307,095
Voter-Approval Rate (Formerly Rollback Tax Rate)	\$0.1467	\$0.0315	\$0.1782	\$80,246,066
<b>Proposed Tax Rate</b>	<b>\$0.1400</b>	<b>\$0.0315</b>	<b>\$0.1715</b>	<b>\$77,465,301</b>

7

## Required Steps

- July 25, 2021 – Deadline for chief appraiser to certify rolls to taxing units
- Certification of anticipated collection rate by collector
- Calculation of no-new-revenue and voter-approval tax rates
- August 19, 2021 – Notice About 2021 Tax Rates published on South Texas College website
- August 24, 2021 – Meeting of governing body to discuss tax rate
- August 24, 2021 – The recommended proposed tax rate does exceed the lower of the no-new-revenue but does not exceed the voter-approval tax rate, take record vote and schedule one public hearing

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## Required Steps

- September 15, 2021 – Publish Notice of Public Hearing on Tax Increase
- September 24, 2021 – Schedule and announced meeting to adopt tax rate
- September 28, 2021 – Public Hearing
- September 28, 2021 – Meeting to adopt tax rate

9

# Thank You Questions?



10

## **Review and Action as Necessary to Take Record Vote and Schedule a Public Hearing Regarding Adoption of the Proposed Tax Rate that Exceeds the No-New-Revenue Tax Rate and/or the Voter-Approval Tax Rate**

The Board is asked to take a record vote and schedule a public hearing regarding adoption of the proposed tax rate that exceeds the no-new-revenue tax rate and/or the voter-approval tax rate will be requested at the August 24, 2021 Board meeting.

A taxing unit is required to hold a public hearing and publish newspaper ads before adopting a tax rate if that tax rate exceeds the no-new-revenue tax rate and/or the voter-approval tax rate. The Tax Assessors for Hidalgo County and Starr County determined South Texas College's rates to be the following:

	M&O RATE	DEBT RATE	RATE	REVENUE
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)			\$0.1663	\$75,307,095
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1467	\$0.0315	\$0.1782	\$80,246,066
<b><i>Proposed Tax Rate</i></b>	<b><i>\$0.1400</i></b>	<b><i>\$0.0315</i></b>	<b><i>\$0.1715</i></b>	<b><i>\$77,465,301</i></b>

The proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate and, therefore, the Board must take record vote and schedule a public hearing.

The Notice of Public Hearing and the Roll Call Vote of Members of the Board form follow in the packet for the Board's information and review.

The tax rate for Levy 2021 were not presented to the Finance, Audit, and Human Resources Committee at the August 10, 2021 meeting because information necessary to complete the truth-in-taxation worksheets were not available.

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize by record vote the scheduling of a public hearing, on September 28, 2021 at 5:15 PM, before adopting the proposed tax rate of \$ 0.1715 which exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate.

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

The Board of Trustees approves and authorizes by record vote the scheduling of a public hearing, on September 28, 2021 at 5:15 PM, before adopting the proposed tax rate of \$ 0.1715 which exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

# NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.1715 per \$100 valuation has been proposed by the governing body of South Texas College.

PROPOSED TAX RATE	\$0.1715 per \$100
NO-NEW-REVENUE TAX RATE	\$0.1663 per \$100
VOTER-APPROVAL TAX RATE	\$0.1782 per \$100

The no-new-revenue tax rate is the tax rate for the 2021 tax year that will raise the same amount of property tax revenue for South Texas College from the same properties in both the 2020 tax year and the 2021 tax year.

The voter-approval rate is the highest tax rate that South Texas College may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that South Texas College is proposing to increase property taxes for the 2021 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 28, 2021 AT 5:15 PM AT South Texas College Board Room Annex Bldg 2nd Floor 3201 W. Pecan, McAllen, Texas.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, South Texas College is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the South Texas College of South Texas College at their offices or by attending the public hearing mentioned above. YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

**FOR the proposal:**

**AGAINST the proposal:**

**PRESENT** and not voting:

**ABSENT:**

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by South Texas College last year to the taxes proposed to be imposed on the average residence homestead by South Texas College this year.

	2020	2021	Change
<b>Total tax rate (per \$100 of value)</b>	\$0.1718	\$0.1715	decrease of -0.0003, or -0.17%
<b>Average homestead taxable value</b>	\$85,026	\$94,462	increase of 9,436, or 11.10%

<b>Tax on average homestead</b>	\$146.07	\$162.00	increase of 15.93, or 10.91%
<b>Total tax levy on all properties</b>	\$67,648,532	\$71,179,286	increase of 3,530,754, or 5.22%

---

For assistance with tax calculations, please contact the tax assessor for South Texas College at 956-872-3558 or [marye@southtexascollege.edu](mailto:marye@southtexascollege.edu), or visit [www.southtexascollege.edu](http://www.southtexascollege.edu) for more information.



### **Roll Call Vote of Members of the Board**

Take Record Vote to Schedule One Public Hearing for Proposed Tax Rate that Exceeds the Lower of the No-New-Revenue Tax Rate but Does Not Exceed the Voter-Approval Tax Rate

#### **Public Hearing – September 28, 2021 at 5:15 p.m.**

August 24, 2021

Rose Benavidez:	Yea _____	Nay _____	Absent _____
Alejo Salinas, Jr.:	Yea _____	Nay _____	Absent _____
Victoria Cantú:	Yea _____	Nay _____	Absent _____
Paul R. Rodriguez:	Yea _____	Nay _____	Absent _____
Gary Gurwitz:	Yea _____	Nay _____	Absent _____
Rene Guajardo:	Yea _____	Nay _____	Absent _____
Danny Guzman:	Yea _____	Nay _____	Absent _____

## **Review and Action as Necessary on Consent Agenda Item from the Facilities Committee**

The following Consent Agenda item was thoroughly discussed by the Facilities Committee. All trustees, whether a member of the Committee or not, received all supporting documentation and were invited to participate in the deliberation on the item. Non-committee members did not participate in Committee votes for recommendation of Board action.

Administration believes that all questions raised during the Committee discussion of Consent Agenda item were resolved to the Committee's satisfaction at the meeting, and the item is presented here substantially as recommended by the Committee, for approval by the Board of Trustees.

Any trustee may identify an item or items that should be removed from the Consent Agenda for further discussion. Otherwise, the Board is asked to formally act on the full consent agenda, according to the details and recommended action presented for the item in the following pages

The Facilities Committee recommended Board action on the following item as presented.

- a. Rejection of Construction Services Proposals for the Regional Center for Public Safety Excellence Chiller Installation Project

### **Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the following item:

- a. Rejection of Construction Services Proposals for the Regional Center for Public Safety Excellence Chiller Installation Project

### **The Following Minute Order is proposed for consideration by the Board of Trustees:**

The Board of Trustees approves and authorizes the following item:

- a. Rejection of Construction Services Proposals for the Regional Center for Public Safety Excellence Chiller Installation Project

### **Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**Consent Agenda Item:**

**a. Rejection of Construction Services Proposals for the Regional Center for Public Safety Excellence Chiller Installation Project**

Rejection of the construction services proposals for the Regional Center for Public Safety Excellence (RCPSE) Chiller Installation project is requested.

**Purpose**

The rejection of the construction services proposals will allow for proposals to be submitted by contractors and/or subcontractors at a later date for the RCPSE Chiller Installation project.

**Scheduling Priority**

This is a Capital Improvement Project requested by the Facilities Operations and Maintenance department to provide an additional chiller for redundancy of the air conditioning system at the RCPSE, and was reviewed by the Facilities Planning & Construction and Facilities Operations & Maintenance departments. It is scheduled as a non-educational space improvement to provide redundancy to maintain a properly operating air conditioning system in case of the existing chiller becoming inoperative.

**Background**

On January 26, 2021, the Board of Trustees approved contracting design services with Halff Associates, Inc. for this project. Halff Associates, Inc. prepared plans and specifications needed for the solicitation of construction proposals.

After evaluating the construction proposals and consulting with the engineer, Administration recommends Board rejection of all of the proposals. The proposals that were submitted were significantly over the project construction budget. College staff will work with the engineer to modify the scope in an effort to reduce project costs. A new solicitation for construction services will be issued as necessary.

The Facilities Committee recommended Board approval of the rejection of construction services proposals for the Regional Center for Public Safety Excellence Chiller Installation project as presented.

**Recommendation:**

It is recommended that the Board of Trustees of South Texas College approve and authorize the rejection of construction services proposals for the Regional Center for Public Safety Excellence Chiller Installation project as presented.

**The Following Minute Order is proposed for consideration by the Board of Trustees:**  
The Board of Trustees of Trustees of South Texas College approves and authorizes the rejection of construction services proposals for the Regional Center for Public Safety Excellence Chiller Installation project as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

### **Update on Status of Unexpended Plant Fund Construction Projects and Renewals & Replacements Projects**

The Facilities Planning and Construction staff prepared the attached design and construction update. This update summarizes the status of each capital improvement and renewals & replacements project currently in progress. Mary Elizondo and Rick de la Garza will be present to respond to questions and address concerns of the Board.

South Texas College  
Unexpended Plant Fund - Capital Improvement Projects (CIP)  
Project Status  
FY 2020 - 2021

#	Projects	FPC Project Managers	Not Started	Project Development	Design Phase	Bidding and Negotiations	Construction Phase	Substantial Completion	Final Completion	Move In	Completed	Total Project Budget	Amount Paid	Total Project Balance	FY2021 Budget	Priority Status	Upcoming Board Meeting Item	Architect/ Engineering Firm	Contractor
Pecan Campus																			
1	Business and Science Building G Classroom Renovation	SS					●					\$ 333,000	\$ 50,375	\$ 282,625	\$ 267,700	High	September 2021	Approval of Substantial Completion	EGV Architects Tri-Gen Constrcution
2	Sand Volleyball Courts - Sand Replacement	DV									●	\$ 60,500	\$ 70,531	\$ (10,031)	\$ 44,450	Completed	N/A		Alvarado Architects & Assoc. Limon Masonry
3	Library Building F Renovation and Expansion	DV			●							\$ 1,466,000	\$ 348,879	\$ 1,117,121	\$ 1,442,266	High	January 2022	Approval of Construction Documennts	ERO Architects TBD
4	Information Technology Building M Office and Work Space Renovation	MV									●	\$ 575,295	\$ 559,253	\$ 16,042	\$ 499,435	Completed	N/A		Boultinghouse Simpson Gates Architects Noble Texas Builders
5	Student Activities Center Building H Cafeteria Renovation	MV									●	\$ 957,600	\$ 799,876	\$ 157,724	\$ 195,627	Completed	N/A		EGV Architects Noble Texas Builders
6	Student Services Building K Renovations	TBD	●									\$ 26,200	\$ -	\$ 26,200	\$ 26,200	Medium	TBD	Approval of Schematic Design	TBD N/A
7	New Continuing Education Building	RC	●									\$ 398,160	\$ -	\$ 398,160	\$ 398,160	Low	TBD	TBD	TBD TBD
Pecan Campus Subtotal												\$ 3,816,755	\$ 1,828,914	\$ 1,987,841	\$ 2,873,838				
Pecan Plaza																			
8	West Building C Kinesiology Renovation	MV					●					\$ 143,800	\$ 49,593	\$ 94,207	\$ 142,538	High	October 2021	Approval of Substantial Completion	Alvarado Architects & Assoc. Tri-Gen Constrcution
9	Human Resources Building A Renovation	RG									●	\$ 141,000	\$ 11,696	\$ 129,304	\$ 141,000	Medium	N/A		N/A O&M
10	Human Resources Building A Entry Court Yard Improvements	DV									●	\$ 16,000	\$ -	\$ 16,000	\$ 16,000	High	N/A		N/A Limon Masonry
Pecan Plaza Subtotal												\$ 300,800	\$ 61,288	\$ 239,512	\$ 299,538				
Mid-Valley Campus																			
11	Student Union Building F Renovation	SS									●	\$ 355,000	\$ 332,129	\$ 22,871	\$ 308,666	Completed	N/A		ROFA Architects Noble Texas Builders
12	Center for Learning Excellence Building A Renovation of Space for Supplemental Instruction	DV									●	\$ 224,200	\$ 2,008	\$ 222,192	\$ 223,200	High	TBD	TBD	The Warren Group Architects TBD
Mid Valley Campus Subtotal												\$ 579,200	\$ 334,136	\$ 245,064	\$ 531,866				
Technology Campus																			
13	Emerging Technologies Building A & Advanced Technical Careers Building B Renovation	SS			●							\$ 1,323,050	\$ 30,070	\$ 1,292,980	\$ 150,500	High	September 2021	Approval of Master Plan	EGV Architects TBD
Technology Campus Subtotal												\$ 1,323,050	\$ 30,070	\$ 1,292,980	\$ 150,500				

South Texas College  
Unexpended Plant Fund - Capital Improvement Projects (CIP)  
Project Status  
FY 2020 - 2021

#	Projects	FPC Project Managers	Not Started	Project Development	Design Phase	Bidding and Negotiations	Construction Phase	Substantial Completion	Final Completion	Move In	Completed	Total Project Budget	Amount Paid	Total Project Balance	FY2021 Budget	Priority Status	Upcoming Board Meeting Item	Architect/ Engineering Firm	Contractor	
Nursing and Allied Health Campus Subtotal																				
14	East Building A Student Services Renovation	SS									●	\$ 427,500	\$ 323,741	\$ 103,759	\$ 375,270	Completed	N/A		Gignac & Associates, LLP	Holchemont
15	West Entry Campus Sign	DV									●	\$ 76,000	\$ 74,456	\$ 1,544	\$ 60,000	Completed	N/A		N/A	Limon Masonry Interface
Nursing and Allied Health Campus Subtotal												\$ 503,500	\$ 398,197	\$ 105,303	\$ 435,270					
Starr County Campus																				
16	Student Services Building G Renovation	SS									●	\$ 225,000	\$ 238,201	\$ (13,201)	\$ 236,500	Completed	N/A		Gignac & Associates, LLP	Holchemont
17	Workforce Center Building D Welding Expansion	MV			●							\$ 230,000	\$ 820	\$ 229,180	\$ 230,000	Low	September 2021	Approval of Schematic Design	Gignac & Associates, LLP	TBD
Starr County Campus Subtotal												\$ 455,000	\$ 239,021	\$ 215,979	\$ 466,500					
Regional Center for Public Safety Excellence																				
18	Shooting Range (Previously Target Range)	DV			●							\$ 634,312	\$ 61,519	\$ 572,793	\$ 291,972	High	September 2021	Approval of Schematic Design	PBK Architects	TBD
19	Canopy for Safety Training Vehicles	RG		●								\$ 285,500	\$ 160	\$ 285,340	\$ 285,500	Low	October 2021	Approval of Construction Services	Gignac & Associates, LLP	TBD
20	Canopy for Students/Instructors	RG		●								\$ 247,000	\$ 160	\$ 246,840	\$ 247,000	Low	October 2021	Approval of Construction Services	Gignac & Associates, LLP	TBD
21	Fire Training Area	RG			●							\$ 443,600	\$ 160	\$ 443,440	\$ 443,600	Low	December 2021	Approval of Construction Services	Gignac & Associates, LLP	TBD
22	Site Drainage Improvements	RG				●						\$ 356,255	\$ 43,424	\$ 312,831	\$ 356,255	High	November 2021	Approval of Substantial Completion	Perez Consulting Engineers	McAllen Multi Service
23	Chiller Installation	MV				●						\$ 170,000	\$ 8,998	\$ 161,002	\$ 170,000	High	November 2021	Approval of Construction Services	Half Associates, Inc	TBD
24	Cityscape Remediation	RG									●	\$ 129,500	\$ 103,535	\$ 25,965	\$ 129,500	Completed	N/A		Perez Consulting Engineers	Noble Texas Builders
Regional Center for Public Safety Excellence Subtotal												\$ 2,266,167	\$ 217,956	\$ 2,048,211	\$ 1,923,827					
Higher Education Center La Joya																				
25	Exterior Building and Wayfinding Signage (Wayfinding Signage Only)	DV									●	\$ 52,000	\$ 31,463	\$ 20,537	\$ 36,400	Completed	N/A		N/A	Innerface Architectural Signage/Cast Con
Higher Education Center La Joya Subtotal												\$ 52,000	\$ 31,463	\$ 20,537	\$ 36,400					

South Texas College  
Unexpended Plant Fund - Capital Improvement Projects (CIP)  
Project Status  
FY 2020 - 2021

#	Projects	FPC Project Managers	Not Started	Project Development	Design Phase	Bidding and Negotiations	Construction Phase	Substantial Completion	Final Completion	Move In	Completed	Total Project Budget	Amount Paid	Total Project Balance	FY2021 Budget	Priority Status	Upcoming Board Meeting Item	Architect/ Engineering Firm	Contractor
District Wide																			
26	Land	N/A	N/A									\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	N/A	N/A	N/A	N/A
27	Renovation and Contingencies	N/A	N/A									\$ 659,296	\$ 9,344	\$ 649,952	\$ 659,296	N/A	N/A	N/A	TBD
28	Outdoor Furniture	TBD		●								\$ 25,000	\$ -	\$ 25,000	\$ 25,000	N/A	N/A	N/A	TBD
29	Facility Signage	DV						●				\$ 49,632	\$ -	\$ 49,632	\$ 49,632	N/A	N/A	N/A	TBD
30	Removal of Existing Trees	TBD									●	\$ 24,687	\$ -	\$ 24,687	\$ 24,687	N/A	N/A	N/A	TBD
31	Automatic Doors Phase IV	RG				●						\$ 95,120	\$ 6,176	\$ 88,944	\$ 95,120	Medium	November 2021	Approval of Substantial Completion	Ethos Engineering, LLC R.E. Friedrichs Company
32	Campus Master Plan	TBD	●									\$ 375,000	\$ -	\$ 375,000	\$ 375,000	N/A	N/A	TBD	N/A
33	Fence Enclosures	MV					●					\$ 36,000	\$ -	\$ 36,000	\$ 36,000	Low	N/A	Maldonado Nursery	TBD
District Wide Subtotal												\$ 4,264,735	\$ 15,520	\$ 4,249,215	\$ 4,264,735				
Totals			12	3	6	0	8	1	0	0	13	\$ 13,561,207	\$ 3,156,567	\$ 10,404,640	\$ 10,982,474				



South Texas College  
Renewal and Replacement Projects  
Project Status  
FY 2020 - 2021

#	Projects	FPC Project Manager	Not Started	Project Development	Design Phase	Bidding and Negotiations	Construction Phase	Substantial Completion	Final Completion	Move In	Completed	Total Project Budget	Amount Paid	Total Project Balance	FY2021 Budget	Priority Status	Upcoming Board Meeting Item	Architect/ Engineering Firm	Contractor	
Pecan Campus																				
1	Information Technology Building M Generator Replacement	RG					●					\$ 280,000	\$ 13,214	\$ 266,786	\$ -	High	December 2021	Approval of Substantial Completion	Halff Associates, Inc	Metro Electric, Inc.
Pecan Campus Subtotal												\$ 280,000	\$ 13,214	\$ 266,786	\$ -					
Mid Valley Campus																				
2	Resurfacing Northwest Drive	SS									●	\$ 194,308	\$ 134,274	\$ 60,034	\$ 92,971	Completed	N/A		PCE Consultants	McAllen Multi Services
3	Drainage Improvements Phase I	SS									●	\$ 334,203	\$ 417,269	\$ (83,066)	\$ 302,919	Completed	N/A		PCE Consultants	McAllen Multi Services
4	Roofing Replacement	MV					●					\$ 951,000	\$ 40,537	\$ 910,463	\$ 947,123	High	October 2021	Approval of Substantial Completion	Beam Professionals	Argio Roofing
Mid Valley Campus Subtotal												\$ 1,479,511	\$ 592,080	\$ 887,431	\$ 1,343,013					
Technology Campus																				
5	Advanced Technical Careers Building B Concrete Floor Repairs	DV									●	\$ 422,750	\$ 120,613	\$ 302,137	\$ 20,000	Completed	N/A		CLH Engineering	5 Star Construction
Technology Campus Subtotal												\$ 422,750	\$ 120,613	\$ 302,137	\$ 20,000					
Dr. Ramiro R. Casso Nursing & Allied Health Campus																				
6	NAH East Building A Westside Elevators Refurbishment	RC/O&M				●						\$ 159,000	\$ -	\$ 159,000	\$ 159,000	Medium	TBD	Approval of Construction Services	N/A	Oracle Elevator
7	NAH East Building A Roofing Replacement	MV					●					\$ 280,000	\$ 11,686	\$ 268,314	\$ 165,108	High	October 2021	Approval of Substantial Completion	BEAM Professionals	American Contracting USA
8	NAH East Building A Data Cabling Infrastructure Replacement	RC/O&M									●	\$ 150,000	\$ 146,677	\$ 3,323	\$ 15,000	Completed	N/A		N/A	TBD
9	NAH East Building A Exterior Stair Repairs and Replacement	RG			●							\$ 169,000	\$ 3,000	\$ 166,000	\$ 169,000	High	October 2021	Approval of Construction Services	Chanin Engineering, LLC	TBD
Nursing and Allied Health Campus Subtotal												\$ 758,000	\$ 161,363	\$ 596,637	\$ 508,108					
Starr County Campus																				
10	Roofing Replacement	MV					●					\$ 852,000	\$ 41,065	\$ 810,935	\$ 824,569	High	January 2022	Approval of Substantial Completion	Beam Professionals	Sechrist Hall
Starr County Campus Subtotal												\$ 852,000	\$ 41,065	\$ 810,935	\$ 824,569					

South Texas College  
Renewal and Replacement Projects  
Project Status  
FY 2020 - 2021

#	Projects	FPC Project Manager	Not Started	Project Development	Design Phase	Bidding and Negotiations	Construction Phase	Substantial Completion	Final Completion	Move In	Completed	Total Project Budget	Amount Paid	Total Project Balance	FY2021 Budget	Priority Status	Upcoming Board Meeting Item	Architect/ Engineering Firm	Contractor	
District Wide																				
11	Irrigation System Controls Upgrade	RC/O&M									●	\$ 143,685	\$ 35,700	\$ 107,985	\$ 71,200	Low	TBD		N/A	Aqua Tech
12	Fire Alarm Panel Replacement/Upgrade	RC/O&M									●	\$ 182,500	\$ -	\$ 182,500	\$ 182,500	Low	TBD		N/A	TBD
13	Interior LED Lighting Upgrade	RC/O&M									●	\$ 219,950	\$ 109,995	\$ 109,955	\$ 110,000	Low	TBD		N/A	TBD
14	Ext. Walkway LED Lighting Upgrade Ph I	RC/O&M									●	\$ 49,000	\$ -	\$ 49,000	\$ 49,000	Low	TBD		N/A	TBD
15	Interior Controls Upgrade	RC/O&M									●	\$ 76,500	\$ 34,376	\$ 42,124	\$ 76,500	Low	TBD		N/A	TBD
16	Floor Replacement	RG			●							\$ 532,042	\$ 5,401	\$ 526,641	\$ 504,000	Medium	September 2021	Authorization to Solicit for Construction Services	N/A	TBD
17	HVAC Upgrades	MV/O&M									●	\$ 660,000	\$ -	\$ 660,000	\$ 660,000	Low	TBD		N/A	TBD
18	Exterior Lighting Upgrade	RC/O&M									●	\$ 279,000	\$ -	\$ 279,000	\$ 279,000	Low	TBD		N/A	TBD
19	Keyless Entry Access Upgrades	RC/O&M									●	\$ 39,626	\$ 8,702	\$ 30,924	\$ 25,000	Low	TBD		N/A	ADI
20	Renewals & Replacements	N/A	N/A									\$ 151,000	\$ 2,445	\$ 148,555	\$ 151,000	N/A	N/A		N/A	N/A
21	Water Tower Logo Replacments	RG			●							\$ 80,000	\$ -	\$ 80,000	\$ 80,000	N/A	TBD		N/A	TBD
District Wide Subtotal												\$ 2,413,303	\$ 196,619	\$ 2,216,684	\$ 2,188,200					
Totals		0	0	0	2	1	3	0	0	0	12	\$ 6,205,564	\$ 1,124,954	\$ 5,080,610	\$ 4,883,890					

## **Consideration and Approval of Checks and Financial Reports**

Board action is requested to approve the checks for release and the financial reports for the month of July 2021. The approval is for checks submitted for release in the amount greater than \$125,000.00 and checks in the amount greater than \$25,000.00 that were released as authorized by Board Policy No. 5610.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a review of the Financial Report for the month of **July 2021**, and will respond to questions posed by the Board.

The checks and the financial reports submitted for approval are included in the Board packet under separate cover.

### **Recommendation:**

It is recommended that the Board of Trustees approve and authorize the submitted checks for release in an amount over \$125,000.00, the checks that were released as authorized by Board Policy #5610, and the financial reports submitted for the month of July 2021.

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

The Board of Trustees of South Texas College approves and authorizes the submitted checks for release in an amount over \$125,000.00, the checks that were released as authorized by Board Policy #5610, and the financial reports submitted for the month of July 2021.

### **Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

### **Consideration and Approval of Checks and Financial Reports**

The Checks and the Financial Reports presented for approval are included in the Board Packet under SEPARATE COVER:

- 1) Release of Checks for \$25,000.00 - \$125,000.00  
Released Prior to Board Approval for July 2021.
- 2) Release of Checks for \$125,000.00 and Above  
Board of Trustees Approval Required for July 2021.
- 3) Release of Checks for \$125,000.00 and Above  
Released Prior to Board Approval for July 2021.
- 4) Release of Construction Fund Checks for July 2021.
- 5) Quarterly Investment Report and Money Market Accounts for July 2021.
- 6) Summary of Revenues for July 2021.
- 7) Summary of State Appropriations Revenue for July 2021.
- 8) Summary of Property Tax Revenue for July 2021.
- 9) Summary of Expenditures by Classification for July 2021.
- 10) Summary of Expenditures by Function for July 2021.
- 11) Summary of Auxiliary Fund Revenues and Expenditures for July 2021.
- 12) Summary of Grant Revenues and Expenditures for July 2021.
- 13) Summary of Bid Solicitations.
- 14) Summary of Purchase Orders.

## **Announcements**

### **A. Next Meetings:**

- *Tuesday, September 14, 2021*
  - 3:30 p.m. – Education and Workforce Development Committee
  - 4:30 p.m. – Facilities Committee
  - 5:30 p.m. – Finance, Audit, and Human Resources Committee
- *Tuesday, September 28, 2021*
  - 5:30 p.m. – Regular Board Meeting

### **B. Other Announcements:**

- The College will be closed on Monday, September 6, 2021, in observance of Labor Day
- Wednesday, September 8<sup>th</sup> is the Fall 2021 Semester Census Day
- The College will be closed on Friday, September 24, 2021, for College-Wide Professional and Organizational Development Day