



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

Tuesday, August 23, 2022

5:00 p.m.

Pecan Campus

Ann Richards Administration Building

Board Room

McAllen, Texas

Online Board Packet

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, August 23, 2022 @ 5:00 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501**

AGENDA

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code. At this meeting, the Board of Trustees may deliberate on and take any action deemed appropriate by the Board of Trustees on the following subjects:”

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Public Comments**
- IV. Action on Committee Recommendations**
 - 1. Review and Action as Necessary on Proposed Employee Pay Plan for FY 2022 – 2023 3 - 4
 - 2. Review and Action as Necessary on Proposed Employee Staffing Plan for FY 2022 – 2023 5 - 6
- V. Public Hearing on FY 2022 – 2023 Budget 7**
 - Presentation of Overview of FY 2022 - 2023 Budget
 - Public Comments
 - Close of Public Hearing on FY 2022 - 2023 Budget
- VI. Consideration and Action on Agenda Items**
 - 1. Consideration and Approval of Resolution 2022-016 Adopting the Budget for FY 2022 – 2023..... 8 - 14
- VII. Announcements**
 - A. Next Meeting:
 - Regular Meeting of Board of Trustees, August 23 2022 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

Review and Action as Necessary on Proposed Employee Pay Plan for FY 2022 – 2023

Approval of the Proposed Employee Pay Plan for FY 2022 - 2023 is requested.

Purpose - The Proposed Employee Pay Plan for FY 2022 - 2023 for all employee groups is presented for the Committee’s review and consideration. The Proposed Employee Pay Plan includes the proposed pay grade ranges and other compensation information.

Justification - On July 13, 2022, the Board of Trustees approved the Texas Association of School Boards (TASB) Compensation Study and to proceed with recommended results at a Special Board of Trustees Meeting. As a result, the Office of Human Resources incorporated the TASB recommended compensation plan and prepared the Proposed Employee Pay Plan information to reflect the College’s proposed and approved new compensation structure for FY 2022 – 2023.

Background – The Proposed Employee Pay Plan for FY 2022 – 2023 that incorporated the TASB recommended compensation plan is approved on an annual basis and includes 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
- New Pay Grades for Faculty, Operation Support (OS), Administrative Technical Professional (ATS), Technology (Tech), and Executive Administrative Professional (EAP) employees (see chart below)

Pay Grades
Faculty
Executive Administrative Professional
Technology
Administrative Technical Support
Operations Support

- Centers for Learning Excellence (CLE) Salary Plan
- Faculty Roles, Compensation Rates, and Faculty Salary Plan

The College hosted two open forums to provide Luz Cadena, the TASB Analyst, the opportunity to present the compensation study methodology and answer questions.

Reviewers - The President and all the Vice Presidents reviewed the Employee Pay Plan. Enclosed Documents - A copy of the Proposed Employee Pay Plan for FY 2022 - 2023 is included in the Employee Pay Plan and Staffing Plan binder for the Board’s review and information.

Dr. Ricardo J. Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will present the proposed Employee Pay Plan to the Finance, Audit, and Human Resources Committee on August 23, 2022, and request a recommendation for Board approval at the August 23, 2022 Public Hearing and Special Board Meeting.

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approves and authorizes the Proposed Employee Pay Plan for FY 2022 – 2023 as presented.

Approval Recommended:

Dr. Ricardo J. Solis
President

**Review and Action as Necessary on Proposed Employee Staffing Plan
for FY 2022 – 2023**

Approval of the Proposed Employee Staffing Plan for FY 2022 - 2023 is requested.

Purpose - The Proposed Employee Staffing Plan for FY 2022 – 2023 for all employee groups is presented for the Committee’s review and consideration. The Employee Staffing Plan includes all positions, titles, classifications, salaries, and salary pools under each Division and Organization of the College.

Justification - The Proposed Employee 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 2022 - 2023. The Office of Human Resources incorporated the Texas Association of School Boards (TASB) recommendations and prepared the Employee Staffing Plan to reflect the College’s proposed and approved new compensation structure for FY 2022 – 2023.

Background – As indicated in Policy #4100, College Employee Staffing Plan, the Employee Staffing Plan is the official document listing position titles, classifications, employees, and salaries for each fiscal year. The Employee Staffing Plan is not a contract between the College and any person listed on it, and neither the Employee 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 Employee Staffing Plan.

At the July 13, 2022 Special Board Meeting, the Board of Trustees approved Staffing Plan revisions, which are included within the Plan

Funding Source – The budget to fund each position is reflected in the appropriate department and listed on the Proposed Staffing Plan and is subject to Board approval of the FY 2022 – 2023 Budget.

Reviewers – The President and all the Vice Presidents reviewed the Employee Staffing Plan.

Enclosed Documents - A copy of the Proposed Employee Staffing Plan for FY 2022 - 2023 is included in the Employee Pay Plan and Staffing Plan binder for the Board’s review and information.

Dr. Ricardo J. Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will present the proposed Employee Staffing Plan to the Finance, Audit, and Human Resources Committee on August 23, 2022, and request a recommendation for Board approval at the August 23, 2022 Public Hearing and Special Board Meeting.

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approves and authorizes the Proposed Employee Staffing Plan for FY 2022 – 2023 as presented.

Approval Recommended:

Dr. Ricardo J. Solis
President

The Public Hearing on FY 2022 - 2023 Budget

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2022 - 2023 Budget to the public and Board of Trustees during the public hearing and prior to the formal adoption of the Budget by the Board.

The Public Hearing on the FY 2022 - 2023 Budget will consist of:

- Presentation of Overview of FY 2022 – 2023 Budget
- Public Comments
- Closing of the Public Hearing on FY 2022 - 2023 Budget

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

Consideration and Approval of Resolution 2022-016 Adopting the Budget for FY 2022 - 2023

Approval of the proposed Budget for FY 2022 – 2023 is requested.

Dr. Ricardo J. Solis, President and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will discuss the proposed budget for FY 2022 – 2023 with the Board.

The revenues and expenditures for FY 2022 – 2023 are based on the following:

Unrestricted Fund Revenues:

- State appropriations are expected to decrease \$8,959,879 in FY 2022 - 2023. The projected decrease is mainly due to the removal of the other state appropriation revenues consisting of Optional Retirement Plan (ORP), Teacher Retirement System (TRS), and the Higher Education Employees Group Insurance (HEGI). **The state appropriations for the ORP, TRS, and HEGI allocations will be recorded in the College's Restricted Fund instead of the Unrestricted Fund to comply with the annual financial report requirements.** The state contact hour appropriation revenue is based on the state allocation schedules and other state revenues are based on projected funding for eligible employees.
- Tuition for FY 2022 - 2023 is based on projected enrollment of 17,500 traditional students, a 12.4% decrease from Fall 2021, and 11,100 dual enrollment tuition free students for Fall 2022. In total, tuition revenue is projected to decrease \$928,476 in FY 2022 – 2023 due mainly to a decrease in the projected traditional student enrollment.
- Fees for FY 2022 - 2023 are based on projected enrollment of 17,500 traditional students, a 12.4% decrease from Fall 2021, and 11,100 dual enrollment tuition free students for Fall 2022. The projections indicate a decrease in fees revenue of \$2,069,260 in FY 2022 – 2023 mainly due to a decrease in the projected traditional student enrollment.
- M&O Property Tax revenue for FY 2022 - 2023 is expected to increase \$7,615,335, due to an anticipated increase in tax collections, property values, and based on FY 2021 – 2022 actual revenues.
- Other revenue is expected to increase \$1,502,291, due to increase in interest revenue and administrative costs and indirect processing fees for ITED.
- The HEERF Lost Revenue is projected to decrease \$3,655,461 in FY 2022 – 2023. The decrease is due to the decrease in the Higher Education Emergency Relief Fund (HEERF) Lost Revenue the College expects to utilize. The HEERF Lost Revenue represents the revenues expected by the College that will be reduced or eliminated as a result of the COVID-19 pandemic. The HEERF Lost Revenue is funded from the HEERF III Institutional Portion allocated to the College.

- Carryover Allocations are projected to decrease \$1,045,162 in FY 2022 - 2023. The decrease resulted from the decrease of \$2,845,336 in the Unexpended Construction Plant Transfer allocation, the decrease of \$1,000,000 in the Renewals & Replacements Plant Transfer allocation, the removal of \$231,448 for the One-Time Return to Campus Safely COVID-19 Training and Response Strategies Payment allocation, the removal of \$1,346 for the Retention Incentive Payment allocation, and the decrease of \$900 for the Continuing, Professional, and Workforce Education allocation being partially offset by the addition of the Welding Equipment allocation of \$2,100,058 and the Capital Purchases allocation of \$933,810.

Unrestricted Fund Expenditures, Transfers and Reserves:

- The Salary expenditures budget for FY 2022 - 2023 is proposed to increase by \$6,231,320. The increase is due to the removal of the COVID-19 Training and Retention Incentive Payments in the amount of \$401,250 and the decrease due to vacancies and new hires in the amount of \$140,805 being offset by the increase in funding for the restoration of Nursing and Allied Health faculty positions in the amount of \$274,995, the increase in funding for position salary adjustments implemented in FY 2021 – 2022 in the amount of \$248,637, the addition of salaries due to the ITED restructure from the Restricted Fund to the Unrestricted Fund in the amount of \$558,973, the increase in funding for the Dual Credit and Adjunct pool pay increase in the amount of \$300,000, the increase in funding for the compensation study adjustments in the amount of \$4,828,978, and Board approved divisional adjustments and new positions in the amount of \$561,792.
- The Benefits expenditures budget for FY 2022 - 2023 is proposed to decrease by \$6,621,898 primarily due to the additional funding for the restoration of Nursing and Allied Health faculty positions, funding for position salary adjustments, the addition of salaries due to the ITED restructure from the Restricted Fund to the Unrestricted Fund, funding for the Dual Credit and Adjunct pool pay increase, funding for compensation study adjustments, and funding for the Board approved divisional adjustments and new positions being offset by the removal of the COVID-19 Training and Retention Incentive Payments, the decrease due to vacancies and new hires, and the removal of on-behalf retirement and insurance expenditures that will be recorded in the College's Restricted Fund.
- The Operating expenditures budget for FY 2022 - 2023 is proposed to increase by \$3,892,425 based on the needs of the College's departments.
- The Travel expenditures budget for FY 2022 - 2023 is proposed to increase by \$117,814. Approximately 25 percent of the travel budget represents local mileage reimbursement for faculty.
- The Capital Outlay expenditures budget for FY 2022 - 2023 is proposed to increase by \$1,759,810 based on the needs of the College's departments.
- The Transfers and Reserves budget for FY 2022 - 2023 is proposed to decrease by \$12,920,083. The decrease is due to the decrease in the Transfer to the Unexpended Plant fund in the amount of \$2,000,000, the removal of the Transfer

to the Continuing Education Unexpended Plant Fund of \$845,336, the decrease in the Transfer to the Renewals & Replacements Plant fund in the amount of \$1,000,000, the removal of the Transfer to the Office of ITED in the amount of \$865,581, the removal of the Fund Balance Reserve in the amount of \$4,553,705, and the decrease in the HEERF Fund Balance Reserve of \$3,655,461.

Auxiliary Fund Revenues:

- Auxiliary HEERF Revenue Loss Reimbursement revenue is expected to decrease \$244,189 in FY 2022 – 2023. The decrease is due to a reduction in the projected revenues expected by the College that will be reduced or eliminated as a result of the COVID-19 pandemic. The HEERF Lost Revenue is funded from the HEERF III Institutional Portion allocated to the College.
- Bookstore Commission revenue is expected to increase \$71,515 in FY 2022 – 2023 due to an increase in the projected sales commission from Barnes and Noble.
- Interest revenue and Vending Machine revenues are expected to increase \$36,000 in FY 2022 – 2023. The decrease in the interest revenue in the amount of \$4,000 is partially offset by the increase in vending machine revenue in the amount of \$40,000.
- The Food Service revenues are expected to decrease \$480,625 in FY 2022 – 2023 due to the suspension of operations of the College's Food Services department.
- The Nursing and Allied Health (NAH) Pinning Fees revenue is expected to increase \$32,290 in FY 2022 – 2023 due to the addition of the NAH Pinning Fees in the Auxiliary Fund. The NAH Pinning Fees will be recorded in the College's Auxiliary Fund instead of the Agency Fund to comply with the annual financial report requirements.
- The Carryover Fund Balance revenue is expected to increase \$140,179 in FY 2022 – 2023. The increase is due to the addition of the Carryover Fund Balance revenue to the Auxiliary Fund based on the needs of the College's departments.
- The Student Activity Fee revenue and the Child Care & Development revenues are projected to remain at their FY 2021 – 2022 levels.
- The FY 2022 – 2023 increase for the Self-Supporting Conferences revenue, and the decrease for the Non-Public Fund revenue are based on the projected remaining funds.

Auxiliary Fund Expenditures:

- The FY 2022 – 2023 expenditure budgets are proposed to adjust as necessary according to their funding source, the needs of the College's departments, and the salary adjustments related to the Compensation Plan provided by the Texas Association of School Boards (TASB).

Restricted Fund Revenues:

- State and Federal Financial Aid revenue for FY 2022 – 2023 is projected to decrease \$10,805,247. The decrease is mainly due to the projected decrease in funds the College will receive for Federal Pell financial aid assistance to students.
- Higher Education Emergency Relief Fund (HEERF) revenue for FY 2022 – 2023 is projected to decrease \$67,567,479. The projected decrease is due to the College expending HEERF II and HEERF III funds by the ending date of the grant period.
- State and Federal Grants revenue for FY 2022 – 2023 is projected to increase \$1,735,773. The increase is due to a projected increase in state and federal grants that will be awarded to the College.
- Private and Local Grants and Scholarship revenue for FY 2022 – 2023 is projected to increase \$310,715. The increase is due to new private and local grants and scholarships and the projected remaining funds for grants and scholarships continuing in FY 2022 – 2023.
- On Behalf revenue for FY 2022 – 2023 is projected to increase \$9,538,852. The increase is due to the Optional Retirement Plan (ORP), Teacher Retirement System (TRS), and the Higher Education Employees Group Insurance (HEGI) allocations being recorded in the Colleges Restricted Fund instead of the Unrestricted Fund to comply with the annual financial report requirements.

Restricted Fund Expenditures:

- The FY 2022 – 2023 expenditure budgets are proposed to adjust as necessary according to their funding source.

Plant Fund Revenues:

- The Unexpended – Construction Fund revenue is proposed to increase \$6,071,386 in FY 2022 – 2023. The projected increase is due to funding needed for new renovation and construction projects termed Capital Improvements Projects (CIPs).
- The Unexpended – Renewals and Replacements Fund revenue is proposed to increase \$728,916 in FY 2022 - 2023. The projected increase is due to funding needed for capital renewal and replacement construction projects needed at each campus.
- The Unexpended – Retirement of Indebtedness Fund revenue is proposed to decrease \$525,644 in FY 2022 – 2023. The projected decrease is due to funding needed for the College's bond indentures principal, interest, and related costs.

Plant Fund Expenditures:

- The Unexpended – Construction Fund expenditure budget for FY 2022 – 2023 is proposed to increase \$6,071,386. The projected increase is due to an increase in

facility improvement projects needed by the College and that support the College's Strategic Directions.

- The Unexpended – Renewals and Replacements Fund expenditure budget for FY 2022 – 2023 is proposed to increase \$728,916. The projected increase is due to an increase in deferred maintenance projects needed by the College.
- The Unexpended – Retirement of Indebtedness Fund expenditure budget for FY 2022 – 2023 is proposed to decrease \$525,644. The projected decrease is due to a decrease in expenditures related to the College's bond indentures and related costs.

Financial managers have submitted their anticipated expenditure budgets through the budget database for operating, travel, and capital. These expenditures are included in the Proposed Budget for FY 2022 – 2023.

The Unrestricted Fund Preliminary FY 2022 – 2023 (Next Year) Budget Summary of Projected Revenues and Expenditures with Comparison to the FY 2021 – 2022 (Current Year) amended budget and the Proposed Budget PowerPoint presentation follow in the packet for the Committee's review and information. Copies of the Proposed Draft Budget for FY 2022 – 2023 are included under separate cover.

The Resolution Adopting the Budget for FY 2022 – 2023 will also be presented at the August 23, 2022 Special Board meeting for approval.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the Proposed Budget for FY 2022 – 2023 at the August 23, 2022 Finance, Audit, and Human Resources Committee meeting and will address any questions by the committee.

On August 23, 2022, the Finance, Audit, and Human Resources committee will be asked to recommend for Board approval of the proposed Budget for FY 2022 – 2023 as presented.

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approves Resolution 2022-016 adopting the budget for FY 2022 – 2023 as presented.

Approval Recommended:

Dr. Ricardo J. Solis
President

Resolution No. 2022-016

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2022 AND ENDING AUGUST 31, 2023 IN ACCORDANCE WITH THE PROVISIONS OF THE TEXAS EDUCATION CODE AND ORDERING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

BE IT ORDERED BY THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE, THAT:

SECTION I: The Budget Estimate of revenues for South Texas College District (the "College District") and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning September 1, 2022, and ending August 31, 2023, as submitted by the President of the College, be, and the same is in all things, adopted and approved as the budget of all of the current revenues and expenses for the fiscal year beginning the 1st day of September, 2022, and ending the 31st day of August, 2023.

SECTION II: The amount of ad valorem taxes and revenue from other sources, as estimated by the President, is hereby appropriated out of the various Funds for the payment of operating expenses and capital outlay of the College District. A copy of the Budget Summary indicating such revenues and appropriating their expenditures is attached hereto and made a part hereof for all purposes as Exhibit "A" and shall remain on file in the Office of the President.

SECTION III: The sums indicated in Exhibit "A" are hereby appropriated in the Unrestricted Fund and College's Debt Service Fund out of the current year ad valorem taxes as collected for the purposes of maintenance and operation of the College District, as applicable, and applying the interest due on the general obligation bonds, redeeming the bonds as they mature, and creating sinking funds as required by such bonds.

SECTION IV: All Resolutions or parts of Resolutions in conflict herewith are hereby repealed.

SECTION V: This Resolution shall be and remain in full force and effect as of September 1, 2022.

SECTION VI: If any part, or parts, of this Resolution are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to the extent this Resolution is considered severable.

CONSIDERED, PASSED and APPROVED this ____ day of August, 2022 at a meeting of the Board of Trustees of South Texas College District at which a quorum was present and which was held in accordance with the Texas Government Code Chapter 551.

SIGNED this ____ day of August, 2022.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Rose Benavidez, Chair

ATTEST:

By: _____
Victoria Cantú, Secretary