

**South Texas College**  
**Board of Trustees**  
**Finance, Audit, and Human Resources Committee**  
**Ann Richards Administration Building Board Room**  
**Pecan Campus, McAllen, Texas**  
**Tuesday, March 8, 2022 @ 5:30 p.m.**

**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.”

- I. Approval of January 18, 2022 Finance, Audit, and Human Resources Committee Minutes.....1-34
- II. Review and Action as Necessary on Award of Proposal, Rejection of Proposal, Purchases, Renewal, and Interlocal Agreement.....35-53
  - A. Award of Proposal
    - 1) Risk Management Consultant Services (Award)
  - B. Rejection of Proposal
    - 2) Purchase of Heavy-Duty Trucks - II (Reject)
  - C. Purchases and Renewals
    - a. Instructional Items
      - 3) 3D Metal Printer (Purchase)
      - 4) Fire Science Training Simulator (Purchase)
      - 5) Instructional Equipment, Software, and Materials (Purchase)
    - b. Non-Instructional Item
      - 6) Consultant Services Contract (Purchase)
    - c. Technology Items
      - 7) Computers, Laptops, and Tablets (Purchase)
      - 8) Network Equipment (Purchase)
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    - 9) State Records Inquiry Access Agreement (Purchase/Renewal)
- III. Review and Recommend Action on Disposal/Recycle of Technology and Electronic Items with an Original Value of \$5,000 and Over.....54-57
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VII.	Discussion and Action as Necessary on Proposed Budget Amendment for FY 2021 -2022 .....	70-85
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**Approval of February 8, 2022 Finance, Audit, and Human Resources Committee  
Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of February 8, 2022 are presented for Committee approval.

**South Texas College  
Board of Trustees  
Finance, Audit, and Human Resources Committee  
Ann Richards Administration Building Board Room  
Pecan Campus, McAllen, Texas  
Tuesday, February 8, 2022 @ 5:30 p.m.**

**Minutes**

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, February 8, 2022 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:45 p.m. with Mr. Rene Guajardo presiding.

Members present: Mr. Rene Guajardo and Dr. Alejo Salinas, Jr.

Other Trustees Present: Mr. Gary Gurwitz, and Mr. Danny Guzman

Members absent: Mr. Paul R. Rodriguez

Also present: Dr. Ricardo J. Solis, Mrs. Mary Elizondo, Dr. David Plummer, Dr. Anahid Petrosian, Mr. Matthew Hebbard, Dr. Rodney Rodriguez, Mrs. Rebecca Cavazos, Ms. Myriam Lopez, Mrs. Laura Requena, Ms. Lynda Lopez, Chief Ruben Suarez, Dr. Aaron Wilson, Mr. Robert Pena, Mr. Tyler Pierce, Mr. Dallas Gutierrez, and Mr. Andrew Fish.

**Approval of January 18, 2022 Finance, Audit, and Human Resources  
Committee Minutes**

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Minutes for the Finance, Audit, and Human Resources Committee Meeting of January 18, 2022 were approved as written. The motion carried.

### **Discussion and Action as Necessary on Guidelines and Criteria for Granting Tax Abatements and Approval of Resolution 2022-009 for Electing to Participate in Tax Abatement Agreements and Adopting Guidelines and Criteria**

Approval of guidelines and criteria for granting tax abatements and resolution 2022-009 for electing to participate in tax abatement agreements and adopting guidelines and criteria, will be requested at the February 22, 2022 Board meeting.

Purpose – The College’s Guidelines and Criteria for Granting Tax Abatements are effective for a two-year period from the adoption date. Approval to renew the Criteria for Granting Tax Abatements was needed in order to continue granting tax abatements.

Justification – Property Tax Code Chapter 32 authorizes a taxing unit to enter into a tax abatement agreement in order to offer a temporary real property and/or tangible personal property tax abatement for a limited period of time as an inducement for financial investment in the development or redevelopment of certain taxable property. The property tax code requires that a taxing unit establish guidelines and criteria governing tax abatement agreements and approve a resolution to allow the College to participate in tax abatements.

Background – The proposed guidelines would serve for the month of February 2022 to January 2024. The request to update the guidelines, criteria, and resolution was requested by Terra-Gen Development Company, LLC.

The Board of Trustees adopted the guidelines, criteria, and resolution electing to participate in Tax Abatements on November 22, 2019 for two years, December 2019 through November 2020, on November 28, 2017 for two years, December 2017 through November 2019, and on May 26, 2015 for two years, June 2015 through May 2017.

Reviewers – The College Staff and South Texas College’s Legal Counsel, reviewed the proposed guidelines and criteria.

Enclosed Documents – Resolution 2022-009 Electing to Participating in Tax Abatement Agreements and the Guidelines and Criteria Governing Tax Abatement Agreements were provided in the packet for the Board’s information and review.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the guidelines and criteria for granting tax abatements and resolution 2022-009 for electing to participate in tax abatements agreements and adopting guidelines and criteria, as presented. The motion carried.

## **Discussion and Action as Necessary to Amend and Restate the Terra-Gen Development Company, LLC, Tax Abatement Agreements**

- a. Monte Cristo Windpower, LLC
- b. La Joya Windpower, LLC
- c. West Willacy Windpower, LLC (Monte Alto)

Approval to amend and restate the Terra-Gen Development Company, LLC, Tax Abatement Agreements to reflect a new construction commencement date, will be requested at the February 22, 2022 Board meeting.

Purpose – To Amend and Restate three (3) Terra-Gen Development Company, LLC Tax abatement agreements in order to delay the commencement date for two years and to identify in its entirety that the Amended and Restated Tax Abatement Agreements supersede and replace the prior Tax Abatement Agreements.

Justification - Terra-Gen Development Company, LLC requested an amendment and restatement to the Board approved tax abatement agreements for three (3) projects due to the impact of the COVID-19 Pandemic. The amendment and restatement tax abatement agreements for three (3) projects were necessary because Terra-Gen Development Company, LLC was not able to meet the commencement dates of the projects that were approved on November 26, 2019 by the College's Board of Trustees.

Background – On November 26, 2019, the Board of Trustees approved the Terra-Gen Tax Abatement Agreements for the following projects:

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

On February 25, 2020, the Board of Trustees approved the revisions to the agreements regarding the scholarship's payment dates. The agreements with Terra-Gen included the following terms:

- An estimated 50% tax abatement for each of the four agreements for a period not to exceed ten years (Based on tax abatement percentage scale)
- A lump sum payment to the College of \$40,000 per agreement for scholarships
- A \$10,000 Payment in Lieu of Taxation (PILOT) to the College per project for each of the ten years of the abatement period

On November 5, 2021, Terra-Gen requested an amendment for the "Commencement Date" for three (3) of the agreements due to the COVID-19 Pandemic impact on the workforce and material availability, which caused a delay in the approved commencement date.

At this time, Terra-Gen requested the withdrawal/termination of the Buenos Aires Windpower, LLC agreement. The withdrawal/termination request for the Buenos Aires Windpower, LLC agreement followed in the packet as a separate item.

The proposed commencement date for construction is two years from the original date stated on the agreement under Section III A - Improvements in Enterprise Zone. The proposed commencement dates are as follows:

<b>Project</b>	<b>Commencement Date Change</b>	
	<b>Current Agreement Approved on 11/26/19</b>	<b>Proposed Dates Requested by Terra-Gen on 11/15/21</b>
A. Monte Cristo Windpower, LLC	June 30, 2021	June 30, 2023
B. La Joya Windpower, LLC	December 31, 2020	December 31, 2022
C. West Willacy Windpower, LLC (Monte Alto)	December 31, 2020	March 31, 2023

Reviewers – The proposed Terra-Gen amend and restate Tax Abatement Agreements were reviewed by Legal Counsel.

Enclosed Documents – The three (3) proposed Terra-Gen amend and restate tax abatement agreements were included under separate cover in the packet for the Committee’s information and review.

Ms. Mary Elizondo, Vice President for Finance and Administrative Services, Robert Peña, Texas Energy Consultants, and/or Terra-Gen Development Company, LLC Representative provided an update on the Terra-Gen Development Company, LLC, Tax Abatement Agreements and addressed questions from the Committee.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval to amend and restate the Terra-Gen Development Company, LLC Tax Abatement Agreements to reflect the revised construction Commencement Date for Monte Cristo Windpower, LLC, La Joya Windpower, LLC, and West Willacy Windpower, LLC (Monte Alto) as presented. The motion carried.

## **Discussion and Action as Necessary on Withdrawal/Termination of the Buenos Aires Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement**

Approval on Withdrawal/Termination of the Buenos Aires Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement, will be requested at the February 22, 2022 Board Meeting.

Purpose – To withdraw/terminate the Buenos Aires Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement as the project did not proceed as planned due to anticipated delays related to COVID-19 Pandemic and would not meet the development and construction timeline outlined in the approved agreement.

Justification - On November 5, 2021, Terra-Gen Development Company, LLC requested the withdrawal/termination of the Buenos Aires Windpower, LLC due to the COVID-19 Pandemic impact on the workforce and material availability, which caused a delay and would not meet the development and construction.

Background – On November 26, 2019, the Board of Trustees approved the Terra-Gen Tax Abatement Agreements for the following projects:

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

On February 25, 2020, the Board of Trustees approved the revisions to the agreements regarding the scholarship's payment dates. The agreements with Terra-Gen included the following terms:

- An estimated 50% tax abatement for each of the four agreements for a period not to exceed ten years (based on tax abatement percentages scale)
- A lump sum payment to the College of \$40,000 per agreement for scholarships
- A \$10,000 Payment in Lieu of Taxation (PILOT) to the College per project for each of the ten years of the abatement period

The Terra-Gen Development Company, LLC, requested the following:

<b>Project</b>	<b>Current Agreement Approved on 11/26/19</b>	<b>Requested by Terra-Gen on 11/05/21</b>
A. Buenos Aires Windpower, LLC	Commencement Date of June 30, 2021	Withdrawal and Termination

Reviewers – The Buenos Aires Windpower, LLC Withdrawal/Termination Tax Abatement Agreement Letter was reviewed by Legal Counsel.

Enclosed Documents – The Buenos Aires Windpower, LLC Withdrawal/Termination Tax Abatement Agreement Letter was provided in the packet for the Committee's information and review.

Ms. Mary Elizondo, Vice President for Finance and Administrative Services, Robert Peña, Texas Energy Consultants and/or Terra-Gen Development Company, LLC Representative provided an update on the Terra-Gen Development Company, LLC, Tax Abatement Agreements and addressed questions from the Committee.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the Withdrawal/Termination of the Buenos Aires Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Agreement as presented. The motion carried.

**Discussion and Action as Necessary on Monte Alto II Windpower, LLC (Terra-Gen Development Company, LLC) Tax Abatement Application, Agreement, and Resolution 2022-010 Approving the Agreement**

Approval of the Monte Alto II Windpower, LLC (Terra-Gen Development Company, LLC), Tax Abatement Application, Agreement, and Resolution 2022-010 Approving the Agreement will be requested at the February 22, 2022 Board meeting, subject to the Board approving the guidelines and criteria and an exception to the minimum threshold of \$200 million.

Purpose – Terra-Gen Development Company, LLC, submitted an application for tax abatement for their wind powered electric generating facility in Hidalgo County. Approval of the tax abatement application, agreement, and resolution 2022-010 was needed in order for the College to participate in a tax abatement agreement with a wind power renewable energy company.

Justification – Property Tax Code Chapter 312 authorizes a taxing unit to enter into a tax abatement agreement in order to offer a temporary real property and/or tangible personal property tax abatement for a limited period of time as an inducement for financial investment in the development or redevelopment of certain taxable property. The property tax code requires that a taxing unit establish guidelines and criteria governing tax abatement agreements and approve a resolution to allow the College to participate in tax abatements.

Background – The Board of Trustees adopted the current guidelines and criteria, and resolution electing to participate in Tax Abatement Agreements on November 26, 2019. The College's Guidelines and Criteria for Granting Tax Abatements are effective for a two-year

period from the adoption date. As a result, the renewal of the Guidelines and Criteria for Granting Tax Abatements would be reviewed by the Board at the February 22, 2022 Board meeting for the period of February 2022 to January 2024. The current New Capital Investment minimum threshold was \$200 million.

On January 10, 2022, Terra-Gen Development Company, LLC., indicated they would be splitting the Monte Alto Tax Abatement project into Monte Alto Windpower, LLC project and the Monte Alto II Windpower, LLC project and requesting approval of a new tax abatement project for Monte Alto II. The new Monte Alto II Tax Abatement Agreement submitted by Terra-Gen reflected a total project value of \$156 million which was below the \$200 million threshold required in the Guidelines.

Reviewers – Business Office Staff, Legal Counsel, and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, reviewed this item and were available to discuss and provide additional information and address questions by the Committee as needed.

Enclosed Documents – Monte Alto II Windpower, LLC Tax Abatement Application and Tax Abatement Agreement were included under separate cover for the Committee's information and review. Resolution 2022-010 was submitted to Legal Counsel for review and was provided in the packet for the Committee's information and review.

Ms. Mary Elizondo, Vice President for Finance and Administrative Services, Robert Pena, Texas Energy Consultants and/or Terra-Gen Development Company Representative addressed questions on the Monte Alto II Windpower, LLC, Tax Abatement from the Committee.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of action as necessary for approval of the Monte Alto II Windpower, LLC Tax Abatement, including the exception to the guidelines minimum threshold level and the resolution as presented. The motion carried.

## **Review and Action as Necessary on Award of Proposals, Purchases, and Renewals**

Approval of the following award of proposals, purchases, and renewals will be requested at the February 22, 2022 Board meeting.

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

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the award of network cabling services for building renovation services for a total of \$280,500, as identified in item #5 below.

Mr. Guajardo observed that staff had completed ranked evaluations of the responses, and asked whether it was appropriate to recommend two of the responses for approval, instead of only the highest ranked firm.

Administration confirmed that staff anticipated the need to have two firms available to ensure services would be available as needed to meet the College's renovation schedules.

The Committee asked why staff only recommended two firms instead of all three respondents.

Administration advised that they only anticipated the need to have two firms available to meet expected renovation schedules.

The Committee asked whether the Request for Proposals had clearly articulated that more than one respondent could be awarded.

Administration confirmed that the RFP included language providing the College the option to award to multiple respondents.

The motion carried.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval the award of proposals, purchases, and renewals as listed below, except for item #5 for the award of network cabling services for building renovation services:

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

- 1) Advertising Services (Award):** award the proposal advertising services for the period beginning March 1, 2022 through February 28, 2023 with two one-year options to renew, at an estimated amount of \$653,400.00. The vendors are as follows:

<b>Vendors</b>	<b>Vendors</b>
<b>Acme Partnership, LP.</b> (Austin, TX)	<b>Advertir, Inc.</b> (McAllen, TX) (New)
<b>Advance Publishing, LLC.</b> (Pharr, TX)	<b>ASG, LLC./ dba De Shopping en Texas</b> (McAllen, TX) (New)
<b>AIM Media Texas Operating, LLC.</b> (McAllen, TX)	<b>Catholic Diocese of Brownsville</b> (Brownsville, TX)
<b>Cobalt Digital Marketing, LLC.</b> (McAllen, TX) (New)	<b>Entravision Communications</b> (McAllen, TX)
<b>Fantich Media</b> (McAllen, TX) (New)	<b>GC Publishing, LLC./ dba Edible RGV</b> (Brownsville, TX)
<b>ICP, LLC./ dba Mexico Industry</b> (McAllen, TX) (New)	<b>I Heart Media</b> (Weslaco, TX)
<b>Image House Media, LLC.</b> (McAllen, TX)	<b>Lamar Advertising</b> (San Benito, TX)
<b>MADD Media, LLC.</b> (McAllen, TX) (New)	<b>Media Choice, LLC.</b> (Austin, TX)
<b>Mega Doctor News</b> (McAllen, TX)	<b>NBCUniversal, LLC. Telemundo Rio Grande Valley aka KTLM</b> (McAllen, TX)
<b>Nexstar Media, Inc.</b> (Harlingen, TX) (New)	<b>Radio United, LLC.</b> (McAllen, TX) (New)
<b>RGVision Media</b> (Mission, TX)	<b>Screenvision Media</b> (Highland Village, TX)
<b>Starchannel Marketing, LLC.</b> (McAllen, TX)	<b>Starr County Town Crier</b> (Rio Grande City, TX)
<b>Texas Border Business</b> (McAllen, TX)	<b>Urban One, Inc.</b> (Silver Spring, MD) (New)
<b>VBR Media / Valley Business Report</b> (Clermont, FL)	<b>VisionPoint Marketing, LLC.</b> (Raleigh, NC) (New)

- 2) **Digital Advertising Services (Award):** award the proposal for the digital advertising services for the period beginning March 1, 2022 through February 28, 2023 with two one-year options to renew, at an estimated amount of \$435,600.00. The vendors are as follows:

<b>Vendors</b>	<b>Vendors</b>
<b>25<sup>th</sup> Hour Communications, Inc.</b> (Westwood, MA)	<b>Acme Partnership, LP.</b> (Austin, TX)
<b>Advertir, Inc.</b> (McAllen, TX) (New)	<b>Advertising Solutions Group, LLC./ dba De Shopping en Texas</b> (McAllen, TX) (New)
<b>AIM Media Texas Operating, LLC.</b> (McAllen, TX)	<b>Carlberg, LLC./ dba Carlberg Branding &amp; Advertising</b> (Houston, TX)

<b>Vendors</b>	<b>Vendors</b>
<b>Catholic Diocese of Brownsville</b> (Brownsville, TX)	<b>Cobalt Digital Marketing, LLC.</b> (McAllen, TX) (New)
<b>Entravision Communications</b> (McAllen, TX)	<b>Estrella Digital Media</b> (McAllen, TX) (New)
<b>Fantich Media</b> (McAllen, TX) (New)	<b>ICP, LLC./ dba Mexico Industry</b> (McAllen, TX) (New)
<b>I Heart Media</b> (Weslaco, TX)	<b>Image House Media, LLC.</b> (McAllen, TX)
<b>International Publicity and Representation, Inc.</b> (McAllen, TX)	<b>Lamar Advertising</b> (San Benito, TX)
<b>MADD Media, LLC.</b> (McAllen, TX) (New)	<b>Media Choice, LLC.</b> (Austin, TX)
<b>Mega Doctor News</b> (McAllen, TX) (New)	<b>NBCUniversal, LLC. Telemundo Rio Grande Valley aka KTLN</b> (McAllen, TX)
<b>Nexstar Media, Inc.</b> (Harlingen, TX) (New)	<b>OZAY, LLC./ dba CODESM</b> (Pharr, TX) (New)
<b>Radio United, LLC.</b> (McAllen, TX) (New)	<b>ReachLocal, Inc.</b> (Woodland Hills, CA)
<b>Revista Expresion</b> (Hidalgo, TX) (New)	<b>Spectrum Reach / Charter Communications Holding, LLC.</b> (McAllen, TX)
<b>Starr County Town Crier</b> (Rio Grande City, TX)	<b>Texas Border Business</b> (McAllen, TX)
<b>Univision Radio</b> (McAllen, TX)	<b>Urban One, Inc.</b> (Silver Spring, MD) (New)
<b>Urban TVs, LLC.</b> (Palmview, TX) (New)	<b>Vision Point Marketing, LLC.</b> (Raleigh, NC) (New)

- 3) **Library Materials Moving Services (Award):** award the proposal for library materials moving services to **Library Interiors of Texas** (Lakeway, TX) (New) for the period beginning May 1, 2022 through April 30, 2023 with two one-year options to renew, at an estimated amount of \$117,048.00;
- 4) **Moving Services (Award):** award the proposal for moving services for the period beginning March 1, 2022 through February 28, 2023, with two one-year options to renew, at an estimated amount of \$65,000.00. The vendors are as follows:
  - **Gateway Printing & Office Supply, Inc.** (San Antonio, TX)
  - **Groves Moving & Storage** (McAllen, TX)
- 5) **Network Cabling Services for Building Renovation Projects (Award):** award the proposal for network cabling services for building renovation projects for the period beginning March 27, 2022 through March 26, 2023, with two one-year options to renew, at an estimated amount of \$280,500.00. The vendors are as follows:
  - **Telepro Communications** (Mission, TX)

- **BridgeNet Communications** (Donna, TX)

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

- 6) Mobile Fire Training Ventilation Prop (Purchase):** purchase a mobile fire training ventilation prop from **Fire Vent, LLC.** (Carson City, NV) (New), a sole source vendor, at a total amount of \$107,445.00;
- 7) Graduation Facility Agreement (Lease/purchase):** lease/purchase of a graduation facility with the **Vipers Arena, LLC. / dba Bert Ogden Arena** (Edinburg, TX), a sole source vendor, beginning May 5, 2022 through May 7, 2022, at an estimated amount of \$60,000.00;

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

**8) Asset Management, Chemical Inventory, and Inspection Software System**

**(Renewal):** renew the asset management, chemical inventory, and inspection software system contract with **SafetyStratus, Inc.** (Plano, TX), for the period beginning May 1, 2022 through April 30, 2023, at a total amount of \$20,000.00;

- 9) Food and Non-Food Related Products (Renewal):** renew the food and non-food related products contracts for the period beginning April 27, 2022 through April 26, 2023, at an estimated amount of \$90,000.00, which is based on prior year expenditures. The vendors are as follows:

- **Ben E. Keith Company** (Fort Worth, TX)
- **Labatt Food Service** (Harlingen, TX)
- **Sysco Central Texas, Inc.** (New Braunfels, TX)

**C. Purchases and Renewals (B-c. Technology Items)**

- 10) Computers, Laptops, and Monitors (Purchase):** purchase computers, laptops, and monitors from the State of Texas Department of Information Resources (DIR) approved vendor **Dell Marketing, LP.** (Dallas, TX), at a total amount of \$75,436.67;

- 11) Parking Management System (Purchase):** purchase a parking management system from **T2 Systems, Inc., a Verra Mobility Company** (Indianapolis, IN) (New), a Sourcwell purchasing cooperative approved vendor, at a total amount of \$149,895.57;

- 12) Adobe License Software Agreement (Renewal):** renew the Adobe license software agreement with **Software House International (SHI) Government Solutions, Inc.** (Austin, TX), a State of Texas Department of Information Resources (DIR) and The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, for the period beginning April 4, 2022 through April 3, 2023, at an estimated amount of \$74,790.30.

Recommend Action - The total for all included award of proposals, purchases, and renewals was \$1,848,615.54, which reflected an original total of \$2,129,115.54 less \$280,500 for the excluded item #5. The motion carried.

## **Discussion and Action as Necessary on Renewal Agreement for Financial Advisor Services**

Approval to renew the financial advisor services agreement with Estrada Hinojosa & Company, Inc., for the period beginning March 1, 2022 through February 28, 2023 will be requested at the February 22, 2022 Board meeting.

Purpose – Financial Advisor Services are needed to provide independent and professional advice regarding the authorization and issuance of indebtedness in various amounts and forms, and in connection with the authorization, sale, issuance and delivery of such indebtedness, and other financial matters, such as, credit rating advisability, assist in the negotiation of Paying Agent/Registrar, provide copies of the changes in law, and provide advice and assistance with regard to exercising any call and/or refunding of any outstanding debt instruments.

Justification and Benefit – The Financial Advisor Services performed professional and adequate financial services for the College in connection with the issuance of municipal securities and complied with the Security and Exchange Commission (SEC) 15c2-12. In addition, the Financial Advisor is registered as a municipal advisor with the Municipal Rulemaking Board (MSRB) and with the Security and Exchange Commission (SEC).

Background – On February 23, 2021, the Board of Trustees awarded the financial services to Estrada Hinojosa & Company, Inc. for one year with two one-year annual renewal options. The initial term was for the period of March 1, 2021 to February 28, 2022. The first renewal period begins March 1, 2022 and ends February 28, 2023.

Award	Board Meeting Date	Original Term	Renewal Term
Original	2/23/21	3/1/21 – 2/28/22	2 – one year options
1 <sup>st</sup> Renewal	2/22/22		3/1/22 – 2/28/23

The vendor complied with all the terms and conditions of the contract and services for the Financial Advisor satisfactory.

The fees for the services provided by the financial advisor are netted against the bond proceeds received at time of a bond issuance.

### **Compensation for Financial Advisor Services**

In consideration for the services rendered by Estrada Hinojosa, the fee for each issue of a debt instrument will be as follows:

**Base Fee - Any Issue - \$ 3,750**

Plus	\$6.50	Per	1,000 up to	\$500,000	or	\$7,000	for	\$500,000	Bonds
Plus	6.00	Per	1,000 next	500,000	or	10,000	for	1,000,000	Bonds
Plus	3.50	Per	1,000 next	1,500,000	or	15,250	for	2,500,000	Bonds
Plus	2.50	Per	1,000 next	2,500,000	or	21,500	for	5,000,000	Bonds
Plus	2.00	Per	1,000 next	5,000,000	or	31,500	for	10,000,000	Bonds
Plus	1.50	per	1,000 for anything over \$10,000,000						

*Note: "Bonds" = par plus premium minus discount.*

Using the above fee schedule, Estrada Hinojosa's fee for a \$20 million bond issue would be \$46,500, and the fee for a \$30 million bond issue would be \$61,500.

Refunding Issues - Fees for Advance Issues shall be the amount shown plus a 20% additional charge (\$55,800 for a \$20 million issue, and \$73,800 for a \$30 million issue).

The fee will be calculated on the above schedule and will also include costs and expenses, where applicable, incurred on behalf of the College for the following items:

- Computer structuring fees, not to exceed \$10,000
- Messenger, overnight delivery, market data technology photocopying, postage, and telephone, not to exceed \$3,500
- Preparation of the Notice of Sale, Official Statement, and Uniform Bid Form, not to exceed \$8,500
- Printing of the Notice of Sale, Official Statement, and Uniform Bid Form, at cost
- Bond Counsel fees, at cost
- Bond rating and/or credit enhancement fees, at cost
- Personal meetings with bond rating agencies and/or credit enhancement providers, at cost
- Preparation and printing of physical securities, at cost
- Reports of independent auditors or consultants, at cost
- Travel expenses of College and Company personnel, at cost.

Mr. Gary Gurwitz requested accounting for the actual cost for the recent bond issuance, and the net total to the College. Administration agreed to provide that information to the Trustees.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the first-year renewal option for the financial advisor services agreement with Estrada Hinojosa & Company, Inc., for the period beginning March 1, 2022 through February 28, 2023, as presented. The motion carried.

### **Discussion and Action as Necessary on Renewal Agreement for Continuing Disclosure Services**

Approval to renew the continuing disclosure services agreement with Estrada Hinojosa & Company, Inc. (Edinburg, TX), for the period beginning March 1, 2022 through February 28, 2023 will be requested at the February 22, 2022 Board meeting.

Purpose – Continuing Disclosure Services consists of important information about municipal bonds that arises after the initiative issuance. This information generally reflects the financial health and operating condition of the state or local government as it changes over time, or the occurrence of specific events that can have an impact on key features of the bonds. In addition, these disclosures are made available to investors and the public by the Municipal Securities Rulemaking Board (MSRB).

Justification and Benefit – The Continuing Disclosure Services are necessary to ensure compliance and reasonable assurance that prompt notice of certain events and certain financial information are met with Security and Exchange Commission (SEC) 15c2-12 and Municipal Securities Rulemaking Board (MSRB).

Background – On February 23, 2021, the Board of Trustees awarded the contract for continuing disclosure services to Estrada Hinojosa & Company, Inc. for one year with two one-year annual renewal options. The initial term was for the period of March 1, 2021 to February 28, 2022. The first renewal period begins March 1, 2022 and ends February 28, 2023.

Award	Board Meeting Date	Original Term	Renewal Term
Original	2/23/21	3/1/21 – 2/28/22	2 – one year options
1 <sup>st</sup> Renewal	2/22/22		3/1/22 – 2/28/23

The vendor and staff were working together to comply with all the terms and conditions of the contract and the requirements of the Security and Exchange Commission (SEC) Rule 15c2-12 and Municipal Securities Rulemaking Board (MSRB) and submit the Continuing Disclosure required financial and notice of event documentation to Electronic Municipal Market Access (EMMA) by February 28, 2022.

The agreement for Continuing Disclosure Services with Estrada Hinojosa & Company, Inc. was under review at the time of publication of committee agenda.

### **Compensation for Continuing Disclosure Services**

The annual fee for continuing disclosure services was \$4,000.00 per year.

The fees for the continuing disclosure services were funded by the Unrestricted Fund.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval to renew the continuing disclosure services agreement with Estrada Hinojosa & Company, Inc. (Edinburg, TX), for the period beginning March 1, 2022 through February 28, 2023, as presented. The motion carried.

### **Discussion and Action as Necessary on External Auditor Services**

Approval to award a contract for external auditor services for the fiscal year ending August 31, 2022, with four (4) one-year renewal options to Carr Riggs & Ingram, LLC (McAllen, TX) will be requested at the February 22, 2022 Board meeting.

Purpose – The external auditors perform the College's annual financial audit and issue an opinion on the financial statements prepared by the College Business Office staff. The audited Annual Comprehensive Financial Report (ACFR) must be submitted annually to the Texas Higher Education Coordinating Board by December 31<sup>st</sup>.

Justification – The external auditors start the interim audit work related to the financial audit prior to fiscal year end, therefore the College is proposing the selection of an external auditor at this time.

Background – Requests for qualifications for external auditor was advertised in the local newspaper on January 5, 2022 and January 12, 2022, and the request for qualifications documents were mailed to the following:

- Burton, McCumber, & Cortez, LLP. (McAllen, TX)
- Carr, Riggs, & Ingram, LLC. (McAllen, TX)
- Casco & Associates, PC. (Brownsville)
- Hart, Silva, & Co. (McAllen, TX)
- Virtual Bid Alerts

Three (3) responses were received on January 25, 2022 from the following firms:

- Burton, McCumber, & Cortez, LLP. (McAllen, TX)

- Carr, Riggs, & Ingram LLC. (McAllen, TX)
- Casco & Associates, PC. (Brownsville, TX)

Carr, Riggs & Ingram, LLC (former Long Chilton, LLP) has performed the College's annual financial audit since FY 1994-1995.

Funding Source - Expenditures were budgeted in the Audit Services budget for FY 2021-2022 budget and in the FY 2022-2023 budget, pending Board approval of the budget.

Reviewers - Responses were reviewed by the Vice President for Finance and Administrative Services, Business Office and Purchasing Department.

Enclosed Documents - The following materials were included in the packet for consideration and review:

1. External Auditor Qualification Summary
2. Evaluation Summary
3. Sample Request for Qualifications
4. Blank Evaluation Form
- 5.

Dr. Ricardo Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the February 8, 2022 Finance, Audit and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval to award a contract for external auditor services for the fiscal year ending August 31, 2022, with four (4) one-year renewal options to Carr Riggs & Ingram, LLC (McAllen, TX), as presented. The motion carried.

### **Review and Recommend Action on Legal Services Modification Agreement**

Approval on legal services modification agreement will be requested at the February 22, 2022 Board meeting.

Purpose – To modify the legal services agreement by changing the payment terms from an hourly rate to a fixed monthly retainer fee of \$5,000.00.

Justification – To modify payment terms of hourly rates to a fixed monthly retainer amount is requested by Legal Counsel, Javier Villalobos, in order to streamline and expedite the accounts receivable process.

Background – On June 8, 2021, the Board of Trustees awarded the contract for legal services to the Law Office of Javier Villalobos, P.C.

The compensation rates established in the current legal services agreement were as follows:

<b>Compensation Rates Established in Legal Services Agreement</b>	
Attorney Fees	\$200.00/hour
Litigation Fees	\$250.00/hour
Paralegal Services: Assistant 1	\$50.00/hour
Paralegal Services: Assistance 2	\$80.00/hour
Reimbursements	Out-of-Pocket Expenses at Actual Cost

**\*\***(Fractional hours will be billed in increments of 0.25 hours)

The modification agreement would replace the above hourly rates to a monthly retainer of \$5,000.00 that was based on working 25 hours a month at an hourly rate of \$200.00. This monthly retainer would be retroactive to January 2022.

Mary Elizondo, Vice President for Finance and Administrative Services, and Mr. Dallas Gutierrez, representing Mr. Villalobos, attended the Committee Meeting to address questions by the Committee.

Mr. Gary Gurwitz advised against approval of a retainer based fee for legal counsel. He asserted that it is important for legal counsel to bill for actual work performed, and to be compensated based upon that billing.

Mr. Dallas Gutierrez agreed that the proposed retainer may over- or under-represent work done in limited time frame, but asserted that the retainer would be appropriate for the average work done over the course of a year.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed legal services modification agreement with the Law Office of Javier Villalobos, P.C. as presented and with a review every six months by the trustees. The motion carried.

### **Review and Action as Necessary on Disposal of Surplus Property Valued at \$5,000 and Over**

Approval to dispose of surplus property valued at \$5,000 and over through a live auction will be requested at the February 22, 2022 Board of Trustees meeting.

Purpose – The Fixed Assets Department requested the disposal through a live auction of surplus property valued at \$5,000 and over. These assets were part of the College's inventory therefore, it was requested that these assets be removed from inventory and the general ledger.

Justification and Benefit – It was necessary to dispose of obsolete, damaged, and not functioning property for safety purposes and due to the lack of storage area for surplus property.

Background – The surplus property goes through an evaluation process by the departments to determine if the items are damaged beyond repair and unable to utilized district wide. After this evaluation process, the department submits a request to have the property removed from the department and relocated to the Shipping and Receiving Warehouse for auction.

The auction items were located at the South Texas College Receiving Department, 3700 W. Military Hwy., McAllen, TX.

The items valued over \$5,000 were included in the College's inventory through the Banner system.

Enclosed Documents - The listing of the items to be auctioned was provided in the packet for the Committee's review and information.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval, of the disposal of surplus property valued at \$5,000 and over through a live auction and for these capital assets to be removed from the College's fixed assets ledger as presented. The motion carried.

### **Review and Recommend Action on Proposed Tuition and Fees Schedules for FY 2022 – 2023**

Approval of proposed Tuition and Fees Schedules for FY 2022 – 2023 for students, dual credit students sponsored by partnering school districts, Regional Center for Public Safety Excellence, employees, and other (non-student/non-employee) would be requested at the February 22, 2022 Board meeting.

At the time of publication of the packet, no changes are proposed for the FY 2022 - 2023 schedules listed below:

- a. Student Tuition and Fees
- b. Dual Credit Tuition and Fees for Students Sponsored by Partnering School Districts
- c. Regional Center for Public Safety Excellence Tuition and Fees
- d. Employee Fees
- e. Other (Non-Student/Non-Employee) Fees

Administration advised the Committee that there were some proposed tuition and/or fee revisions under consideration, and they would be presented directly to the Board on February 22, 2022.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed Tuition and Fees Schedules for FY 2022 – 2023 for students, dual credit students sponsored by partnering school districts, Regional Center for Public Safety Excellence, employees, and other (non-student/non-employee) as to be revised. The motion carried.

### **Review and Recommend Action on Renewal of Delinquent Tax Collection Services for Hidalgo County and Starr County**

Approval to renew the contract with Linebarger Goggan Blair & Sampson, LLP to provide delinquent tax collection services for Hidalgo County and Starr County at a 15 percent fee based on the amount of delinquent tax, penalty, and interest collected for a period from May 1, 2022 through April 30, 2023 will be requested at the February 22, 2022 Board meeting.

Purpose – The delinquent tax collection services contract with Linebarger Goggan Blair & Sampson, LLP expires on April 30, 2022. Approval to renew the contract for a one-year period is needed in order to provide collection services for delinquent property taxes that are owed to the College.

Justification - Property Tax Code Section 6.30 (c) states that the governing body of a taxing unit may contract with any competent attorney to represent the unit to enforce the collection of delinquent taxes. The attorney's compensation is set in the contract, but the total amount of compensation provided may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected. The Board of Trustees previously approved a 15 percent penalty fee. The additional penalty is due on July 1 to the previous tax year.

Background – The contract for delinquent tax collection services was awarded to Linebarger Goggan Blair & Sampson, LLP at the March 31, 2020 Board meeting for the contract period beginning May 1, 2020 through April 30, 2021 with two (2) one-year renewal options. This was the second renewal of the two (2) one-year renewal options.

Funding Source – The delinquent tax collection services fee of 15 percent received from the taxpayer is paid to the delinquent tax attorney from the tax collection revenues collected by Hidalgo County and Starr County.

Enclosed Documents - A Summary of Cumulative Delinquent Tax Levy Collections by Fiscal Year and a Summary Total Tax Levy Uncollected was provided in the packet for the Committee's information and review.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the renewal of the Delinquent Tax Contracts for Hidalgo County and Starr County at a 15 percent fee based on the amount of delinquent tax, penalty, and interest collected with Linebarger Goggan Blair & Sampson, LLP for one-year period from May 1, 2022 to April 30, 2023 as presented. The motion carried.

**Review and Recommend Action on Resolution 2022-008 to Impose an  
Additional 15% Penalty for Collection Cost of Delinquent Taxes as  
Authorized Under Section 33.07 of the Texas Property Tax Code for  
Attorney's Compensation**

Approval of the Resolution 2022-08 imposing an additional 15 percent penalty for collection cost of delinquent taxes as authorized under Section 33.07 of the Texas Property Tax Code for attorney's compensation will be requested at the February 22, 2022 Board meeting.

Purpose – A resolution authorizing the College to levy an additional 15 percent penalty to the delinquent 2021 district taxes was needed to enforce the collection of delinquent taxes by compensating the attorney for the collection of delinquent taxes, penalty, and interest which remain delinquent on July 1, 2022.

Justification – Board action would be necessary on the Resolution previously prepared by legal counsel to approve the additional 15 percent penalty for the attorney's compensation for the collection cost of delinquent taxes for Hidalgo County and Starr County collection services.

According to Section 6.30 (c), Attorneys Representing Taxing Units, of the Texas Property Tax Code, the total amount of the contracted attorney's compensation may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected.

Background – The Resolution to impose an additional 15 percent penalty for the collection of outstanding delinquent taxes for the tax year 2020 was approved by the Board on February 19, 2021.

Enclosed Documents – The Resolution to be completed with the delinquent tax attorney firm awarded for the collection of Delinquent Taxes was provided in the packet for the Committee's review and information.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the Resolution 2022-008 imposing an additional 15 percent penalty for collection of delinquent taxes as authorized under Section 33.07 of the Texas Property Tax Code for Board approval as presented. The motion carried.

**Discussion and Action as Necessary on Use of the Department of  
Education Higher Education Emergency Relief Fund (HEERF) and  
Unrestricted Fund for a Return to Campus Safely COVID-19 Training and  
Retention Incentive Payment to Eligible Regular and Full-Time Temporary  
and Part-Time Employees**

Approval on Use of the Department of Education Higher Education Emergency Relief Fund (HEERF) and Unrestricted Fund for a Return to Campus Safely COVID-19 Training and Retention Incentive Payment to Eligible Regular and Full-Time Temporary and Part-Time Employees will be requested at the February 22, 2022 Board meeting.

Purpose – To provide a salary payment to regular and full-time temporary and part-time employees on April 13, 2022, as applicable. Employees paid from the Unrestricted, Auxiliary, and Restricted Funds are eligible for the Return to Campus Safely COVID-19 Training and Retention Incentive Payment, which will be funded by the HEERF and Unrestricted Fund.

Justification – The proposed payment to eligible regular and full-time temporary and part-time employees would be issued as an incentive to encourage employees to continue to work on-campus and retain employees in light of the workplace hazardous conditions associated with COVID-19 upon returning to work on-campus, and for completion of additional customized COVID-19 training.

Background – On March 23, 2020, due to the COVID-19 pandemic and hazardous conditions, all College employees, with the exception of employees designated as essential, transitioned to work from home. Faculty teaching face-to-face classes transitioned classes to an on-line platform and continued instruction for the Spring 2020 semester. Employees designated as essential continued to come to campus to operate the College's instruction and administrative

functions while complying with newly developed College safety protocols and communication measures and federal and state mandates.

During the period of May 1, 2020, through August 31, 2021, staff first returned to work on-campus on a rotational basis and then transitioned to return to work on-campus as scheduled before the COVID-19 pandemic. Faculty provided instruction both on-campus and on-line.

In the Fall 2021 semester, most faculty also returned to work on campus since face-to-face instruction was increased from 20% to approximately 40% of all classes.

In an effort to mitigate the risk of contracting or spreading the COVID-19 virus as faculty and staff returned to campus, safety protocols and communication measures were developed and implemented, which included daily deep sanitization of offices and classrooms, reporting and monitoring processes, and informational webpage and notices.

All of the above-mentioned measures were undertaken to address concerns and provide assurance of the safest workplace and learning environment possible.

**One-Time Return to Campus Safely COVID-19 Training and Response Strategies Payment December 2021 and January 2022**

On November 23, 2021 the College's Board of Trustees approved a One-Time Return to Campus Safely COVID-19 Training and Response Strategies Payment to eligible regular and full-time temporary and part-time employees in the amount of \$2,500 and \$1,500, respectively. The payment was funded by HEERF and the College's Unrestricted Fund as follows:

<b>Funded by HEERF</b> Regular and Full-Time Temporary Employees \$2,500 Part-Time Employees \$1,500				
<b>Eligible Employees</b>	<b>Employees Count</b>	<b>Payment Amount</b>	<b>Employers Payroll Taxes</b>	<b>Total</b>
Regular and Full-Time Temporary Employees	1,448	\$3,620,000	\$276,930	\$3,896,930
Part-Time Employees	382	73,000	43,835	616,835
<b>Total</b>	<b>1,830</b>	<b>\$4,193,000</b>	<b>\$320,765</b>	<b>\$4,513,765</b>

<b>Funded by Unrestricted Fund</b> Regular Employees \$2,500				
<b>Eligible Employees</b>	<b>Employees Count</b>	<b>Payment Amount</b>	<b>Employers Payroll Taxes</b>	<b>Total</b>
Senior Management	54	\$135,000	\$10,328	\$145,328
Other Eligible Employees	32	80,000	6,120	86,120
<b>Total</b>	<b>86</b>	<b>\$215,000</b>	<b>\$16,448</b>	<b>\$231,448</b>

Other eligible employees including those employees currently not working on campus such as those telecommuting due to Office of Human Resources approved accommodations or Departmental Leads' approval, or on Family and Medical Leave Act (FMLA), or on military leave were eligible to receive the one-time salary payment upon their return to work on campus.

#### **Department of Education**

In an effort to provide an incentive to retain employees in light of the hazardous conditions associated with COVID-19, Administration requested and received approval from the Department of Education to grant a Return to Campus Safely COVID-19 Training and Retention Incentive Payment funded by HEERF. The payment would serve as an incentive to retain employees, encourage employees to continue to work on-campus, and complete the additional customized COVID-19 training.

According to the Department of Education, however, HEERF funds may not be used to fund a payroll payment for senior management employees.

#### **The Texas Association of School Boards (TASB) and Three-Part Test**

Administration considered the guidance provided by the Texas Association of School Boards (TASB) and the three-part test created by the Texas Supreme Court to determine if the One-Time Continued Return to Campus Safely COVID-19 Training Payment complied with the appropriate use of public funds and accomplishes a public purpose. Similar to the evaluation that was conducted for the November One-Time Return to Campus Safely COVID-19 Training and Response Strategies Payment, Administration verified that the payment complied with the criteria provided by TASB and the three-part test requirements.

#### **Return to Campus Safely COVID-19 Training and Retention Incentive Payment March 2022**

A proposed payment for eligible regular and full-time temporary employees was \$2,500 and the proposed payment for part-time employees was \$1,500. The payment would be funded by HEERF and totals to \$4,127,301.

The Return to Campus Safely COVID-19 Training and Retention Incentive Payment and

employer's payroll taxes for regular and full-time temporary and part-time employees who were not considered senior management would be funded by HEERF. Senior management's one-time salary payment and employer's payroll taxes would be funded from the Unrestricted Fund. In addition, the one-time salary payments and employer's payroll taxes for seventeen (17) employees who had not returned to work on campus would be funded by the Unrestricted Fund.

<b>Funded by HEERF</b>				
Regular and Full-Time Temporary Employees \$2,500 Part-Time Employees \$1,500				
<b>Eligible Employees</b>	<b>Employees Count</b>	<b>Payment Amount</b>	<b>Employers Payroll Taxes</b>	<b>Total</b>
Regular and Full-Time Temporary Employees	1,419	\$3,547,500	\$271,384	\$3,818,884
Part-Time Employees	191	286,500	21,917	308,417
<b>Total</b>	<b>1,610</b>	<b>\$3,834,000</b>	<b>\$293,301</b>	<b>\$4,127,301</b>

A budget amendment to fund this cost from the Restricted Fund was provided in the packet for the Board's consideration.

The proposed payment for eligible regular full-time senior management employees and other eligible employees was \$2,500. The payment would be funded by the College's Unrestricted Fund and totals to \$199,153.

<b>Funded by Unrestricted Fund</b>				
Regular Employees \$2,500				
<b>Eligible Employees</b>	<b>Employees Count</b>	<b>Payment Amount</b>	<b>Employers Payroll Taxes</b>	<b>Total</b>
Senior Management	57	\$142,500	\$10,901	\$153,401
Other Eligible Employees	17	42,500	3,252	45,752
<b>Total</b>	<b>74</b>	<b>\$185,000</b>	<b>\$14,153</b>	<b>\$199,153</b>

Other eligible employees including those employees currently not working on campus such as those telecommuting due to Office of Human Resources approved accommodations or Departmental Leads' approval, or on Family and Medical Leave Act (FMLA), or on military leave were eligible to receive the one-time salary payment upon their return to work on campus.

A budget amendment to fund this cost from the Unrestricted Fund was provided separately in the packet for the Board's consideration.

### **Eligibility Requirements**

Employees may receive the payment on April 13, 2022 based on the following eligibility requirements:

- Regular and full-time temporary and part-time employees with an active assignment on February 22, 2022 and on March 31, 2022, and
- Completion of the additional customized COVID-19 training by March 31, 2022

Employees currently not working on campus such as, those telecommuting due to Office of Human Resources approved accommodations or Departmental Leads' approval, or on Family and Medical Leave Act (FMLA), or on military leave were eligible to receive the one-time salary payment upon their return to work on campus.

Employees in the Unrestricted Fund, Auxiliary Fund, and Restricted Fund in the following categories would be eligible for the One-Time Return to Campus Safely COVID-19 Training and Response Strategies Payment:

- Executive
- Administrative
- Professional/Technical Support Full-Time Exempt
- Professional/Technical Support Full-Time Non-Exempt
- Classified
- Faculty (Including Full-Time Lecturers)
- Adjunct Faculty
- Direct Wage
- Trainers
- Work-Study

Part-time employees in the following category would not be eligible for the one-time payment:

- Dual Credit Faculty (High School Employees)

Funding Source – The HEERF and Unrestricted Fund would be utilized to fund this Return to Campus Safely COVID-19 Training and Retention Incentive Payment to Regular and Full-Time Temporary and Part-Time eligible employees. If this payment as approved, a FY 2021 - 2022 budget amendment as necessary and was provided in the packet as a separate agenda item for the Board's consideration and approval.

Reviewers – The Return to Campus Safely COVID-19 Training and Retention Incentive Payment was reviewed by College's Legal Counsel and Cabinet members.

Dr. Ricardo Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the Committee meeting to address any questions by the Committee.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed Use of the Department of Education Higher Education Emergency Relief Fund (HEERF) and Unrestricted Fund for a Return to Campus Safely COVID-19 Training and Retention Incentive Payment to Eligible Regular and Full-Time Temporary and Part-Time Employees as presented. The motion carried.

### **Discussion and Action as Necessary on Proposed Budget Amendment for FY 2021 – 2022**

Approval of a proposed budget amendment for FY 2021 – 2022 will be requested at the February 22, 2022 Board meeting.

As a result of additional tuition and fee revenue, the proposed Return to Campus Safely COVID-19 Training and Retention Incentive Payment, and transfer to the Unexpended Plant Fund, a budget amendment was requested. The total budgeted revenues and expenditures for the Unrestricted Fund, Restricted Fund, and Unexpended Plant Fund - Construction for fiscal year 2021 – 2022 would increase as follows:

#### **Fiscal Year 2021 - 2022 Budgeted Revenues and Expenditures**

Fund	Exh.	Amended Budget	Proposed Amendment	Amended Budget
Unrestricted Fund	A	\$182,949,371	\$8,283,631	\$191,233,002
Restricted Fund	B	176,195,958	-	176,195,958
Unexpended Plant Fund - Construction	C	12,639,709	-	12,639,709

The budget amendment details and presentation follow in the packet for the Board's information and review.

The budget amendment was proposed as follows:

#### **1. Budget Amendment – Increase Unrestricted Fund Revenues**

A budget amendment was proposed to increase the Unrestricted Fund Revenues by \$8,283,631 as follows:

**Fiscal Year 2021 – 2022  
 Summary of Unrestricted Fund Revenues Adjustment**

Revenue Source	Proposed Amendment
Total Tuition	\$3,086,188
Total Fees	4,352,107
Total Carryover Allocations	845,336
<b>Total Adjustments</b>	<b>\$8,283,631</b>

**Fiscal Year 2021 - 2022  
 Unrestricted Revenues and Carryover Allocations**

Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Total Tuition	\$30,880,973	\$3,086,188	\$33,967,161
Total Fees	24,334,646	4,352,107	28,686,753
Total Carryover Allocations	6,186,261	845,336	7,031,597
<b>Total Unrestricted Revenues and Carryover Allocations</b>	<b>\$61,401,880</b>	<b>\$8,283,631</b>	<b>\$69,685,511</b>

Tuition revenue was proposed to increase by \$3,086,188 and Fees revenue was proposed to increase by \$4,352,107 from their FY 2021 – 2022 budgeted amounts. The increase in tuition and fee revenue was due to additional revenue attributed to an increase in traditional student enrollment for the Fall semester and the projected increase in traditional student enrollment for the Spring semester.

Carryover Allocations was proposed to increase by \$845,336 for the purpose of transferring funds from the Unrestricted Fund Balance to the Unexpended Plant Fund – Construction (Continuing Education Project) for capital improvement projects.

In total, the Unrestricted Fund Revenues were proposed to increase by \$8,283,631.

**2. Budget Amendment – Increase Unrestricted Fund Expenditures**

A budget amendment was proposed to increase the Unrestricted Fund Expenditures by \$8,283,631.

**Fiscal Year 2021 - 2022**  
**Summary of Unrestricted Fund Expenditures Adjustments**

Expenditures	Proposed Amendment
Total Salaries	\$1,928,165
Total Benefits	456,425
Total Operating	500,000
Total Transfers & Reserves	5,399,041
<b>Total Adjustments</b>	<b>\$8,283,631</b>

**Fiscal Year 2021 - 2022**  
**Unrestricted Fund Salaries, Benefits, and Operating Expenditures, and Transfers & Reserves**

Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Total Salaries	\$97,453,273	\$1,928,165	\$99,381,438
Total Benefits	30,494,142	456,425	30,950,567
Total Operating	37,144,217	500,000	37,644,217
Total Transfers & Reserves	14,103,727	5,399,041	19,502,768
<b>Total Salaries, Benefits, and Operating Expenditures, and Transfers &amp; Reserves</b>	<b>\$179,195,359</b>	<b>\$8,283,631</b>	<b>\$187,478,990</b>

A budget amendment was proposed to increase the Unrestricted Fund Expenditures and Transfers & Reserves by \$8,283,631. The amendment was needed to increase funding for instructional pools, fund the College's new Cosmetology program, unfreeze positions, fund the Return to Campus Safely COVID-19 Training and Retention Incentive Payment to eligible regular and full-time temporary for completing a customized additional COVID-19 training and for retention purposes, and transfer funds to the Continuing Education Unexpended Plant Fund – Construction.

The Salaries expenditure budget was proposed to increase by \$1,928,165. The increase in the salary expenditure budget was the projected total cost of the instructional pool increase in the amount of \$1,000,000, the unfreezing of positions in the amount of \$619,415, the creation of two new positions in the amount of \$123,750, and the Return to Campus Safely COVID-19 Training and Retention Incentive Payment for employees not funded by the Higher Education Emergency Relief Fund (HEERF) in the amount of \$185,000.

The Benefits expenditure budget was proposed to increase by \$456,425. The increase in the benefits expenditure budget was the projected total cost of the instructional pool increase in the amount of \$200,000, the unfreezing of positions in the amount of \$201,929, the creation of two new positions in the amount of \$40,343, and the Return to Campus Safely COVID-19

Training and Retention Incentive Payment for employees not funded by the Higher Education Emergency Relief Fund (HEERF) in the amount of \$14,153.

The Operating expenditure budget was proposed to increase by \$500,000 due to the College's new Cosmetology program equipment.

The Transfers & Reserves budget was proposed to increase by \$5,399,041. The increase in the transfers and reserves budget reflected the excess tuition and fee revenue that would be added to the College's fund balance in the amount of \$4,553,705 and the transfer to the Unexpended Plant Fund – Construction (Continuing Education Project) in the amount of \$845,336.

In total, the Unrestricted Fund Expenditures were proposed to increase by \$8,283,631.

### 3. Budget Amendment – Reallocate Restricted Fund Expenditures

A budget amendment was proposed to reallocate the Restricted Fund Expenditures by \$4,127,301 as follows:

#### Fiscal Year 2021 - 2022 Summary of Restricted Fund Expenditures Adjustments

Expenditures	Proposed Amendment
Total Salaries	\$3,834,000
Total Benefits	293,301
Total Operating	(4,127,301)
<b>Total Adjustments</b>	<b>\$-</b>

#### Fiscal Year 2021 - 2022 Restricted Fund Salaries, Benefits, and Operating Expenditures

Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Total Salaries	\$7,264,940	\$3,834,000	\$11,098,940
Total Benefits	1,223,997	293,301	1,517,298
Total Operating	28,944,616	(4,127,301)	24,817,315
<b>Total Salaries, Benefits, and Operating Expenditures</b>	<b>\$37,433,553</b>	<b>\$-</b>	<b>\$37,433,553</b>

A budget amendment was proposed to reallocate the Restricted Fund Expenditures by \$4,127,301 due to the issuance of the Return to Campus Safely COVID-19 Training and Incentive Payment to eligible regular and full-time temporary and part-time employees for completing a customized additional COVID-19 training and for retention purposes. The proposed budget amendment would reallocate funds from the Operating expenditure budget

to the Salaries and Benefits expenditure budgets. The Salaries and Benefits expenditure budgets were proposed to increase by \$3,834,000 and \$293,301, respectively. The Operating expenditure budget was proposed to decrease by \$4,127,301. The proposed reallocations to the salary, benefit, and operating expenditure budgets would occur in the HEERF II Institutional Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) fund.

In total, the Restricted Fund Expenditures were proposed to remain unchanged from their FY 2021 – 2022 level.

#### **4. Budget Amendment – Transfer Fund Balance from the Unrestricted Fund to the Unexpended Plant Fund – Construction (Continuing Education Project)**

A budget amendment as proposed to transfer fund balance from the Unrestricted Fund to the Unexpended Plant Fund – Construction (Continuing Education Project) for the purpose of funding capital improvement projects, as follows:

##### **Fiscal Year 2021 – 2022 Unexpended Plant Fund - Construction**

Revenues	Original Budget	Proposed Amendment	Amended Budget
Unexpended Plant Fund – Construction Transfer In from Unrestricted Fund (Continuing Education Project)	\$500,000	\$845,336	\$1,345,336
Fund Balance Deduction	9,104,485	(845,336)	8,259,149
<b>Total Transfer In from Unrestricted Fund and Fund Balance Deduction</b>	<b>\$9,604,485</b>	<b>\$-</b>	<b>\$9,604,485</b>

The budget amendment details and presentation were provided in the packet for the Committee's information and review.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, presented the Proposed Budget Amendment for FY 2021 – 2022.

Upon a motion by Mr. Rene Guajardo and a second by Dr. Alejo Salinas, Jr., the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed budget amendment for FY 2021 – 2022 as presented. The motion carried.

### **Review and Recommend Action to Use HEERF Institutional Funds to Discharge Additional Student Debt for Summer 2020, Fall 2020, Spring 2021, Summer 2021 and New Student Debt for Fall 2021**

Approval to use Higher Education Emergency Relief Fund (HEERF) Institutional Funds to discharge additional student debt for Summer 2020, Fall 2020, Spring 2021 and Summer 2021 and new student debt for Fall 2021 will be requested at the February 22, 2022 Board meeting.

Purpose – To use HEERF Institutional Funds to discharge student debt as allowed by the Department of Education guidance and to offer students the opportunity to eliminate their debt burden.

Justification – Guidance provided by the Department of Education states that the HEERF Institutional Funds could be used to reimburse sources of lost revenue including unpaid student accounts. If approved for this use, student unpaid delinquent account balances for the Fall 2021 term would be discharged with HEERF Institutional Funds. As a result, approximately 2,743 students with a total of \$1,381,021.87 in debt would not be expected to pay this outstanding debt in the future.

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.

On June 22, 2021 and September 28, 2021, the Board approved the discharge of student debt for Summer 2020, Fall 2020, Spring 2021 and Summer 2021. The following debt has been discharged as of January 25, 2022:

<b>Term</b>	<b>Number of Students</b>	<b>Proposed Discharged Student Debt (Estimated)</b>
Summer 2020	385	\$186,528.06
Fall 2020	1,469	973,726.38
Spring 2021	1,897	1,036,494.83
Summer 2021	851	344,399.39
<b>Total</b>	<b>4,602</b>	<b>\$2,541,148.66</b>

As of January 25, 2022, the proposed estimated student debt requested to be discharged is as follows:

<b>Term</b>	<b>Number of Students</b>	<b>Proposed Discharged Student Debt (Estimated)</b>
Summer 2020	1	\$27.00
Fall 2020	2	1,058.45
Spring 2021	8	4,075.63
Summer 2021	22	3,039.12
Fall 2021	2,710	1,372,820.67
<b>Total</b>	<b>2,743</b>	<b>\$1,381,021.87</b>

Reviewers – The President and the Vice Presidents reviewed the proposal to discharge student debt with HEERF Institutional Funds.

Dr. Ricardo Solis, President, and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, attended the Committee meeting to address any questions by the Committee.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval to use HEERF Institutional Funds to discharge student debt as presented. The motion carried.

### **Review and Discussion of Award for Outstanding Achievement in Popular Annual Financial Reporting Issued by Government Finance Officers Association of the United States and Canada (GFOA)**

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to South Texas College for its Popular Annual Financial Report for the fiscal year ended August 31, 2021.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

Purpose – In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This is the first time the College has applied for and received the Popular Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

Background – The Government Finance Officers Association (GFOA) established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report (ACFR) to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

The Business Office completed the PAFR for the first time. The report was not a required document, but it was considered a best practice, and it met an important need of presenting the highlights of the financial statements in a user-friendly format that simplifies complex data for those without an accounting background. It was a summarized version of the College's ACFR for the last fiscal year.

Enclosed Documents – A copy of the Award for Outstanding Achievement in Popular Annual Financial Reporting was provided in the packet for the Committee's information.

Presenters - Mary Elizondo, Vice President for Finance and Administrative Services, and Myriam Lopez, Comptroller, attended the February 8, 2022 Finance, Audit and Human Resources Committee meeting to address any questions by the Committee.

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

### **Adjournment**

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 7:11 p.m.

I certify that the foregoing are the true and correct Minutes of the February 8, 2022 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

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Mr. Rene Guajardo  
Committee Chair

## **Review and Action as Necessary on Award of Proposal, Rejection of Proposal, Purchases, Renewal, and Interlocal Agreement**

Approval of the following award of proposal, rejection of proposal, purchases, renewal, and interlocal agreement will be requested at the March 29, 2022 Board meeting.

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 Proposal**
- B. Rejection of Proposal**
- C. Purchases and Renewal**
  - a. Instructional Items**
  - b. Non-Instructional Items**
  - c. Technology Items**
- D. Interlocal Agreement**

### **A. Award of Proposal**

#### **1) Risk Management Consultant Services (Award)**

Award the proposal for risk management consultant services to **Valley Risk Consulting, Inc.** (McAllen, TX) (New), for the period beginning May 1, 2022 through April 30, 2023 with four one-year options to renew, at a total annual amount of \$55,800.00 with authorization for the Purchasing Department to negotiate the final contract amount.

**Purpose** – The Vice President for Finance and Administrative Services and Office of Accountability, Risk, and Compliance has requested risk management consultant services for the annual review and recommendations concerning the College's insurances.

**Justification and Benefit** – The consultant will assist the College in evaluating current insurance coverage to determine if it is adequate and make recommendations regarding any changes needed, soliciting and evaluating bids for insurance coverages, providing evaluations, and making recommendations to College administration regarding any potential loss situations, and providing safety training to College staff on an as-needed basis. In addition, the insurance services consultant assists College staff in the processing of claims and responding to questions arising from claims.

**Background** – Proposal documents were advertised on February 9, 2022 and February 16, 2022 and issued to eighteen (18) vendors. One (1) response was received on February 25, 2022 and reviewed by the Office of Accountability, Risk and Compliance, and Purchasing Department.

Funds for this expenditure are budgeted in the Insurance budget for FY2021- 2022.

## **B. Rejection of Proposal**

### **2) Purchase of Heavy-Duty Trucks - II (Reject)**

Reject the two (2) proposals received for the purchase of heavy-duty trucks – II since the proposed trucks did not meet the required specifications and available budget.

## **C. Purchases and Renewals (C-a. Instructional Items)**

### **3) 3D Metal Printer (Purchase)**

Purchase a 3D metal printer from **MLC CAD Systems, LLC.** (San Antonio, TX) (New), a sole source vendor, at a total amount of \$154,800.00.

Purpose – The Advanced Manufacturing Technology (AMT) program is requesting to purchase a 3D metal printer for student instruction at the Technology Campus.

Justification and Benefit – The purchase of the printer is necessary to provide students the ability of printing on metallic materials. This printer has the ability to produce parts that are incapable of being machined using traditional methods. It will allow for students to become more employable by the industry due to the hands-on training and experience. Some of the local companies like General Electric Aviation and SpaceX are increasing their focus and resources on metal 3D printing.

Additionally, Advanced Manufacturing Technology program has incorporated this industry certification in their course curriculum. The equipment would allow students to receive hands on training and meet skills needed as a Machinists.

Funds for this expenditure are budgeted in the Carl Perkins grant budget for FY 2021 – 2022.

### **4) Fire Science Training Simulator (Purchase)**

Purchase a fire science training simulator from **W. S. Darley & Co. / Darley Fire Equipment Division** (Itasca, IL), a sole source vendor, at a total amount of \$59,000.00.

Purpose – The Division of Business, Public Safety, and Technology is requesting to purchase a second fire science training simulator for student instruction in the Fire Science and Law Enforcement programs at the Regional Center for Public Safety Excellence Virtual Reality Lab.

Justification and Benefit – The simulator vest generates heat and instructors are able to properly demonstrate to students real life scenarios that law enforcement and fire professionals face in their industry and throughout the community. Additionally, this simulator will be used to demonstrate some technology available and make a great attraction for potential students visiting the Regional Center for Public Safety Excellence.

Funds for this expenditure are budgeted in the Carl Perkins grant budget for FY 2021 – 2022.

### **5) Instructional Equipment, Software, and Materials (Purchase)**

Purchase instructional equipment, software, and materials from **Technical Laboratory Systems, Inc.** (Houston, TX), through The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, at a total amount of \$90,111.00.

Purpose – Continuing Professional and Workforce Education and the Office of Industry Training and Economic Development are requesting to purchase instructional equipment, software, and materials to develop and convert six (6) non-credit digital skills training programs to an online format.

Justification and Benefit – The non-credit training programs lead to industry-recognized certifications, the trainings will convert to semester credit hours, and will align with on-demand occupations. The programs will include Web Development, Mobile App Development, FANUC Robot Operator, Electro-Mechanical Devices, Digital Fundamentals, and Programmable Logic Controller occupations.

Funds for this expenditure are budgeted in the Accelerating Credentials of Purpose and Value grant for FY 2021 – 2022.

### **C. Purchases and Renewals (C-b. Non-Instructional Item)**

#### **6) Consultant Services Contract (Purchase)**

Purchase a consult services contract with **Pathfinders Public Affairs, Inc.** (Edinburg, TX), a sole source vendor, for the period beginning September 1, 2021 through March 30, 2022, at a total amount of \$52,500.00.

Purpose – The President's Office is requesting consultant services to provide governmental and public affairs representation for South Texas College.

Justification and Benefit – The services will include coordination with College leadership regarding ongoing and developing priorities, resulting in strategic representation of South Texas College's priorities and needs to local legislative delegation and monitoring of legislative issues that impact the College.

Funds for this expenditure are budgeted in the President's Non-Public budget for FY 2021 – 2022.

### **C. Purchases and Renewals (C-c. Technology Items)**

#### **7) Computers, Laptops, and Tablets (Purchase)**

Purchase of computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor **Dell Marketing, LP.** (Dallas, TX) and **Apple, Inc.** (Dallas, TX), at a total amount of \$613,185.44.

All purchase requests for computers, laptops, and tablets have been evaluated by the Information Technology and the Chief Information Officer. Information Technology does not have refurbished systems available for new hires. Instructional and/or business need must be clearly identified/justified for any equipment that is outside standard configuration or does not replace existing office systems. (Ex. mobile devices)

An itemized list with justification is included for your review and information.

Information Technology used the following criteria when recommending the purchase of technology:

- Systems being requested meet the South Texas College standard configuration
- The new systems will replace an older model (5+ years and out of warranty)
- Software requirements exceed the system capacity

The purchases can be summarized as follows:

- Student Computers
  - ⇒ 50 Computers for Information Technology Program
- Student Laptops
  - ⇒ 8 Laptops for Educational Technology Maintenance and Replacement
- Staff Computers
  - ⇒ 3 Computers for Technology Support
  - ⇒ 3 Computers for Centers for Learning Excellence
  - ⇒ 6 Computers for Public Relations and Marketing
  - ⇒ 1 Computer for Medical Health Service Management Program
  - ⇒ 332 Computers for Technology Support
- Staff Laptops
  - ⇒ 6 Laptops for Centers of Learning Excellence
  - ⇒ 1 Laptop for Kinesiology Program
  - ⇒ 4 Laptops for Public Relations and Marketing
  - ⇒ 18 Laptops for Educational Technology Maintenance and Replacement
  - ⇒ 1 Laptop for Patient Care Assistant Program
  - ⇒ 1 Laptop for Criminal Justice Program
- Staff Tablets
  - ⇒ 10 Tablets for Graduation Program
  - ⇒ 1 Tablet for Public Relations and Marketing
- Faculty Computers
  - ⇒ 268 Computers for Technology Support & Systems and Networking
- Faculty Laptops
  - ⇒ 1 Laptop for Health Administrative Services Program
  - ⇒ 1 Laptop for Criminal Justice Program
  - ⇒ 1 Laptop for Kinesiology Program
  - ⇒ 18 Laptops for Educational Technology Maintenance & Replacement

Funds for these expenditures are budgeted in the requesting department budgets for FY 2021 - 2022 as follows: Information Technology Program, Educational Technology Maintenance & Replacement, Technology Support, Centers for Learning Excellence, Public Relations/Marketing Department, Medical Health Service Management, Kinesiology Program, Patient Care Assistant Program, Criminal Justice Program, Graduation Program, Health Administrative Services, and Systems and Networking.

#### **8) Network Equipment (Purchase)**

Purchase network equipment from **Netsync Network Solutions, Inc.** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$42,337.70.

Purpose – Educational Technologies is requesting to purchase eight (8) network switches, which are needed to complete the Mid Valley Campus Building G analog to digital project that was Board approved on December 14, 2021.

Justification and Benefit – The analog to digital project has required additional network switches to be installed to support the new equipment communication and network connectivity needs. The existing network infrastructure would not be able to support the sharp increase in network devices that will be installed for this project upgrade.

Funds for this expenditure are budgeted in the Educational Technology Maintenance and Replacement budget for FY 2021 – 2022.

#### **D. Interlocal Agreement**

##### **9) State Records Inquiry Access Agreement (Purchase/Renewal)**

Enter into a state records inquiry access interlocal agreement with the **Texas Department of Public Safety (DPS)** (Austin, TX), a state agency/sole source vendor, for the period beginning January 4, 2022 through December 31, 2022, at an estimated amount of \$10,000.00

Purpose – The Office of Human Resources and Department of Public Safety are requesting to enter into an interlocal agreement to access driving records (Motor Vehicle Records) as required as part of their day to day operation for compliance with Policy 6426: Authorization to Drive College-Owned Vehicles.

Justification and Benefit – The access is needed to verify driving records for faculty and staff driving College owned vehicles, including gators. In order to be authorized to drive a South Texas College vehicle or drive any vehicle, whether owned by the College or on behalf of the College, the employee's driving record is authorized, accessed, and evaluated using standard criteria as listed in policy to ensure continued eligibility to drive a college vehicle. This verification process has been conducted since the inception of the College and driving records are verified annually.

Funds for this expenditure are budgeted in the Office of Human Resources and Department of Public Safety budgets for FY 2021 – 2022.

**Recommendation:**

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the March 29, 2022 Board meeting the award of proposal, rejection of proposal, purchases, renewal, and interlocal agreement as listed below:

**A. Award of Proposal**

**B. Rejection of Proposal**

**C. Purchases and Renewal**

**a. Instructional Items**

**b. Non-Instructional Items**

**c. Technology Items**

**D. Interlocal Agreement**

**A. Award of Proposal**

- 1) Risk Management Consultant Services (Award):** award the proposal for risk management consultant services to **Valley Risk Consulting, Inc.** (McAllen, TX) (New), for the period beginning May 1, 2022 through April 30, 2023 with four one-year options to renew, at a total amount of \$55,800.00 with authorization for the Purchasing Department to negotiate the final contract amount;

**B. Rejection of Proposal**

- 2) Purchase of Heavy-Duty Trucks - II (Reject):** reject the two (2) proposals for the purchase of heavy-duty trucks – II since the proposed trucks did not meet the required specifications and available budget;

**C. Purchases and Renewals (C-a. Instructional Items)**

- 3) 3D Metal Printer (Purchase):** purchase a 3D metal printer from **MLC CAD Systems, LLC.** (San Antonio, TX) (New), a sole source vendor, at a total amount of \$154,800.00;
- 4) Fire Science Training Simulator (Purchase):** purchase a fire science training simulator from **W. S. Darley & Co. / Darley Fire Equipment Division** (Itasca, IL), a sole source vendor, at a total amount of \$59,000.00;
- 5) Instructional Equipment, Software, and Materials (Purchase):** purchase instructional equipment, software, and materials from **Technical Laboratory Systems, Inc.** (Houston, TX), through The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, at a total amount of \$90,111.00;

**C. Purchases and Renewals (C-b. Non-Instructional Item)**

- 6) Consultant Services Contract (Purchase):** purchase a consultant services contract with **Pathfinders Public Affairs, Inc.** (Edinburg, TX), a sole source vendor, for the period beginning September 1, 2021 through March 30, 2022, at a total amount of \$52,500.00;

**C. Purchases and Renewals (C-c. Technology Items)**

- 7) Computers, Laptops, and Tablets (Purchase):** purchase computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved

vendor **Dell Marketing, LP.** (Dallas, TX) and **Apple, Inc.** (Dallas, TX), at a total amount of \$613,185.44;

- 8) **Network Equipment (Purchase):** purchase network equipment from **Netsync Network Solutions, Inc.** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$42,337.70;

#### **D. Interlocal Agreement**

- 9) **State Records Inquiry Access Agreement (Purchase/Renewal):** enter into a state records inquiry access interlocal agreement with the **Texas Department of Public Safety (DPS)** (Austin, TX), a state agency/sole source vendor, for the period beginning January 4, 2022 through December 31, 2022, at an estimated amount of \$10,000.00.

Recommend Action - The total for all award of proposal, rejection of proposal, purchases, renewal, and interlocal agreement is \$1,077,734.14.

**SOUTH TEXAS COLLEGE**  
**1. RISK MANAGEMENT CONSULTANT SERVICES**  
**PROJECT NO. 21-22-1045**

<b>VENDOR</b>		Valley Risk Consulting, Inc.
<b>ADDRESS</b>		1200 Fresno Ste C
<b>CITY/STATE</b>		McAllen, TX 78501
<b>PHONE</b>		956-664-1430
<b>FAX</b>		877-279-8119
<b>CONTACT</b>		Roger Garza
<b>#</b>	<b>Description</b>	<b>Proposal</b>
1	Annual Consultant Fee	\$ 55,800.00
2	Safety Services (Hourly Rate)	\$ 185.00
3	Special Meetings (Hourly Rate)	\$ 185.00
4	Price Escalation 2nd Year	0%
5	Price Escalation 3rd Year	0%
6	Price Escalation 4th Year	0%
7	Price Escalation 5th Year	0%
<b>TOTAL PROPOSAL AMOUNT</b>		\$ 55,800.00
<b>TOTAL EVALUATION POINTS</b>		89.66
<b>RANKING</b>		1

The Director of Purchasing has reviewed all the responses and evaluations completed.

\*The proposal criteria follows in the packet for further explanation of each criteria.

**SOUTH TEXAS COLLEGE**  
**1. RISK MANAGEMENT CONSULTANT SERVICES**  
**PROJECT NO. 21-22-1045**  
**EVALUATION SUMMARY**

VENDOR		Valley Risk Consulting, Inc.	
ADDRESS		1200 Fresno Ste C	
CITY/STATE/ZIP		McAllen, TX 78501	
PHONE		956-664-1430	
FAX		877-279-8119	
CONTACT		Roger Garza	
1	The purchase price. (up to 40 points)	35	35
		35	
		35	
2	The reputation of the vendor and the vendor’s goods or services. (up to 18 points)	16	16.33
		16	
		17	
3	The quality of the vendor’s goods or services. (up to 18 points)	16	16.33
		16	
		17	
4	The extent to which the vendor’s goods or services meet the college’s needs. (up to 15 points)	14	14
		14	
		14	
5	The vendor’s past relationship with the college. (up to 3 points)	2	2
		2	
		2	
6	The impact on the ability of the college to comply with laws and rules relating to Historically Underutilized Businesses. (up to 1 point)	1	1
		1	
		1	
7	The total long-term cost to the college to acquire the vendor’s goods or services. (up to 5 points)	5	5
		5	
		5	
TOTAL EVALUATION POINTS		89.66	
RANKING		1	

The Director of Purchasing has reviewed all the responses and evaluations completed.

\*The proposal criteria follows in the packet for further explanation of each criteria.

**SOUTH TEXAS COLLEGE**  
**1. PROPOSAL CRITERIA - SERVICE ONLY**

		Service Only	
		Points	Score Key
<b>1</b>	<b>Criterion 1: The purchase price</b> a. The low bidder gets the maximum points b. Divide the lowest proposal by each of the other proposal(s)	<b>40</b>	
<b>2</b>	<b>Criterion 2: The reputation of the vendor and of the vendor's goods or services</b> a. Number of Years in Business b. References (similar projects) c. Services/Installation d. Professional Licenses/Certifications	<b>18</b>	<b>15-18</b> <b>10-14</b> <b>5-9</b> <b>0-4</b> <b>Excellent</b> <b>Acceptable</b> <b>Marginal</b> <b>Poor/No Response</b>
<b>3</b>	<b>Criterion 3: The quality of the vendor's goods or service</b> a. Warranty b. Service Support/Response Time c. Goods/Product (manufacturer life) d. Product Performance	<b>18</b>	<b>15-18</b> <b>10-14</b> <b>5-9</b> <b>0-4</b> <b>Excellent</b> <b>Acceptable</b> <b>Marginal</b> <b>Poor/No Response</b>
<b>4</b>	<b>Criterion 4: The extent to which the goods or services meet the district's needs</b> a. Time Frame to complete the project b. Delivery Time Frame of product(s) c. Number of staff d. Meet or exceed the specifications	<b>15</b>	<b>12-15</b> <b>7-11</b> <b>3-6</b> <b>0-2</b> <b>Excellent</b> <b>Acceptable</b> <b>Marginal</b> <b>Poor/No Response</b>
<b>5</b>	<b>Criterion 5: The vendor's past relationship with the district</b> a. Quality of Past Performances with STC  ****New Vendors will receive two points	<b>3</b>	<b>3</b> <b>2</b> <b>1</b> <b>0</b> <b>Excellent</b> <b>Acceptable/New Vendor</b> <b>Marginal</b> <b>Poor/No Response</b>
<b>6</b>	<b>Criterion 6: The impact on the ability of the district to comply with laws and rules relating to Historically Underutilized Businesses</b> a. Provided the Certification	<b>1</b>	<b>1</b> <b>0</b> <b>Yes</b> <b>No</b>
<b>7</b>	<b>Criterion 7: The total long-term cost to the district to acquire the vendor's goods or services; and</b> a. Annual Escalation Increase b. Annual Maintenance Cost	<b>5</b>	<b>5</b> <b>3-4</b> <b>1-2</b> <b>0</b> <b>Excellent</b> <b>Acceptable</b> <b>Marginal</b> <b>Poor/No Response</b>
<b>8</b>	<b>Criterion 8: Any other relevant factor specifically listed in the request for bids or proposals, e.g.:</b> a. Financial Standing b. Potential or Pending Sale of Business		Up to 5 points will be used from the purchase price if applicable

**Total Points**

**100**

**Definitions of evaluation terms:**

**Excellent** - respondent provided information which fully addressed or exceeded the requirements

**Acceptable** - respondent provided information which addressed most but not all of the requirements

**Marginal** - respondent provided minimal information on requirements

**Poor/No response** - respondent provided inadequate responses to requirements or did not respond

# **NO BACKUP FOR**

**2. Purchase of Heavy-  
Duty Trucks - II  
(Reject)**

**SOUTH TEXAS COLLEGE**  
**3. 3D METAL PRINTER**

<b>NAME</b>			MLC CAD Systems, LLC.	
<b>ADDRESS</b>			8000 IS 10 W Ste 600	
<b>CITY/STATE/ZIP</b>			San Antonio, TX 78230	
<b>PHONE</b>			512-288-8511	
<b>CONTACT</b>			Emilia Parada	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	Markforged Metal X, Wash 1, Sinter 1 Bundle: Metal X 3D Printer: Model/SKU #: F-PR-5000. Includes: Metal X Kit, Eiger Software, Wash Station, Installation and Training	\$ 153,000.00	\$ 153,000.00
2	1	Shipping and Handling	\$ 1,800.00	\$ 1,800.00
<b>TOTAL AMOUNT</b>			\$ 154,800.00	

**SOUTH TEXAS COLLEGE**  
**4. FIRE SCIENCE TRAINING SIMULATOR**

<b>NAME</b>			W. S. Darley & Co. / Darley Fire Equipment Division	
<b>ADDRESS</b>			325 Spring Lake Dr	
<b>CITY/STATE/ZIP</b>			Itasca, IL 60143	
<b>PHONE</b>			800-323-0244	
<b>FAX</b>			630-735-3560	
<b>CONTACT</b>			Bruce Ireland	
#	Qty	Description	Unit Price	Extension
1	1	FLAIM Trainer V2 System and Software Subscription License	\$ 49,500.00	\$ 49,500.00
2	1	FLAIM Trainer 2nd Year Software Subscription License	\$ 9,500.00	\$ 9,500.00
<b>TOTAL AMOUNT</b>			\$ 59,000.00	

**SOUTH TEXAS COLLEGE**  
**5. INSTRUCTIONAL EQUIPMENT, SOFTWARE, AND MATERIALS**

<b>NAME</b>			Technical Laboratory Systems, Inc.	
<b>ADDRESS</b>			P O Box 218609	
<b>CITY/STATE/ZIP</b>			Houston, TX 77218	
<b>PHONE</b>			800-445-1088	
<b>FAX</b>			281-391-1113	
<b>CONTACT</b>			Mike Sudduth	
#	Qty	Description	Unit Price	Extension
1	1	Fanuc Robot Mounted iRVision 2D Guidance Hardware and Software Package	\$ 4,800.00	\$ 4,800.00
2	1	Shipping and Handling	\$ 140.00	\$ 140.00
3	1	Amatrol Portable Power and Control Electronics Learning System - ELE1-A	\$ 4,982.00	\$ 4,982.00
4	1	Amatrol Portable Power and Control Electronics Learning System - ELE1 - B	\$ 4,982.00	\$ 4,982.00
5	1	Amatrol Portable Power and Control Electronics Learning System - ELE1- C	\$ 4,981.00	\$ 4,981.00
6	1	Oscilloscope	\$ 1,405.00	\$ 1,405.00
7	1	Shipping and Handling	\$ 575.00	\$ 575.00
8	1	Installation and Orientation	\$ 1,250.00	\$ 1,250.00
9	1	Fanuc Collaborative Actuated Gripper with Connector Cable	\$ 1,200.00	\$ 1,200.00
10	1	Shipping and Handling	\$ 48.00	\$ 48.00
11	100	Amatrol eLearning Library Subscription Amatrol Main Library - 4 Month	\$ 85.00	\$ 8,500.00
12	1	Fanuc 2D iRVision CERT Instructor only Program	\$ 2,800.00	\$ 2,800.00
13	2	Fanuc Collaborative Robot Operations and Programming Class	\$ 1,935.00	\$ 3,870.00
14	1	Fanuc I/O Simulation Box Kit	\$ 2,170.00	\$ 2,170.00
15	3	Fanuc I/O Simulation Box Kit with FENCELESS Adaptor	\$ 2,720.00	\$ 8,160.00
16	5	Fanuc Touch Screen iPendant for R30iB PLUS	\$ 5,000.00	\$ 25,000.00
17	5	Fanuc 3M iPendant PC Conversion Kit w/Power Supply	\$ 500.00	\$ 2,500.00
18	1	Shipping and Handling	\$ 698.00	\$ 698.00
19	40	Fanuc ROBOGUIDE Renewal	\$ 100.00	\$ 4,000.00
20	10	Amatrol Studio 5000 Mini PLC Programming Software - 1 Seat License	\$ 805.00	\$ 8,050.00
<b>TOTAL AMOUNT</b>			\$ 90,111.00	

**SOUTH TEXAS COLLEGE**  
**6. CONSULTANT SERVICES CONTRACT**

<b>NAME</b>			Pathfinders Public Affairs, Inc.	
<b>ADDRESS</b>			1508 S Lone Star Way St 1	
<b>CITY/STATE/ZIP</b>			Edinburg, TX 78539	
<b>PHONE</b>			956-603-2228	
<b>CONTACT</b>			Rene Ramirez	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	Consultant Services Contract Period: 9/1/2021 - 3/30/2022	\$ 52,500.00	\$ 52,500.00
<b>TOTAL AMOUNT</b>			\$ 52,500.00	

**SOUTH TEXAS COLLEGE**  
**7. DISTRICT WIDE TECHNOLOGY REQUEST**  
**MARCH 29, 2022**

<b>COMPUTERS</b>					
#	Qty	Description	Unit Price	Extension	Requesting Department
1	3	Dell OptiPlex 5090 Micro Tower BTX, Intel Core i5-10500T, 16GB Memory	\$ 1,025.14	\$ 3,075.42	Lucio Gonzalez - Technology Support
		512GB Hard Drive, Stand Kit, Laptop Lock, 22" Monitor, Warranty			New systems for department staff
2	3	Dell OptiPlex 5090 Micro Tower BTX, Intel Core i5-10500T, 16GB Memory	\$ 833.42	\$ 2,500.26	Lynell Williams - Centers for Learning Excellence
		512GB Hard Drive, Warranty			Replacement of obsolete systems for department staff
3	2	Apple iMac 27 inch with Retina 5K Display, 32GB Memory, 1TB Storage,	\$ 2,694.00	\$ 5,388.00	Lynda Lopez - Public Relations and Marketing
		3 Year Apple Care Warranty			Replacement of non-working systems for department staff
4	4	Apple iMac 27 inch with Retina 5K Display	\$ 3,338.00	\$ 13,352.00	Lynda Lopez - Public Relations and Marketing
		3 Year Apple Care Warranty			Replacement of non-working systems for department staff
5	50	Dell OptiPlex 5090 Micro Tower BTX, Intel Core i5-10500T, 16GB Memory	\$ 1,025.14	\$ 51,257.00	Adolfo Lozano - Information Technology Program
		512GB Hard Drive, Stand Kit, Laptop Lock, 22" Monitor, Warranty			Replacement of out-of-warranty systems for student labs
6	1	Dell OptiPlex 5090 Micro Tower BTX, Intel Core i5-10500T, 16GB Memory	\$ 833.42	\$ 833.42	Hilaire Saint Pierre - Medical Health Service Mgmt Program
		512GB Hard Drive, Warranty			New system for department staff
7	268	Dell OptiPlex 3090Tower XCTO, Intel Core i5-10500, 16GB Memory	\$ 750.00	\$ 201,000.00	Lucio Gonzalez - Technology Support and Systems and Networking
		512GB Hard Drive, Warranty			Replacement of out-of-warranty systems for district-wide faculty
8	332	Dell OptiPlex 3090Tower XCTO, Intel Core i5-10500, 16GB Memory	\$ 750.00	\$ 249,000.00	Lucio Gonzalez - Technology Support
		512GB Hard Drive, Warranty			Replacement of out-of-warranty systems for district-wide staff
		<b>COMPUTER TOTAL</b>		<b>\$ 526,406.10</b>	
<b>LAPTOPS</b>					
9	1	Laptop Mobile Precision 5560 CTO, Intel Core i7-11800H, 16GB Memory,	\$ 2,541.83	\$ 2,541.83	Theresa Garza - Health Administrative Services Program
		512GB Hard Drive, NVIDIA T1200 w/4GB, Docking Station, Warranty			New system for department faculty
10	1	Laptop Latitude Bundle 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory,	\$ 1,393.16	\$ 1,393.16	Marc Hughes - Criminal Justice Program
		256GB Hard Drive, Intel Iris Xe Graphics, Keyboard and Mouse, Docking Station, Warranty			Replacement of non-working system for department faculty
11	1	Laptop Latitude Bundle 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory,	\$ 1,393.16	\$ 1,393.16	Marc Hughes - Criminal Justice Program
		256GB Hard Drive, Intel Iris Xe Graphics, Keyboard and Mouse, Docking Station, Warranty			Replacement of non-working system for department staff
12	1	Laptop Latitude Bundle 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory,	\$ 1,393.16	\$ 1,393.16	Lynell Williams - Centers for Learning Excellence
		256GB Hard Drive, Intel Iris Xe Graphics, Keyboard and Mouse, Docking Station, Warranty			New system for department staff
13	5	Laptop Mobile Precision 3520 XCTO, Intel Core i5-1135G7, 8GB Memory,	\$ 740.03	\$ 3,700.15	Lynell Williams - Centers for Learning Excellence
		256GB Hard Drive, Intel Iris Graphics Capable, Docking Station, Warranty			New systems for department staff

<b>LAPTOPS</b>					
#	Qty	Description	Unit Price	Extension	Requesting Department
14	1	Laptop Latitude Bundle 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Keyboard and Mouse, Docking Station, Warranty	\$ 1,393.16	\$ 1,393.16	Brent Angangan - Kinesiology Program New system for department staff
15	1	Laptop Latitude Bundle 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Keyboard and Mouse, Docking Station, Warranty	\$ 1,393.16	\$ 1,393.16	Brent Angangan - Kinesiology Program New system for department faculty
16	18	Laptop Latitude 5420 XCTO Base, Intel Core i5-1145G7, 8GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Warranty	\$ 1,166.30	\$ 20,993.40	Maria Evans - Educ Tech Maintenance & Replacement Replacement of out-of-warranty systems for faculty web-checkout
17	18	Laptop Latitude 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Warranty	\$ 1,166.30	\$ 20,993.40	Maria Evans - Educational Technology Maintenance & Replacement Replacement of out-of-warranty systems for staff web-checkout
18	3	Laptop Latitude 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Warranty	\$ 1,166.30	\$ 3,498.90	Maria Evans - Educational Technology Maintenance & Replacement Replacement of out-of-warranty systems for student web-checkout
19	5	Laptop Latitude 5420 BTX Base, Intel Core i5-1145G7, 16GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Warranty	\$ 1,231.34	\$ 6,156.70	Maria Evans - Educational Technology Maintenance & Replacement Replacement of out-of-warranty systems for student web-checkout
20	3	Apple MacBook 14 inch, Pro-Space Gray, 32GB Memory, 1TB Storage 3 Year Apple Care Warranty	\$ 2,835.00	\$ 8,505.00	Lynda Lopez - Public Relations and Marketing Replacement of non-working systems for department staff
21	1	Apple MacBook 16 inch, Pro-Space Gray, 32GB Memory, 1TB Storage 3 Year Apple Care Warranty	\$ 3,097.00	\$ 3,097.00	Lynda Lopez - Public Relations and Marketing New system for new department staff
22	1	Laptop Latitude Bundle 5420 BTX Base, Intel Core i5-1145G7, 8GB Memory, 256GB Hard Drive, Intel Iris Xe Graphics, Keyboard and Mouse, Docking Station, Warranty	\$ 1,393.16	\$ 1,393.16	Sharon Rice - Patient Care Assistant Program New system for new department staff
		<b>LAPTOP TOTAL</b>		<b>\$ 77,845.34</b>	
<b>TABLETS</b>					
23	10	iPad mini WiFi + Cellular, 64GB, Space Gray 3 Year Apple Care Warranty	\$ 678.00	\$ 6,780.00	Matthew Hebbard - Graduation New systems for department staff
24	1	Apple iPad Pro WiFi, 1TB, Space Gray, Magic Keyboard, Apple Pencil, 3 Year Apple Warranty	\$ 2,154.00	\$ 2,154.00	Lynda Lopez - Public Relations and Marketing New system for new department staff
		<b>TABLET TOTAL</b>		<b>\$ 8,934.00</b>	
		<b>COMPUTER/LAPTOP/TABLET TOTAL</b>		<b>\$ 613,185.44</b>	

**SOUTH TEXAS COLLEGE**  
**8. NETWORK EQUIPMENT**

<b>NAME</b>			Netsync Network Solutions, Inc.	
<b>ADDRESS</b>			2500 W Loop S St 410/510	
<b>CITY/STATE/ZIP</b>			Houston, TX 77027	
<b>PHONE</b>			712-218-5000	
<b>CONTACT</b>			Michell Bailey	
#	Qty	Description	Unit Price	Extension
1	10	10GBase-LRM SFP+ 1310nm 220m MMF LC Connector Cisco Compatible	\$ 85.22	\$ 852.20
2	4	Catalyst 9300L 48p PoE 4x10G Uplink K12	\$ 3,819.60	\$ 15,278.40
3	4	C9300L Network Essentials 48-port license	\$ -	\$ -
4	4	TE Agent for IOSXE on C9K	\$ -	\$ -
5	12	Cisco Type 2 Fan Module	\$ -	\$ -
6	4	Cisco Catalyst 9300L XE 17.3 Universal	\$ -	\$ -
7	4	Upgrade Option 1100WAC 80+ Platinum Config 1 Power Supply	\$ 451.60	\$ 1,806.40
8	4	1100W AC 80+ Platinum Config 1 Secondary Power Supply	\$ 817.20	\$ 3,268.80
9	8	North American AC Type A Power Cable	\$ -	\$ -
10	4	No SSD Card Selected	\$ -	\$ -
11	4	C9300L Cisco DNA Essentials 48-port license	\$ -	\$ -
12	4	C9300L Cisco DNA Essentials 48-port 3-year term license	\$ 481.70	\$ 1,926.80
13	4	Cisco Catalyst 9300L Stacking Kit	\$ 623.70	\$ 2,494.80
14	8	Catalyst 9300L Stack Module	\$ -	\$ -
15	4	50CM Type 3 Stacking Cable for C9300L	\$ -	\$ -
16	4	Network Plug-n-Play Connect for Zero-Touch Device Deployment	\$ -	\$ -
17	3	Catalyst 9300L 48p PoE 4x10G Uplink K12	\$ 3,819.60	\$ 11,458.80
18	3	C9300L Network Essentials 48-port license	\$ -	\$ -
19	6	Catalyst 9300L Blank Stack Module	\$ -	\$ -
20	3	TE Agent for IOSXE on C9K	\$ -	\$ -
21	9	Cisco Type 2 Fan Module	\$ -	\$ -
22	3	Cisco Catalyst 9300L XE 17.3 Universal	\$ -	\$ -
23	3	Upgrade Option 1100WAC 80+ Platinum Config 1 Power Supply	\$ 451.60	\$ 1,354.80
24	3	1100W AC 80+ Platinum Config 1 Secondary Power Supply	\$ 817.20	\$ 2,451.60
25	6	North American AC Type A Power Cable	\$ -	\$ -
26	3	No SSD Card Selected	\$ -	\$ -
27	3	C9300L Cisco DNA Essential 48-port license	\$ -	\$ -
28	3	C9300L Cisco DNA Essential 48-port 3-year term license	\$ 481.70	\$ 1,445.10
29	3	Network Plug-n-Play Connect for Zero-Touch Device Deployment	\$ -	\$ -
<b>TOTAL AMOUNT</b>			\$ 42,337.70	

**SOUTH TEXAS COLLEGE**  
**9. STATE RECORDS INQUIRY ACCESS AGREEMENT**

<b>NAME</b>			Texas Department of Public Safety (DPS)	
<b>ADDRESS</b>			P O Box 4087	
<b>CITY/STATE/ZIP</b>			Austin, TX 78773	
<b>PHONE</b>			512-424-7813	
<b>CONTACT</b>			Lorinda Eccles	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	State Records Inquiry Access Period: 1/4/2022 - 12/31/2022	\$ 10,000.00	\$ 10,000.00
<b>TOTAL AMOUNT</b>			\$ 10,000.00	

**Review and Recommend Action on Disposal/Recycle of Technology and Electronic Items with an Original Value of \$5,000 and Over**

Approval of disposal/recycle of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a state of Texas agency approved to properly recycle technology and electronic items will be requested at the March 29, 2022 Board of Trustees meeting.

Purpose – The Fixed Asset/Inventory Department is requesting the disposal/recycle of technology and electronic items to follow the Environmental Protection Agency (EPA) regulations. TDCJ provides an environmentally sound way to dispose of surplus technology equipment. These assets are part of the College's inventory therefore, it is also requested that these assets be removed from inventory and the general ledger.

Justification – As technology and electronic items become obsolete, out of warranty or not functioning, it is disposed of according to South Texas Board Policy #5135 Disposal of Surplus Property. TDCJ is the method of disposal to comply with all EPA regulations. They will clean data from all systems, recycle systems that can be repaired for inmate training or donation to schools and damaged systems are properly disposed of.

The technology and electronic items are located at the South Texas College, Technology Campus, Receiving Department, 3700 West Military Hwy Building D, McAllen, Texas.

Reviewers – These items have been inspected by Information Technology (IT), Educational Technologies (ET), and approved by the Vice President for Information Services, Planning, Performance and Strategic Initiatives to be disposed after Board approval.

Enclosed Documents - A listing of the technology and electronic items to be disposed/recycled follows in the packet for Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, Dr. David Plummer, Vice President for Information Services, Planning, Performance, and Strategic Initiatives, and Becky Cavazos, Director of Purchasing, will be present at the March 8, 2022 Finance and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance and Human Resources Committee recommend for Board approval at the March 29, 2022 Board meeting, the disposal/recycle of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a State of Texas agency approved to properly recycle technology and electronic items as presented.

**SOUTH TEXAS COLLEGE**  
**TECHNOLOGY AND ELECTRONICS FOR DISPOSAL/RECYCLE VALUED AT \$5,000 AND OVER - LIST #77**  
**MARCH 29, 2022**

Pallet	Qty	Description	Serial Number	Silver Tag	Purchase Date	Ptag	Amount	Net Book Value	Condition
29	1 EA	PhysioControl Life Pak 11 Diagnostic Cardiac Monitor (with AC Power Module)	00000147	0000001233	7/28/1997	000001903	\$ 6,787.00	\$ -	Obsolete
29	1 EA	Smart Board Expression Media Cart	SE1-1411	0000004038	7/28/2000	000004785	\$ 6,398.00	\$ -	Obsolete
MVC 1	1 EA	Smart Expressions Cart	SE1-1548	0000005105	1/9/2001	000006370	\$ 6,247.00	\$ -	Damaged
MVC 2	1 EA	Smart Expressions Cart	SE1-1533	0000005104	1/9/2001	000006369	\$ 6,247.00	\$ -	Damaged
22	1 EA	Water Breeze System Part# 176809000	EO225P259M	0000006178	8/21/2002	000008133	\$ 28,021.59	\$ -	Obsolete
20	1 EA	Cisco 3550 Catalyst System	CHK0628W195	0000007855	8/30/2002	000008425	\$ 119,889.20	\$ -	Obsolete
27	1 EA	Mastertech 3100 Multi-function Tester Scanner Kit	33038205	28755	12/17/2003	000009702	\$ 6,356.00	\$ -	Obsolete
22	1 EA	Cisco 7200 Series VXR Catalyst	CNM2WC0ARC	0000009242	4/29/2004	000010607	\$ 37,296.73	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT0817Z06R	0000009257	6/8/2004	000010297	\$ 26,875.63	\$ -	Obsolete
22	1 EA	Cisco 3560 Catalyst	CAT0822Y1XL	0000009263	6/8/2004	000012737	\$ 5,031.09	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT1038RH7K	18188	6/8/2004	000010501	\$ 7,446.55	\$ -	Obsolete
20	1 EA	Sanyo PLC-XU56 Projector	G4902624	11254	12/15/2004	000012111	\$ 5,736.29	\$ -	Obsolete
20	1 EA	Sanyo PLC-XU55A Projector	G4601518	11124	12/15/2004	000012105	\$ 5,736.29	\$ -	Obsolete
22	1 EA	Sanyo PLC-XU55A Projector	G4601637	10930	12/15/2004	000012114	\$ 5,736.29	\$ -	Obsolete
22	1 EA	Sanyo PLC-XU55A Projector	G4601554	0000009860	12/15/2004	000012184	\$ 5,736.29	\$ -	Obsolete
22	1 EA	Smart Sympodium ID250 LCD Tablet	4DFP00400	0000011026	12/15/2004	000012324	\$ 5,401.57	\$ -	Obsolete
27	1 EA	Extron System 5 IP Switcher	816766034	0000011034	12/15/2004	000012314	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5 IP Switcher	816766003	0000009880	12/15/2004	000012292	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5 IP Switcher	825995009	0000011136	12/15/2004	000012290	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5 IP Switcher	816766012	0000011120	12/15/2004	000012288	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5IP Switcher	816766007	0000011170	12/15/2004	000012308	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5IP Switcher	816766022	0000011159	12/15/2004	000012306	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5IP Switcher	816766001	0000011019	12/15/2004	000012312	\$ 5,207.55	\$ -	Obsolete
27	1 EA	Extron System 5IP Switcher	825995004	0000010918	12/15/2004	000012299	\$ 5,207.55	\$ -	Obsolete
29	1 EA	Smart Sympodium ID250 Interactive Pen Display	4DFP00384	0000011289	12/15/2004	000012319	\$ 5,401.57	\$ -	Obsolete
29	1 EA	Smart ID250 Sympodium	4DFP00457	0000011173	12/15/2004	000012323	\$ 5,401.57	\$ -	Obsolete
29	1 EA	Smart ID250 Sympodium	4DFP00456	0000011167	12/15/2004	000012322	\$ 5,401.57	\$ -	Obsolete
29	1 EA	Smart ID250 Sympodium	4DFP00459	0000011156	12/15/2004	000012320	\$ 5,401.57	\$ -	Damaged
28	1 EA	Kodak Direct View CR 500 With Dry View 8150 Laser Imager	K4198-6918	0000010709	6/23/2005	000011905	\$ 95,016.00	\$ -	Obsolete
26	1 EA	Modis EEMS300 Elite Kit	245HDH004038	0000009655	7/6/2005	000012488	\$ 6,120.84	\$ -	Incomplete
24	1 EA	Cisco 4500 Catalyst	FOX092102M3	0000011740	8/12/2005	000012340	\$ 5,693.00	\$ -	Obsolete
20	1 EA	Dell Latitude D610 Laptop with SimBaby Infant Training Manikin (Laptop Only)	41Y1K91(LAPTOP)	17383	4/7/2006	N00012882	\$ 33,130.00	\$ -	Obsolete
20	1 EA	Cisco Catalyst 3750 48 10/100 PoE Standard Image	CAT1021R0SG	15689	6/9/2006	N00012825	\$ 5,001.81	\$ -	Obsolete
20	1 EA	Cisco Systems 3750 Ethernet Series PoE-48 Catalyst Switch	CAT1021R0RS	15605	6/9/2006	N00012829	\$ 5,001.81	\$ -	Obsolete
20	1 EA	Cisco 3750 Catalyst	CAT1021Z0VF	15438	6/9/2006	N00012830	\$ 5,001.81	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT1019R2BV	23710	6/9/2006	N00012828	\$ 5,001.81	\$ -	Incomplete
23	1 EA	Cisco 3750 Catalyst	CAT1021Z0VC	15584	6/9/2006	N00012826	\$ 5,001.81	\$ -	Obsolete
19	1 EA	Ricoh Aficio 240W Laminator	L3051200252	15253	8/25/2006	N00015043	\$ 8,108.00	\$ -	Damaged
20	1 EA	Polycom VSX7000E Video Conference System	06BA36	15273	8/31/2006	N00014501	\$ 6,652.00	\$ -	Obsolete
22	1 EA	SmartBoard	138496	0000010981	8/31/2006	000012729	\$ 5,052.86	\$ -	Incomplete
22	1 EA	Dell PowerEdge 2950 Server with Intel Xeon Processor	GMG21C1	15767	11/2/2006	N00015080	\$ 9,002.85	\$ -	Obsolete
22	1 EA	Advance Video System, #210-08001 on Dell 620 Computer	9TQ0TB1	15764	11/13/2006	N00015134	\$ 8,039.68	\$ -	Obsolete
27	1 EA	Mastertech 3100 Multi-function Tester Scanner Kit	0650V00296	13376	3/9/2007	N00015263	\$ 5,899.80	\$ -	Obsolete
20	1 EA	Cisco Systems 3750 Ethernet Series PoE-48 Catalyst Switch	CAT1039NLMY	15156	4/12/2007	N00016049	\$ 5,361.70	\$ -	Obsolete
20	1 EA	Cisco Systems 3750 Ethernet Series PoE-48 Catalyst Switch	CAT1039NLMQ	15126	4/12/2007	N00016073	\$ 5,361.71	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT1039NLN7	15109	4/12/2007	N00016075	\$ 5,361.71	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT1036ZG69	15125	4/12/2007	N00016074	\$ 5,361.71	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT1039NLLG	15165	4/12/2007	N00016066	\$ 5,361.71	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	FOC1043Y3QW	15171	4/12/2007	N00016064	\$ 10,336.71	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	FOC1043Y3RG	15145	4/12/2007	N00016072	\$ 8,661.71	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	FOC1043ZBA4	15552	4/12/2007	N00016056	\$ 8,661.70	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	FOC1043ZBQ1	15489	4/12/2007	N00016057	\$ 8,661.70	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	CAT1038ZKWU	15548	4/12/2007	N00016051	\$ 8,076.70	\$ -	Obsolete
23	1 EA	Cisco 3750G Catalyst	FOC1551V19F	26325	4/12/2007	N00016065	\$ 8,661.71	\$ -	Obsolete
26	1 EA	Cisco 3750 Catalyst	FOC1043Y3Q4	15691	4/12/2007	N00016061	\$ 8,661.71	\$ -	Obsolete
20	1 EA	Panasonic-Plasma Display High Definition TH-50-PF9UK TV	YK7210044	14989	6/11/2007	N00015854	\$ 5,244.92	\$ -	Obsolete

**SOUTH TEXAS COLLEGE**  
**TECHNOLOGY AND ELECTRONICS FOR DISPOSAL/RECYCLE VALUED AT \$5,000 AND OVER - LIST #77**  
**MARCH 29, 2022**

Pallet	Qty	Description	Serial Number	Silver Tag	Purchase Date	Ptag	Amount	Net Book Value	Condition
20	1 EA	Sharp XG-PH70X Projector	704411342	18974	8/31/2007	N00016082	\$ 10,392.37	\$ -	Obsolete
20	1 EA	Cisco 4400 Series Wireless LAN Controller	FOC1131F04R	14993	10/12/2007	N00016207	\$ 67,229.95	\$ -	Obsolete
24	1 EA	Panasonic PT-D5700 LCD Projector	SH7620083	14172	12/14/2007	N00016215	\$ 5,250.14	\$ -	Obsolete
20	1 EA	Crestron Isys 15" Tilt Touchpanel Monitor	65001912481173	13942	3/3/2008	N00016848	\$ 5,127.83	\$ -	Obsolete
20	1 EA	Cisco 4400 Series WLAN Controller for up to 100	FOC1220F0AN	11963	6/11/2008	N00016820	\$ 32,738.58	\$ -	Obsolete
20	1 EA	Tandberg TTC7-09 Codec/ Endpoint	33A50333	13871	6/18/2008	N00016704	\$ 14,823.82	\$ -	Obsolete
20	1 EA	Cisco 7800 MCS	JAB12240238	11958	6/20/2008	N00016819	\$ 14,877.50	\$ -	Obsolete
24	1 EA	Extron IN1508 8-Input Scaling Presentation Switcher	A05HECC	11975	7/11/2008	N00016966	\$ 5,707.77	\$ -	Obsolete
22	1 EA	Cisco Systems 4400 Series Wireless LAN Controller	FOC1240F0L0	17683	10/21/2008	N00017226	\$ 15,733.70	\$ -	Obsolete
20	1 EA	Cisco Catalyst 3750 48 10/100 PoE+4SFP IPB	FDO1313X14A	18340	5/5/2009	N00017604	\$ 7,571.20	\$ -	Obsolete
26	1 EA	Cisco 3750 Catalyst	FDO1316Y1SL	17959	5/7/2009	N00017738	\$ 5,877.20	\$ -	Obsolete
23	1 EA	Extron 406A Medialink Switcher	A0612Q7	18543	6/10/2009	N00017551	\$ 6,826.85	\$ -	Obsolete
23	1 EA	Extron 406A Medialink Switcher	A0612RD	18540	6/10/2009	N00017550	\$ 6,826.85	\$ -	Obsolete
27	1 EA	Extron 406SA Media Link Switcher	A0612R0	18510	6/10/2009	N00017541	\$ 7,314.02	\$ -	Obsolete
27	1 EA	Extron 406SA Media Link Switcher	A0612SD	18513	6/10/2009	N00017602	\$ 8,384.24	\$ -	Obsolete
20	1 EA	Extron Lockable Metal Wall Box with Flip-down 4U	A05N6HC	18654	7/23/2009	N00017701	\$ 5,854.65	\$ -	Incomplete
20	1 EA	Dell Avigilon	D0LQ3M1	18616	4/6/2010	N00017981	\$ 60,154.00	\$ -	Obsolete
26	1 EA	Cisco 3750 Catalyst	FOC1415Z45P	18806	4/23/2010	N00017907	\$ 7,837.20	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	FOC1229Y5Q0	14284	5/11/2010	N00018051	\$ 7,837.20	\$ -	Obsolete
22	1 EA	Cisco 3750 Catalyst	FOC1417Z4AN	16539	5/11/2010	N00018052	\$ 7,837.20	\$ -	Obsolete
24	1 EA	Cisco 3750 Catalyst	FOC1417Y4MJ	16537	5/11/2010	N00018050	\$ 7,837.20	\$ -	Obsolete
26	1 EA	Cisco 3750 Catalyst	FOC1417Y4NA	16540	5/11/2010	N00018053	\$ 7,837.20	\$ -	Obsolete
23	1 EA	Cisco 3750 Catalyst	FDO1425Y0AL	14602	7/12/2010	N00018296	\$ 5,022.85	\$ -	Obsolete
24	1 EA	Cisco 3750V2 Catalyst	FDO1425Y0E3	14581	7/12/2010	N00018293	\$ 5,022.86	\$ -	Obsolete
24	1 EA	Cisco 3750V2 Catalyst	FDO1425Y0DV	14609	7/12/2010	N00018298	\$ 5,022.85	\$ -	Obsolete
24	1 EA	Cisco 3750V2 Catalyst	FDO1421K2WN	42436	8/13/2010	N00018514	\$ 5,127.30	\$ -	Obsolete
24	1 EA	Cisco 3750V2 Catalyst	FDO1420Z06C	42190	8/13/2010	N00018510	\$ 5,127.30	\$ -	Obsolete
22	1 EA	Dell Power Vault MD1000 Server	C18XKN1	19092	10/12/2010	N00018602	\$ 8,622.54	\$ -	Obsolete
22	1 EA	Dell PowerVault MD1000 Storage	C18WKN1	19091	10/12/2010	N00018601	\$ 8,622.54	\$ -	Obsolete
27	1 EA	FlukeTIR32 Thermal Imager	TIR32-10060259	24025	10/18/2010	N00018605	\$ 8,347.99	\$ -	Obsolete
22	1 EA	Panasonic KV-S7065C Scanner	A599ZMA1309	19127	11/8/2010	N00018678	\$ 5,308.33	\$ -	Obsolete
27	1 EA	Non Clinical E-Series AED	AB09J012297	19140	2/15/2011	N00018818	\$ 14,171.97	\$ -	Incomplete
26	1 EA	Dell EqualLogic PS4000 Server Storage Drivers	SHU0937898J025F	19149	6/7/2011	N00019026	\$ 35,830.30	\$ -	Obsolete
27	1 EA	Extron 226 Media Link Controller	A0CXXW8	19597	6/13/2011	N00019160	\$ 5,721.53	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1521R1XL	27336	6/23/2011	N00019113	\$ 7,770.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1521R1X4	27335	6/23/2011	N00019112	\$ 7,770.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1521P1V4	27337	6/23/2011	N00019108	\$ 7,770.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1521V00L	19274	6/23/2011	N00019109	\$ 9,980.85	\$ -	Obsolete
18	1 EA	HP CP6015XH Color Printer	JPRCB840D7	19590	7/8/2011	N00019133	\$ 5,640.56	\$ -	Damaged
24	1 EA	Cisco 4500+E Catalyst	FOX1519GC0F	19665	7/14/2011	N00019139	\$ 35,210.76	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1527K0RX	19581	7/26/2011	N00019143	\$ 9,044.70	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1541Z0RF	18929	11/8/2011	N00019920	\$ 10,629.06	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1542K0SV	18928	11/8/2011	N00019921	\$ 9,273.50	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1541V0Y3	18930	11/8/2011	N00019917	\$ 10,629.06	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1541V0YA	18916	11/8/2011	N00019918	\$ 10,629.06	\$ -	Obsolete
24	1 EA	Cisco 48 Port Data IP Base 3750X Catalyst	FDO1541V0YP	18946	11/8/2011	N00019919	\$ 10,629.06	\$ -	Obsolete
20	1 EA	Panasonic KV-S7075C High Speed Color Scanner	A5901MA1029	20096	1/10/2012	N00019876	\$ 5,205.19	\$ -	Obsolete
27	1 EA	Extron 608 D Media Link Switcher	A0J0V4V	20239	2/3/2012	N00020048	\$ 7,796.55	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1605K0U9	27326	3/28/2012	N00021134	\$ 7,150.00	\$ -	Obsolete
20	1 EA	Extron MLS-608-D Media Link Switch	A0LMP93	20497	6/13/2012	N00020307	\$ 7,765.88	\$ 258.36	Obsolete
24	1 EA	Extron 608 D Media Link Switcher	A0LMP93	20497	6/13/2012	N00020307	\$ 7,765.88	\$ 258.36	Obsolete
24	1 EA	Panasonic PT-FX400 LCD Projector	SC2256029	20613	6/18/2012	N00020265	\$ 5,219.00	\$ 174.16	Obsolete
26	1 EA	Panasonic PT-D6000ULS Projector	SH3216003	21671	4/1/2013	N00020933	\$ 5,867.00	\$ 684.66	Obsolete
26	1 EA	Panasonic PT-D6000ULS Projector	SH3216002	21670	4/1/2013	N00020934	\$ 5,867.00	\$ 684.66	Obsolete
26	1 EA	Dell EqualLogic FS7600 1G NAS Enclosure (225-3554)	F6G77Y1	27340	8/9/2013	N00021258	\$ 14,346.30	\$ -	Obsolete
25	1 EA	Stratasys Objet24 V2 3D Printer Bundle With Rolling Stand	0240206	17238	8/19/2013	N00021206	\$ 23,355.00	\$ -	Obsolete

**SOUTH TEXAS COLLEGE**  
**TECHNOLOGY AND ELECTRONICS FOR DISPOSAL/RECYCLE VALUED AT \$5,000 AND OVER - LIST #77**  
**MARCH 29, 2022**

Pallet	Qty	Description	Serial Number	Silver Tag	Purchase Date	Ptag	Amount	Net Book Value	Condition
23	1 EA	Cisco 3750X Catalyst	FDO1725R026	27408	8/30/2013	N00021335	\$ 6,105.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1534P1X3	26926	8/30/2013	N00021329	\$ 6,475.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1814P02N	26548	8/30/2013	N00021331	\$ 6,105.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1725Z01E	27410	8/30/2013	N00021326	\$ 7,625.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1724R2QT	27409	8/30/2013	N00021325	\$ 7,625.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1725R00X	27412	8/30/2013	N00021328	\$ 6,105.00	\$ -	Obsolete
23	1 EA	Cisco 3750X Catalyst	FDO1644V07V	23672	8/30/2013	N00021327	\$ 7,625.00	\$ -	Obsolete
26	1 EA	Dell PowerVault MD3200i - Server	13VSFZ1	18913	2/20/2014	N00021658	\$ 9,999.00	\$ -	Obsolete
21	1 EA	Stratasys Objet 24 3D Printer, Item # O24 Bundle with Rolling Stand	0240318	19746	5/12/2014	N00021758	\$ 29,800.00	\$ -	Obsolete
23	1 EA	Cisco Switch 48-Port - Managed- Rack Catalyst	FDO1815R0BS	26520	6/19/2014	N00021875	\$ 5,760.30	\$ -	Obsolete

List #77

### **Discussion and Action as Necessary on the Operation of the College Bookstore Second Contract Modification**

On February 17, 2022, Barnes & Noble College Booksellers contacted the College; to request a second contract modification for the period beginning November 1, 2020 through October 31, 2021.

Purpose – To discuss the second contract modification option provided by Barnes & Noble College Booksellers to their current contract.

Justification - Barnes & Noble provided a modification option to their current five-year contract (November 1, 2019 through October 31, 2024) due to COVID-19 and the College's lack of foot traffic on campus because of online classes. The modification option requested is for the second year of the five-year contract, November 1, 2020 through October 31, 2021.

Background - On August 27, 2019, the Board of Trustees awarded a five-year contract to Barnes & Noble College Booksellers, for the period beginning November 1, 2019 through October 31, 2024.

The terms of the current contract are as follows:

- The vendor is currently obligated to pay the College the greater of the Minimum Annual Guarantee or the total commissions received on Commissionable Sales and Digital Sales during the period.
- The vendor remits commissions on a periodic basis during the term. If the total commissions are less than the Minimum Annual Guarantee, the vendor pays the difference to the College at the end of the period.

Within the existing contract, the force majeure clause provides the possibility for either party to amend the contract due to a governmental regulations or controls, or acts of God. Due to this uncontrollable event, Barnes and Noble has asked that the College consider a second contract modification to the existing contract.

The current and proposed modified terms are as follows:

<b>Minimum Annual Guarantee</b>	<b>Amount</b>
Original Contract Period: 11/1/19 – 10/31/24	\$500,000
1 <sup>st</sup> Contract Modification Amount Period: 11/1/19 – 10/31/20 Board Approved 5/26/20	\$400,000
<b>Proposed</b> 2 <sup>nd</sup> Contract Modification Amount Period: 11/1/20 – 10/31/21	\$325,000

*Note: According to Barnes & Noble College Booksellers, the contract terms will revert back to the original minimum guaranteed payment amount of \$500,000 for the period of 11/01/21 to 10/31/22.*

<b>Commissionable Sales</b>	<b>Percentage Rate of Sales</b>
<ul style="list-style-type: none"> <li>• No change requested</li> </ul>	<ul style="list-style-type: none"> <li>• 14.5% of Commissionable Sales up to \$2,000,000.00</li> </ul>
	<ul style="list-style-type: none"> <li>• 15.5% of Commissionable Sales from \$2,000,001.00 to \$3,000,000.00</li> </ul>
	<ul style="list-style-type: none"> <li>• 17% of Commissionable Sales in excess of \$3,000,000.00</li> </ul>

In summary, the proposed modification seeks to replace the Minimum Annual Guarantee for the period beginning November 1, 2020 through October 31, 2021 from \$500,000 to \$325,000.

The current and previous commission history reports are as follows:

<b>Contract</b>	<b>Commission Amount</b>
November 2020 – September 2021	\$323,351.55
November 2019 – October 2020	\$479,889.53
<b>Previous Contract</b>	
November 2018 – October 2019	\$487,495.00
November 2017 – October 2018	\$538,879.00
November 2016 – October 2017	\$607,112.00
November 2015 – October 2016	\$601,327.00
November 2014 – October 2015	\$593,622.00

Enclosed Documents – The Barnes & Noble College Booksellers Second Contract Modification letter follows in the packet for the Committee’s information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, George McCaleb, Director of Facilities Operations and Maintenance, and Becky Cavazos, Director of Purchasing will be present at the Committee meeting to address any questions by the Committee.

It is requested that the Finance, Audit, and Human Resources Committee make a recommendation to the full Board at the March 29, 2022 Board meeting to modify the current Barnes & Noble College Booksellers contract minimum annual guarantee from \$500,000 to \$325,000 for the period beginning November 1, 2020 through October 31, 2021.

January 20, 2022

George Mccaleb  
Director of Operations  
South Texas College

Re: Agreement for Bookstore Services dated November 1, 2019 ("Agreement")

Dear George:

Thank you for your time with Courtney to discuss the impact COVID-19 is presenting to our business and our ability to serve your campus. As a result, we'd like to make temporary adjustments to certain financial terms in the Agreement. This letter outlines our understanding of that arrangement.

Effective November 2020 the Minimum Annual Guarantee as stated in Section 14.ID of the Agreement shall be reduced from \$500,000 to \$325,000 for the contract year of November 2020 through October 2021.

Thereafter, effective November 1, 2021 and in accordance with Section 14.ID of the Agreement, the Minimum Annual Guarantee will recommence at \$500,000.

Except as expressly modified in this letter, all other terms and conditions of the Agreement shall remain the same. All capitalized terms used but not defined in this letter refer to the definitions in the Agreement.

If you agree with the terms outlined above, please confirm by signing below and returning a copy of this letter to me at your earliest possible convenience.

Thank you for your continued support and partnership. Please let me know if you have any questions or would like to discuss the above. As always, I thank you in advance for your consideration and for your ongoing support and partnership.

Very truly yours,

Brian Stark  
Senior VP, Stores

ACKNOWLEDGED AND AGREED:

South Texas College

Sign: \_\_\_\_\_

Dr. Ricardo J. Solis  
President

**Review and Recommend Action on Revised Appraisal District Allocated Cost Payments for the 2022 Assessment Fees for Hidalgo County**

Approval on revised Appraisal District Allocated Cost payments for the 2022 Assessment Fees for Hidalgo County according to the revised allocated cost schedule, as described below, will be requested at the March 29, 2022 Board meeting.

Purpose – The Hidalgo County Appraisal District performs property valuation assessments for taxes imposed during the tax year. The College's allocated cost for property valuation services is provided annually.

Justification - On February 8, 2022, Hidalgo County Appraisal District informed the College that the allocated cost for the 2022 assessment fees were modified due to a tax levy revision for one of the entities in the county. The Hidalgo County Appraisal District is considered a sole source and the College and other taxing entities are required to use their services to determine the assessed valuation of properties.

Background – On December 14, 2021, the Board of Trustees approved the Hidalgo County Appraisal District allocated cost payments for \$737,436 for tax levy 2021 as stated in the Texas Property Tax Code, Chapter 6, Section 6.06 (e).

The revised allocated costs for the 2022 assessment fees increased the College's allocation as follows:

<b>Fiscal Year 2021 – 2022 Hidalgo County Assessment Fees</b>	
	<b>Allocated Cost for Assessment Fees</b>
Assessment Fees Approved on December 14, 2021	\$737,436
Revised Allocated Cost for Assessment Fee	738,652
<b>Assessment Fees Increase/(Decrease)</b>	<b>\$1,216</b>

Enclosed Documents – The Hidalgo County Appraisal District Letter follow in the packet for the Committee's information and review.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the March 29, 2022 Board meeting, the revised Appraisal District allocated cost payments for the 2022 assessment fees for Hidalgo County as stated in the Texas Property Tax Code, Chapter 6, Section 6.06 (e) and as presented.

# HIDALGO COUNTY APPRAISAL DISTRICT

## ADMINISTRATION

Rolando Garza, Chief Appraiser  
Jorge Gonzalez, Asst. Chief Appraiser  
Brent E Cavazos, Associate Chief Appraiser  
PO Box 208  
Edinburg, TX 78540-0208  
(956) 381-8466 (956) 565-2461



[www.hidalgoaad.org](http://www.hidalgoaad.org)

## BOARD OF DIRECTORS

Albert D. Cardenas	Chairman
Joe D. Olivarez	Vice-Chairman
Amador Requenez	Secretary
Richard A. Garza	Member
Eddy Betancourt	Member
Pablo "Paul" Villarreal, Jr.	Member

February 8, 2022

PRESIDING OFFICER  
ALL ENTITIES

RE: 2022 Assessment Fees (Revision)

On January 7, 2022, we mailed you a letter along with the 2022 official assessment fees spreadsheet. Due to a tax levy revision to one of the entities, we have modified the 2022 assessment fees.

Please see the attachment with your new assessment fees. The difference owed for the first quarter will be included in your second quarter invoice.

If you should require any additional information on this matter, please do not hesitate to contact Ms. Lydia Elizondo, Finance/Personnel Director at (956) 381-8466 Extension 130.

Sincerely,

A handwritten signature in black ink that reads "Rolando Garza".

Rolando Garza, RPA  
Chief Appraiser

2022 OFFICIAL ENTITY ASSESSMENT (REVISED)

ENTITY:	2021 Tax Levied	2021 Percent	New 2022 Official Assessment	Previous 2022 Official Assessment	2022 Difference	New Quarterly Assessment	2nd Quarter Assessment
Hidalgo County	\$235,088,870	23.15%	\$ 2,434,942.00	\$2,430,934.00	\$ 4,008.00	\$608,735.50	\$ 609,737.50
Drainage Dist.#1	\$52,011,015	5.12%	\$ 538,706.00	\$537,819.00	\$ 887.00	\$134,676.50	\$ 134,898.25
Entity Totals	287,099,884	27.57%	\$ 2,973,648.00	\$2,968,753.00	\$ 4,895.00		
<u>Fire Districts:</u>							
EMS District #1	\$214,671	0.02%	\$ 2,224.00	\$2,219.00	\$ 5.00	\$556.00	\$ 557.25
EMS District #2	\$386,169	0.04%	\$ 4,000.00	\$3,993.00	\$ 7.00	\$1,000.00	\$ 1,001.75
EMS District #3	\$494,006	0.05%	\$ 5,116.00	\$5,108.00	\$ 8.00	\$1,279.00	\$ 1,281.00
EMS District #4	\$258,545	0.03%	\$ 2,678.00	\$2,674.00	\$ 4.00	\$669.50	\$ 670.50
Entity Totals	1,353,390	0.13%	\$ 14,018.00	\$13,994.00	\$ 24.00		
<u>Irrigation Districts:</u>							
Donna #1	715,476	0.07%	\$ 7,410.00	\$7,399.00	\$ 11.00	\$1,852.50	\$ 1,855.25
Delta Lake	561,644	0.06%	\$ 5,818.00	\$5,807.00	\$ 11.00	\$1,454.50	\$ 1,457.25
Kennedy Co GCD	1,130	0.0001%	\$ 12.00	\$12.00	\$ -	\$3.00	\$ 3.00
Brush Country GCD	449	0.00004%	\$ 4.00	\$4.00	\$ -	\$1.00	\$ 1.00
Red Sands GCD	67,469	0.01%	\$ 698.00	\$697.00	\$ 1.00	\$174.50	\$ 174.75
Entity Totals	1,346,168	0.14%	\$ 13,942.00	\$13,919.00	\$ 23.00		

2022 OFFICIAL ENTITY ASSESSMENT (REVISED)

ENTITY:	2021 Tax Levied	2021 Percent	2022 Official Assessment	2022 Official Assessment	2022 Difference	New Quarterly Assessment	2nd Quarter Assessment
<u>Cities:</u>							
Alamo	\$4,358,898	0.43%	\$ 45,147.00	\$45,073.00	\$ 74.00	\$11,286.75	\$ 11,305.25
Alton	\$2,549,579	0.25%	\$ 26,408.00	\$26,364.00	\$ 44.00	\$6,602.00	\$ 6,613.00
Donna	\$5,888,308	0.58%	\$ 60,988.00	\$78,208.00	\$ (17,220.00)	\$15,247.00	\$ 10,942.00
Edcouch	\$575,296	0.06%	\$ 5,959.00	\$5,949.00	\$ 10.00	\$1,489.75	\$ 1,492.25
Edinburg	\$36,773,969	3.62%	\$ 380,888.00	\$380,261.00	\$ 627.00	\$95,222.00	\$ 95,378.75
Elsa	\$1,537,757	0.15%	\$ 15,927.00	\$15,901.00	\$ 26.00	\$3,981.75	\$ 3,988.25
Granjeno	\$25,869	0.003%	\$ 268.00	\$267.00	\$ 1.00	\$67.00	\$ 67.25
Hidalgo	\$2,583,559	0.25%	\$ 26,759.00	\$26,715.00	\$ 44.00	\$6,689.75	\$ 6,700.75
La Joya	\$1,106,033	0.11%	\$ 11,456.00	\$11,437.00	\$ 19.00	\$2,864.00	\$ 2,868.75
La Villa	\$619,039	0.06%	\$ 6,412.00	\$6,402.00	\$ 10.00	\$1,603.00	\$ 1,605.50
McAllen	\$53,036,057	5.22%	\$ 549,322.00	\$548,419.00	\$ 903.00	\$137,330.50	\$ 137,556.25
Mercedes	\$5,295,642	0.52%	\$ 54,850.00	\$54,759.00	\$ 91.00	\$13,712.50	\$ 13,735.25
Mission	\$25,552,721	2.52%	\$ 264,664.00	\$264,227.00	\$ 437.00	\$66,166.00	\$ 66,275.25
Palmview	\$3,107,561	0.31%	\$ 32,187.00	\$32,134.00	\$ 53.00	\$8,046.75	\$ 8,060.00
Penitas	\$1,472,827	0.15%	\$ 15,255.00	\$15,230.00	\$ 25.00	\$3,813.75	\$ 3,820.00
Progreso	\$923,102	0.09%	\$ 9,561.00	\$9,546.00	\$ 15.00	\$2,390.25	\$ 2,394.00
Pharr	\$25,143,252	2.48%	\$ 260,422.00	\$259,994.00	\$ 428.00	\$65,105.50	\$ 65,212.50
San Juan	\$9,088,384	0.89%	\$ 94,133.00	\$93,978.00	\$ 155.00	\$23,533.25	\$ 23,572.00
Sullivan City	\$639,883	0.06%	\$ 6,628.00	\$6,617.00	\$ 11.00	\$1,657.00	\$ 1,659.75
Weslaco	\$14,176,268	1.40%	\$ 146,832.00	\$146,590.00	\$ 242.00	\$36,708.00	\$ 36,768.50
Entity Totals	194,454,004	19.15%	\$ 2,014,066.00	\$2,028,071.00	\$ (14,005.00)		

2022 OFFICIAL ENTITY ASSESSMENT (REVISED)

ENTITY:	2021 Tax Levied	2021 Percent	2022 Official Assessment	2022 Official Assessment	2022 Difference	New Quarterly Assessment	2nd Quarter Assessment
<u>Schools:</u>							
Donna	\$20,198,602	1.99%	\$ 209,208.00	\$208,863.00	\$ 345.00	\$52,302.00	\$ 52,388.25
Edcouch-Elsa	\$5,015,917	0.49%	\$ 51,953.00	\$51,867.00	\$ 86.00	\$12,988.25	\$ 13,009.75
Edinburg	\$88,342,425	8.70%	\$ 915,010.00	\$913,504.00	\$ 1,506.00	\$228,752.50	\$ 229,129.00
Hidalgo	\$6,984,990	0.69%	\$ 72,347.00	\$72,228.00	\$ 119.00	\$18,086.75	\$ 18,116.50
La Joya	\$38,367,742	3.78%	\$ 397,395.00	\$396,741.00	\$ 654.00	\$99,348.75	\$ 99,512.25
La Villa	\$1,790,962	0.18%	\$ 18,550.00	\$18,520.00	\$ 30.00	\$4,637.50	\$ 4,645.00
Lyford	\$158,326	0.02%	\$ 1,640.00	\$1,637.00	\$ 3.00	\$410.00	\$ 410.75
McAllen	\$90,489,805	8.91%	\$ 937,252.00	\$935,708.00	\$ 1,544.00	\$234,313.00	\$ 234,699.00
Mercedes	\$8,796,046	0.87%	\$ 91,106.00	\$90,955.00	\$ 151.00	\$22,776.50	\$ 22,814.25
Mission	\$28,363,668	2.79%	\$ 293,778.00	\$293,294.00	\$ 484.00	\$73,444.50	\$ 73,565.50
Monte Alto	\$2,085,506	0.21%	\$ 21,601.00	\$21,565.00	\$ 36.00	\$5,400.25	\$ 5,409.25
PSJA	\$66,168,839	6.52%	\$ 685,346.00	\$684,218.00	\$ 1,128.00	\$171,336.50	\$ 171,618.50
Progreso	\$2,652,277	0.26%	\$ 27,471.00	\$27,426.00	\$ 45.00	\$6,867.75	\$ 6,879.00
Sharyland	\$42,944,037	4.23%	\$ 444,795.00	\$444,062.00	\$ 733.00	\$111,198.75	\$ 111,382.00
So Tx College	\$71,315,413	7.02%	\$ 738,652.00	\$737,436.00	\$ 1,216.00	\$184,663.00	\$ 184,967.00
South Texas ISD	\$21,215,812	2.09%	\$ 219,744.00	\$219,382.00	\$ 362.00	\$54,936.00	\$ 55,026.50
Valley View	\$10,182,717	1.00%	\$ 105,468.00	\$105,294.00	\$ 174.00	\$26,367.00	\$ 26,410.50
Weslaco	\$26,211,702	2.58%	\$ 271,488.00	\$271,041.00	\$ 447.00	\$67,872.00	\$ 67,983.75
Entity Total	531,284,785	52.32%	\$ 5,502,804.00	\$5,493,741.00	\$ 9,063.00		
GRAND TOTALS	1,015,538,231	100%	\$ 10,518,478.00	\$10,518,478.00	\$ -	\$2,629,619.50	
BUDGET TOTAL			\$ 10,518,478.00	\$10,518,478.00			

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**Discussion and Action as Necessary on Use of the Department of Education Higher Education Emergency Relief Fund (HEERF) and Unrestricted Fund for a Retention Incentive Payment to Regular and Full-Time Temporary and Part-Time Employees Working Fully Remote and Other Eligible Employees**

Approval on Use of the Department of Education Higher Education Emergency Relief Fund (HEERF) and Unrestricted Fund for a Retention Incentive Payment to Regular and Full-Time Temporary and Part-Time Employees Working Fully Remote and Other Eligible Employees will be requested at the March 29, 2022 Board meeting.

Purpose – To provide a salary payment to regular and full-time temporary and part-time employees working fully remote and other eligible employees on April 13, 2022. Employees paid from the Unrestricted, Auxiliary, and Restricted Funds are eligible for the Retention Incentive Payment, which will be funded by the HEERF and Unrestricted Fund.

Justification – The proposed payment to regular and full-time temporary and part-time employees working fully remote and other eligible employees would be issued as an incentive to retain employees.

Background – On February 22, 2022, the College's Board of Trustees approved a Return to Campus Safely COVID-19 Training and Retention Incentive Payment to eligible regular and full-time temporary and part-time employees, as follows:

- February 2022 - Return to Campus Safely COVID-19 Training and Response Strategies Payment
  - ⇒ Regular and Full-Time Temporary Employees \$2,500
  - ⇒ Part-Time Employees \$1,500
  - ⇒ Paid 1,684 employees a total of \$4,326,454, which included payroll taxes

In addition to the above payment, a payment as follows is proposed:

- March 2022 - Retention Incentive Payment for Employees Working Fully Remote
  - ⇒ Regular and Full-Time Temporary Employees \$1,250
  - ⇒ Part-Time Employees \$750
  - ⇒ Proposed payment to 69 employees for a total of \$82,084, including payroll taxes

Other eligible employees including those employees currently not working on campus such as those telecommuting due to Office of Human Resources approved accommodations or Departmental Leads' approval, or on Family and Medical Leave Act (FMLA), or on military leave are eligible to receive the Retention Incentive Payment. Other eligible employees will receive the Return to Campus Safely COVID-19 Training payment upon their return to work on campus.

The Retention Incentive Payment and employer's payroll taxes for regular and full-time

temporary and part-time employees who are not considered senior management will be funded by HEERF as follows:

<b>Funded by HEERF</b> Regular and Full-Time Temporary Employees \$1,250 Part-Time Employees \$750				
<b>Eligible Employees</b>	<b>Employees Count</b>	<b>Payment Amount</b>	<b>Employers Payroll Taxes</b>	<b>Total</b>
Regular and Full-Time Temporary Employees	3	\$3,750	\$287	\$4,037
Part-Time Employees	20	15,000	1,148	16,148
Other Eligible Employees	45	56,250	4,303	60,553
<b>Total</b>	<b>68</b>	<b>\$75,000</b>	<b>\$5,738</b>	<b>\$80,738</b>

A budget amendment to fund this cost from the Restricted Fund follows in the packet for the Board's consideration.

In addition, the salary payment and employer payroll taxes for one (1) senior management employee who has not returned to work on campus will be funded by the Unrestricted Fund.

The proposed payment for the senior management employee is \$1,250. The payment will be funded by the College's Unrestricted Fund and totals to \$1,346.

<b>Funded by Unrestricted Fund</b> Regular Employees \$1,250				
<b>Eligible Employees</b>	<b>Employees Count</b>	<b>Payment Amount</b>	<b>Employers Payroll Taxes</b>	<b>Total</b>
Senior Management Employee	1	\$1,250	\$96	\$1,346
<b>Total</b>	<b>1</b>	<b>\$1,250</b>	<b>\$96</b>	<b>\$1,346</b>

A budget amendment to fund this cost from the Unrestricted Fund follows in the packet for the Board's consideration.

### **Department of Education**

In an effort to provide an incentive to retain employees, Administration requested and received approval from the Department of Education to grant a Retention Incentive Payment funded by HEERF. The payment will serve as an incentive to retain employees in order to sustain a workforce level needed to continue to deliver instruction to the region in spite of the pandemic.

According to the Department of Education, however, HEERF funds may not be used to fund a payroll payment for senior management employees.

### **The Texas Association of School Boards (TASB) and Three-Part Test**

Administration considered the guidance provided by the Texas Association of School Boards (TASB) and the three-part test created by the Texas Supreme Court to determine if the Retention Incentive Payment for employees working fully remote and other eligible employees complies with the appropriate use of public funds and accomplishes a public purpose. Similar to the evaluation that was conducted for the February Return to Campus Safely COVID-19 Training and Retention Incentive Payment, Administration has verified that the payment complies with the criteria provided by TASB and the three-part test requirements.

### **Eligibility Requirements**

Employees may receive the payment on April 13, 2022 based on the following eligibility requirements:

- Regular and full-time temporary and part-time employees working fully remote with an active assignment on March 29, 2022, or
- Regular and full-time temporary employees not working on campus due to Office of Human Resources approved accommodations or Departmental Lead's approval, or on FMLA, or military leave with an active assignment on March 29, 2022

Employees in the Unrestricted Fund, Auxiliary Fund, and Restricted Fund in the following categories will be eligible for the Retention Incentive Payment:

- Executive
- Administrative
- Professional/Technical Support Full-Time Exempt
- Professional/Technical Support Full-Time Non-Exempt
- Classified
- Faculty (Including Full-Time Lecturers)
- Adjunct Faculty
- Direct Wage
- Trainers
- Work-Study

Part-time employees in the following category will not be eligible for the one-time payment:

- Dual Credit Faculty (High School Employees)

Funding Source – The HEERF and Unrestricted Fund will be utilized to fund this Retention Incentive Payment to Regular and Full-Time Temporary and Part-Time employees working fully remote and other eligible employees. If this payment is approved, a FY 2021 - 2022 budget amendment is necessary and follows in the packet as a separate agenda item for the Board's consideration and approval.

Reviewers – The Retention Incentive Payment has been reviewed by Cabinet members.

Dr. Ricardo Solis, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the Committee meeting to address any questions by the Committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the March 29, 2022 Board meeting, the proposed Use of the Department of Education Higher Education Emergency Relief Fund (HEERF) and the Unrestricted Fund for a Retention Incentive Payment to Regular and Full-Time Temporary and Part-Time Employees Working Fully Remote and Other Eligible Employees, as presented.

## **Discussion and Action as Necessary on Proposed Budget Amendment for FY 2021 -2022**

Approval of a proposed budget amendment for FY 2021 – 2022 will be requested at the March 29, 2022 Board meeting.

As a result of the proposed Retention Incentive Payment, and proposed renovation projects for the Vice President for Finance and Administrative Services, Department of Accountability, Risk and Compliance, and Office of Institutional Equity in the Unexpended Plant Fund, a budget amendment is requested. The total budgeted revenues and expenditures for the Unrestricted Fund, Restricted Fund, and Unexpended Plant Fund - Construction for fiscal year 2021 – 2022 will increase as follows:

### **Fiscal Year 2021 - 2022 Budgeted Revenues and Expenditures**

Fund	Exh.	Amended Budget	Proposed Amendment	Amended Budget
Unrestricted Fund	A	\$191,893,002	\$1,346	\$191,894,348
Restricted Fund	B	176,195,958	-	176,195,958
Unexpended Plant Fund - Construction	C	13,299,709	1,034,110	14,333,819

The budget amendment details and presentation follow in the packet for the Committee's information and review.

The budget amendment is proposed as follows:

### **1. Budget Amendment – Increase Unrestricted Fund Revenues**

A budget amendment is proposed to increase the Unrestricted Fund Revenues by \$1,346 as follows:

### **Fiscal Year 2021 – 2022 Summary of Unrestricted Fund Revenues Adjustment**

Revenue Source	Proposed Amendment
Total Carryover Allocations	\$1,346
<b>Total Adjustments</b>	<b>\$1,346</b>

### **Fiscal Year 2021 - 2022 Unrestricted Carryover Allocations**

Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Total Carryover Allocations	\$7,691,597	\$1,346	\$7,692,943
<b>Total Unrestricted Carryover Allocations</b>	<b>\$7,691,597</b>	<b>\$1,346</b>	<b>\$7,692,943</b>

Carryover Allocations is proposed to increase by \$1,346 for the purpose of funding the proposed Retention Incentive Payment.

In total, the Unrestricted Fund Revenues are proposed to increase by \$1,346.

## 2. Budget Amendment – Increase Unrestricted Fund Expenditures

A budget amendment is proposed to increase the Unrestricted Fund Expenditures by \$1,716,986.

<b>Fiscal Year 2021 - 2022</b>	
<b>Summary of Unrestricted Fund Expenditures Adjustments</b>	
Expenditures	Proposed Amendment
Total Salaries	\$1,250
Total Benefits	96
<b>Total Adjustments</b>	<b>\$1,346</b>

<b>Fiscal Year 2021 - 2022</b>			
<b>Unrestricted Fund Salaries, Benefits, and Transfers &amp; Reserves</b>			
Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Total Salaries	\$99,381,438	\$1,250	\$99,382,688
Total Benefits	30,950,567	96	30,950,663
<b>Total Salaries, Benefits, and Transfers &amp; Reserves</b>	<b>\$130,332,005</b>	<b>\$1,346</b>	<b>\$130,333,351</b>

A budget amendment is proposed to increase the Unrestricted Fund Expenditures by \$1,346. The amendment is needed to increase funding for the Retention Incentive Payment to eligible regular and full-time temporary employees for retention purposes.

The Salaries expenditure budget is proposed to increase by \$1,250. The increase in the salary expenditure budget is the projected total cost of the Retention Incentive Payment for employees not funded by the Higher Education Emergency Relief Fund (HEERF).

The Benefits expenditure budget is proposed to increase by \$96. The increase in the benefits expenditure budget is the projected total cost of the Retention Incentive Payment for employees not funded by the Higher Education Emergency Relief Fund (HEERF).

In total, the Unrestricted Fund Expenditures are proposed to increase by \$1,346.

## 3. Budget Amendment – Reallocate Restricted Fund Expenditures

A budget amendment is proposed to reallocate the Restricted Fund Expenditures by \$80,738 as follows:

**Fiscal Year 2021 - 2022**  
**Summary of Restricted Fund Expenditures Adjustments**

Expenditures	Proposed Amendment
Total Salaries	\$75,000
Total Benefits	5,738
Total Operating	(80,738)
<b>Total Adjustments</b>	<b>\$-</b>

**Fiscal Year 2021 - 2022**  
**Restricted Fund Salaries, Benefits, and Operating Expenditures**

Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Total Salaries	\$11,098,940	\$75,000	\$11,173,940
Total Benefits	1,517,298	5,738	1,523,036
Total Operating	24,817,315	(80,738)	24,736,577
<b>Total Salaries, Benefits, and Operating Expenditures</b>	<b>\$37,433,553</b>	<b>\$-</b>	<b>\$37,433,553</b>

A budget amendment is proposed to reallocate the Restricted Fund Expenditures by \$80,738 due to the issuance of the Retention Incentive Payment to eligible regular and full-time temporary and part-time employees for retention purposes. The proposed budget amendment will reallocate funds from the Operating expenditure budget to the Salaries and Benefits expenditure budgets. The Salaries and Benefits expenditure budgets are proposed to increase by \$75,000 and \$5,738, respectively. The Operating expenditure budget is proposed to decrease by \$80,738. The proposed reallocations to the salary, benefit, and operating expenditure budgets will occur in the HEERF II Institutional Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) fund.

In total, the Restricted Fund Expenditures are proposed to remain unchanged from their FY 2021 – 2022 level.

**4. Budget Amendment – Use of Previously Earmarked Funds in the Unexpended Plant Fund – Construction**

A budget amendment is proposed to use \$1,034,110 from the funds previously earmarked by the Board of Trustees from the Bond 2021 in the total amount of \$4,600,000 for the Satellite Campus in the Unexpended Plant Fund – Construction for the purpose of funding capital improvement projects, as follows:

**Fiscal Year 2021 – 2022**  
**Unexpended Plant Fund – Construction Revenue Adjustments**

Revenues	Amended Budget	Proposed Amendment	Amended Budget
Fund Balance Deduction	\$8,919,149	\$1,034,110	\$9,953,259
<b>Total Fund Balance Deduction</b>	<b>\$8,919,149</b>	<b>\$1,034,110</b>	<b>\$9,953,259</b>

**Fiscal Year 2021 – 2022**  
**Unexpended Plant Fund – Construction Expenditure Adjustments**

Expenditures	Amended Budget	Proposed Amendment	Amended Budget
Projected Draws for Approved Projects	\$12,779,709	\$103,411	\$12,883,120
Fund Balance Addition	520,000	930,699	1,450,699
<b>Total Expenditures and Fund Balance Addition</b>	<b>\$13,299,709</b>	<b>\$1,034,110</b>	<b>\$14,333,819</b>

The detail of the transfer to the Unexpended Plant Fund – Construction follows in the packet for the Committee’s information and review.

The budget amendment details and presentation follow in the packet for the Committee’s information and review.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the Proposed Budget Amendment for FY 2021 – 2022.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the March 29, 2022 Board meeting, the proposed budget amendment for FY 2021 – 2022 as presented.

## South Texas College Unrestricted Fund

Fiscal Year Ending August 31, 2022  
AMENDED

### Revenue Summary

Revenue Source and Carryover Allocations	Amended Budget	Budget Amendment	Amended Budget
Total State Appropriations	\$ 49,098,912	\$ -	\$ 49,098,912
Total Tuition	33,967,161	-	33,967,161
Total Fees	28,686,753	-	28,686,753
Total M&O Property Taxes	58,273,025	-	58,273,025
Total Other Revenues	6,437,408	-	6,437,408
Total HEERF Lost Revenue	7,738,146	-	7,738,146
Total Carryover Allocations	7,691,597	1,346	7,692,943
<b>Total Revenues and Carryover Allocations</b>	<b>\$ 191,893,002</b>	<b>\$ 1,346</b>	<b>\$ 191,894,348</b>

### Expenditures Summary

Expenditures/Transfers & Reserves	Amended Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 99,381,438	\$ 1,250	\$ 99,382,688
Total Benefits	30,950,567	96	30,950,663
Total Operating	37,644,217	-	37,644,217
Total Travel	2,229,954	-	2,229,954
Total Capital Outlay	1,524,058	-	1,524,058
<b>Total Expenditures</b>	<b>\$ 171,730,234</b>	<b>\$ 1,346</b>	<b>\$ 171,731,580</b>
<b>Transfers &amp; Reserves</b>			
Transfer to Unexpended Plant Fund	4,160,000	-	4,160,000
Transfer to CE Unexpended Plant Fund	845,336	-	845,336
Transfer to Office of ITED	865,581	-	865,581
Contingency Fund	2,000,000	-	2,000,000
Fund Balance Reserve	4,553,705	-	4,553,705
HEERF Fund Balance Reserve	7,738,146	-	7,738,146
<b>Total Transfers &amp; Reserves</b>	<b>20,162,768</b>	<b>-</b>	<b>20,162,768</b>
<b>Total Expenditures/Transfers &amp; Reserves</b>	<b>\$ 191,893,002</b>	<b>\$ 1,346</b>	<b>\$ 191,894,348</b>

## South Texas College Restricted Fund

Fiscal Year Ending August 31, 2022  
AMENDED

### Revenue Summary

Revenue Source	Amended Budget	Budget Amendment	Amended Budget
Total Restricted Revenue	\$ 176,195,958	\$ -	\$ 176,195,958
<b>Total Revenues</b>	<b>\$ 176,195,958</b>	<b>\$ -</b>	<b>\$ 176,195,958</b>

### Expenditures Summary

Expenditures/Reserves	Amended Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 11,098,940	\$ 75,000	\$ 11,173,940
Total Benefits	1,517,298	5,738	1,523,036
Total Operating	24,817,315	(80,738)	24,736,577
Total Travel	33,670	-	33,670
Total Capital Outlay	5,436,764	-	5,436,764
Total Scholarships	133,291,972	-	133,291,972
<b>Total Expenditures</b>	<b>\$ 176,195,958</b>	<b>\$ -</b>	<b>\$ 176,195,958</b>

## South Texas College Unexpended Plant Fund - Construction

Fiscal Year Ending August 31, 2022  
AMENDED

### Revenue Summary

Revenue Source and Fund Balance Allocations	Amended Budget	Budget Amendment	Amended Budget
Interest	\$ 35,224	\$ -	\$ 35,224
Transfer In from Unrestricted Fund	3,000,000	-	3,000,000
Transfer In from Unrestricted Fund Continuing Ed	1,345,336	-	1,345,336
Fund Balance Deduction	8,919,149	1,034,110	9,953,259
<b>Total Revenues</b>	<b>\$ 13,299,709</b>	<b>\$ 1,034,110</b>	<b>\$ 14,333,819</b>

### Expenditure Summary

Expenditures/Reserves	Amended Budget	Budget Amendment	Amended Budget
Projected Draws for Approved Projects	\$ 12,779,709	\$ 103,411	\$ 12,883,120
Fund Balance Addition	520,000	930,699	1,450,699
<b>Total Expenditures</b>	<b>\$ 13,299,709</b>	<b>\$ 1,034,110</b>	<b>\$ 14,333,819</b>

**South Texas College**  
**March 2022 Budget Amendment**  
**Detail of Transfer to Unexpended Plant Fund - Construction**

Project	Amount
Building P - Vice President for Finance and Administrative Services	\$ 484,270.00
Building P - Accountability, Risk & Compliance and Office of Institutional Equity	549,840.00
Total Transfer to Unexpended Plant Fund - Construction	\$ 1,034,110.00

# South Texas College

## Proposed Budget Amendment for FY 2021 - 2022

March 8, 2022

**MARIA G. ELIZONDO, MBA, CPA, CFE, CGMA**

VICE PRESIDENT FOR FINANCE AND ADMINISTRATIVE SERVICES

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## Summary of Proposed Budget Amendment

### Budgeted Revenues and Expenditures

Fund	Original/Amended Budget	Proposed Amendment	Amended Budget
Unrestricted Fund	\$191,893,002	\$1,346	\$191,894,348
Restricted Fund	176,195,958	-	176,195,958
Unexpended Plant Fund	13,299,709	1,034,110	14,333,819

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# Unrestricted Fund

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## Summary of Budget Changes Unrestricted Fund Revenues

Revenue Source	Increase/ (Decrease)	Description
Total Carryover Allocations	\$1,346	Fund Proposed Retention Incentive Payment Not Funded by HEERF
<b>Total Revenues Increase</b>	<b>\$1,346</b>	

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## Proposed Budget Amendment Summary Unrestricted Fund

### Revenue Summary

Revenue Source and Carryover Allocations	Amended Budget	Budget Amendment	Amended Budget
Total State Appropriations	\$ 49,098,912	\$ -	\$ 49,098,912
Total Tuition	33,967,161	-	33,967,161
Total Fees	28,686,753	-	28,686,753
Total M&O Property Taxes	58,273,025	-	58,273,025
Total Other Revenues	6,437,408	-	6,437,408
Total HEERF Lost Revenue	7,738,146	-	7,738,146
Total Carryover Allocations	7,691,597	1,346	7,692,943
<b>Total Revenues and Carryover Allocations</b>	<b>\$ 191,893,002</b>	<b>\$ 1,346</b>	<b>\$ 191,894,348</b>

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## Summary of Budget Changes Unrestricted Fund Expenditures

Expenditure Source	Increase/ (Decrease)	Description
Total Salaries	\$1,250	Retention Incentive Payment (Not Funded by HEERF)
Total Benefits	96	Retention Incentive Payment (Not Funded by HEERF)
<b>Total Expenditures Increase</b>	<b>\$1,346</b>	

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## Proposed Budget Amendment Summary Unrestricted Fund

### Expenditures Summary

Expenditures/Transfers & Reserves	Amended Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 99,381,438	\$ 1,250	\$ 99,382,688
Total Benefits	30,950,567	96	30,950,663
Total Operating	37,644,217	-	37,644,217
Total Travel	2,229,954	-	2,229,954
Total Capital Outlay	1,524,058	-	1,524,058
<b>Total Expenditures</b>	<b>\$ 171,730,234</b>	<b>\$ 1,346</b>	<b>\$ 171,731,580</b>
<b>Transfers &amp; Reserves</b>			
Transfer to Unexpended Plant Fund	4,160,000	-	4,160,000
Transfer to CE Unexpended Plant Fund	845,336	-	845,336
Transfer to Office of ITED	865,581	-	865,581
Contingency Fund	2,000,000	-	2,000,000
Fund Balance Reserve	4,553,705	-	4,553,705
HEERF Fund Balance Reserve	7,738,146	-	7,738,146
<b>Total Transfers &amp; Reserves</b>	<b>20,162,768</b>	<b>-</b>	<b>20,162,768</b>
<b>Total Expenditures/Transfers &amp; Reserves</b>	<b>\$ 191,893,002</b>	<b>\$ 1,346</b>	<b>\$ 191,894,348</b>

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## Restricted Fund

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**Summary of Budget Changes**  
**Restricted Fund – HEERF II Institutional CRRSSA**

Expenditures	Increase/ (Decrease)	Description
Total Salaries	\$75,000	Retention Incentive Payment to Eligible Full-Time Employees
Total Benefits	5,738	Retention Incentive Payment Benefits for Eligible Full-Time Employees
Total Operating	(80,738)	Reallocate Funds Due to Retention Incentive Payment to Eligible Full-Time Employees
<b>Total Expenditures Increase</b>	<b>\$ -</b>	

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**Proposed Budget Amendment Summary**  
**Restricted Fund**

**Expenditures Summary**

Expenditures/Reserves	Amended Budget	Budget Amendment	Amended Budget
Total Salaries	\$ 11,098,940	\$ 75,000	\$ 11,173,940
Total Benefits	1,517,298	5,738	1,523,036
Total Operating	24,817,315	(80,738)	24,736,577
Total Travel	33,670	-	33,670
Total Capital Outlay	5,436,764	-	5,436,764
Total Scholarships	133,291,972	-	133,291,972
<b>Total Expenditures</b>	<b>\$ 176,195,958</b>	<b>\$ -</b>	<b>\$ 176,195,958</b>

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## Unexpended Plant Fund - Construction

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### Summary of Budget Changes Unexpended Plant Fund - Construction

Revenues	Increase/ (Decrease)	Description
Fund Balance Deduction	\$1,034,110	Use of Funds Previously Earmarked by the Board of Trustees from the Bond 2021 for Capital Improvement Projects
<b>Total Revenues Increase</b>	<b>\$1,034,110</b>	

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## Proposed Budget Amendment Summary Unexpended Plant Fund - Construction

### Revenue Summary

Revenue Source and Fund Balance Allocations	Amended Budget	Budget Amendment	Amended Budget
Interest	\$ 35,224	\$ -	\$ 35,224
Transfer In from Unrestricted Fund	3,000,000	-	3,000,000
Transfer In from Unrestricted Fund Continuing Ed	1,345,336	-	1,345,336
Fund Balance Deduction	8,919,149	1,034,110	9,953,259
<b>Total Revenues</b>	<b>\$ 13,299,709</b>	<b>\$ 1,034,110</b>	<b>\$ 14,333,819</b>

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## Summary of Budget Changes Unexpended Plant Fund - Construction

Expenditures	Increase/ (Decrease)	Description
Projected Draws for Approved Projects	\$103,411	Use of Funds Previously Earmarked by the Board of Trustees from the Bond 2021 for Capital Improvement Projects FY 2021 - 2022
Fund Balance Addition	930,699	Use of Funds Previously Earmarked by the Board of Trustees from the Bond 2021 for Capital Improvement Projects FY 2022 - 2023
<b>Total Expenditures Increase</b>	<b>\$1,034,110</b>	

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# Thank You

## Questions?



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### **Review and Discussion of FY 2022 – 2023 Budget Development**

Mary Elizondo, Vice President for Finance and Administrative Services, will present on the FY 2022 – 2023 Budget Development for your review and discussion.

**Purpose** – As part of the budget planning process, the College is evaluating the revenue and expenditure budget considerations influencing the preparation of the FY 2022 – 2023 budget.

**Justification** – The budget planning process is an integral part of strategic planning that is preceded by sound planning and effectively aligns the budget with the College's programs and activities. The revenue and expenditure budget development considerations effect the projected available resources, determine the planned expenditures, and have a direct impact on the budget allocations for the FY 2022 – 2023 budget.

**Background** – The College's annual budget cycle includes the budget planning process that consists of projecting revenues and expenditures based on historical trend and assumptions for the upcoming fiscal year. The revenue and expenditure budget development considerations are used as the basis for the upcoming fiscal year assumptions and are a fundamental component of developing a proposed balanced budget. The proposed balanced budget is reviewed by staff, the President's Cabinet, and the Finance, Audit, and Human Resources Committee before it is presented for approval by the Board of Trustees at the annual Budget Hearing.

**Enclosed Documents** – The FY 2022 – 2023 Budget Development PowerPoint Presentation follows in the packet for the Committee's review and information.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will present the FY 2022 – 2023 Budget Development at the March 8, 2022 Finance, Audit, and Human Resources Committee meeting and will address any questions by the committee.

No action is required from the Committee. This item is presented for information and feedback to staff.



FY 2022 – 2023

# Budget Development Unrestricted Fund

March 8, 2022

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## Integrated Budget Planning Process



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## FY 2022 – 2023 | Budget Cycle Timeline

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

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## FY 2022 – 2023 | Budget Objectives



### Produce a Balanced Budget

Total Revenue Equal Total Expenditures



### Maintain Benchmarks

Instruction Function – Approximately 50% of Total Expenditures Budgeted  
Salaries and Benefits – Approximately 77% or Lower of Total Expenditures Budgeted (Excluding Transfers and Reserves)



### Allocate Resources Based on Strategic Planning



### Maintain Financial Responsibility, Sustainability, and Controls

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## FY 2022 – 2023 | Budget Considerations

### Revenue and Fund Balance Carryover Allocations

- State Funding for Community Colleges (Second Year of Biennium)
- Student Enrollment Projections
- Current Board Approved Tuition and Fee Rates
- Property Tax Assessed Valuation and Collections
- Fund Balance Carryover Allocations
- New Trends

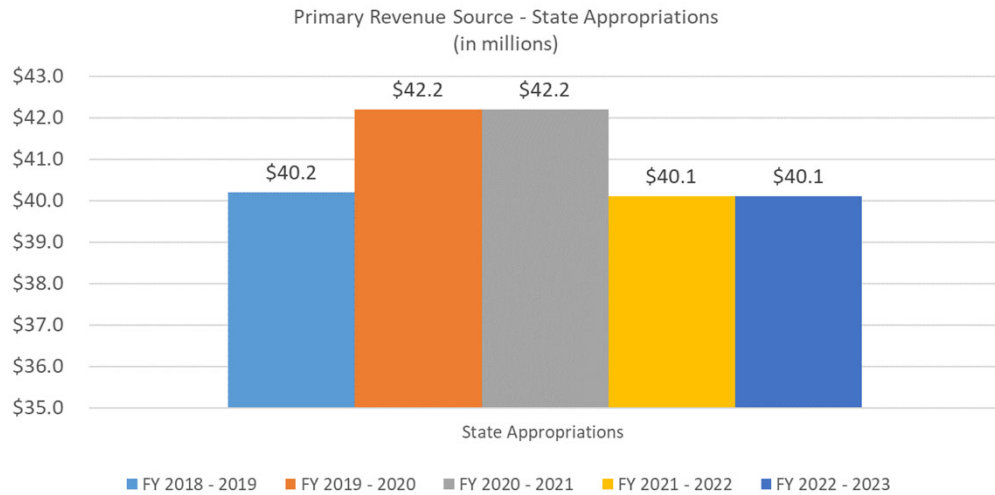
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## FY 2018-2019 – FY 2022-2023 | Budgeted Primary Revenue Sources

<b>Fiscal Year Budget</b>	<b>State Appropriations</b> <b>Contact Hour Funding</b> <small>Includes Core Operations, Student Success Points, and Contact Hour Funding</small>	<b>Tuition and Fees</b> <small>Includes Academic Tuition, Differential Tuition, CPWE, Mandatory and Incidental Fees</small>	<b>M&amp;O Property Taxes</b> <small>Includes Current Levy Tax Collections, Delinquent Tax, and Penalties and Interest</small>
FY 2018 - 2019	\$40.2 million 21.5%	\$62.3 million 33.4%	\$50.5 million 27.0%
FY 2019 - 2020	\$42.2 million 23.2%	\$66.6 million 36.6%	\$51.7 million 28.4%
FY 2020 - 2021	\$42.2 million 22.6%	\$53.0 million 28.4%	\$59.1 million 31.6%
FY 2021 - 2022	\$40.1 million 21.9%	\$55.2 million 30.2%	\$58.3 million 31.9%
FY 2022 - 2023	\$40.1 million 22.4%	\$58.3 million 32.6%	\$58.8 million 32.9%

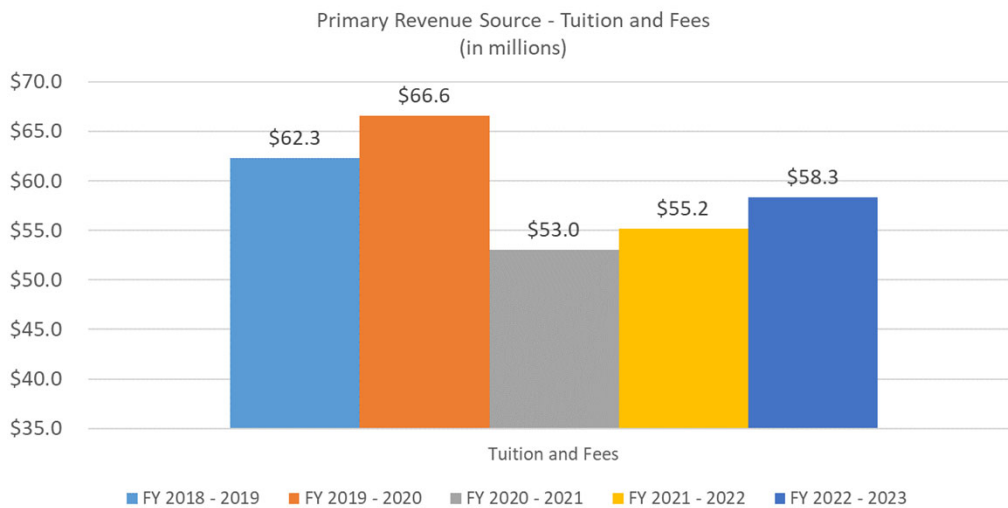
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## FY 2018-2019 – FY 2022-2023 | Budgeted Primary Revenue Sources



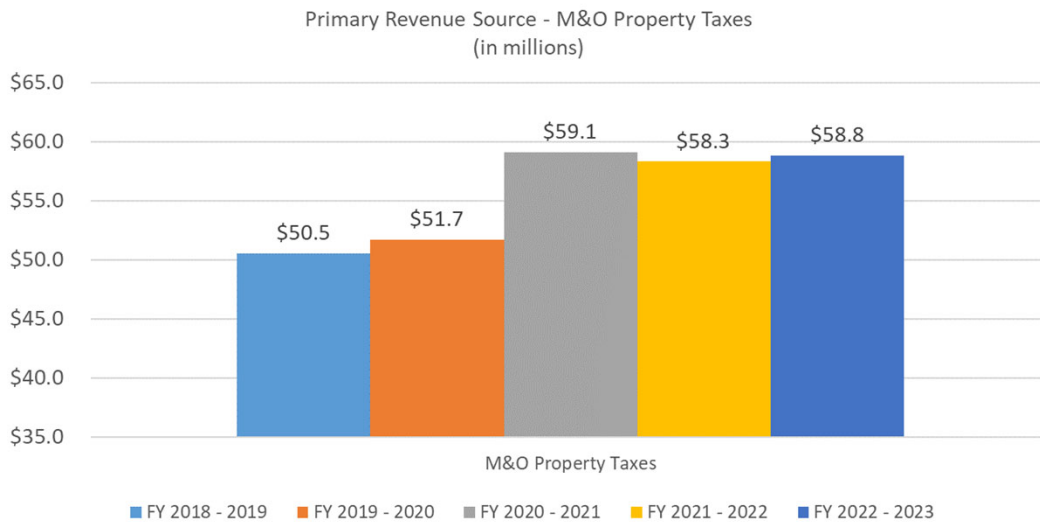
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## FY 2018-2019 – FY 2022-2023 | Budgeted Primary Revenue Sources



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## FY 2018-2019 – FY 2022-2023 | Budgeted Primary Revenue Sources



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## State Appropriations Revenue

Revenues	FY 2020 – 2021 Budget (Amended)		FY 2021 – 2022 Budget (Amended)		FY 2022 – 2023 Budget (Preliminary)
State Appropriations – Contact Hour	\$42,182,306		\$40,094,035		\$40,094,033
<i>Increase/(Decrease) from Prior Fiscal Year</i>			\$(2,088,271)		\$2
<i>Increase/(Decrease) from FY 2020-2021</i>					\$(2,088,273)
Budget Assumption	Second Year of the Biennium	↓	First Year of the Biennium Reduction in Appropriation	↔	Second Year of the Biennium Based on Appropriations Bill
Actuals (As of January 2022)	Met Budget	✓	Met Budget		
Projected (As of August 31, 2022)		✓	Meet Budget		

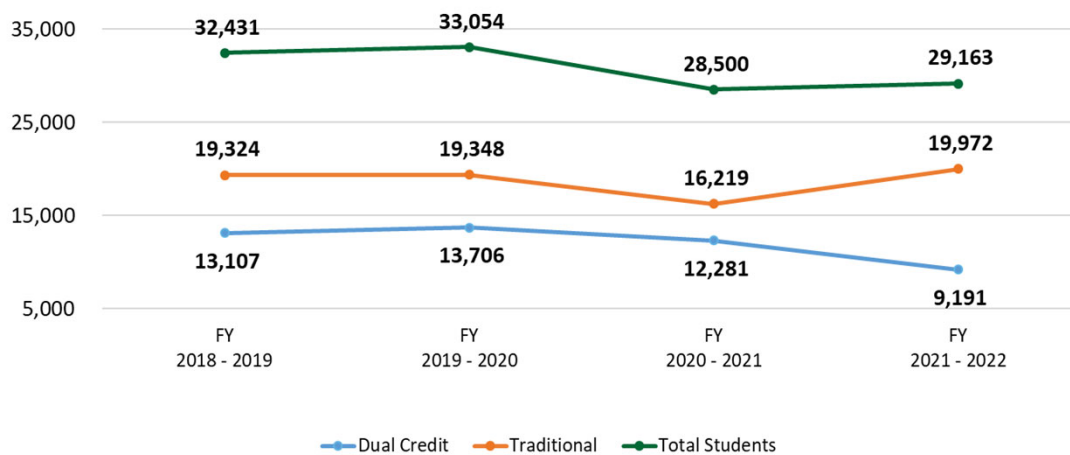
10

## Property Taxes Revenue

Revenues	FY 2020 – 2021 Budget (Amended)		FY 2021 – 2022 Budget (Amended)		FY 2022 – 2023 Budget (Preliminary)
Property Taxes	\$59,117,516		\$58,273,025		\$58,773,025
<i>Increase/(Decrease) from Prior Fiscal Year</i>			<i>\$(844,491)</i>		<i>\$500,000</i>
<i>Increase/(Decrease) from FY 2020-2021</i>					<i>\$(344,491)</i>
Budget Assumption	Collection Increase Based on Trends	↓	Collection Decrease by 1.4%	↑	Slight Increase in Revenue
Actuals (As of January 2022)	Exceeded Budget	↑	Exceeded Budget		
Projected (As of August 31, 2022)		↑	Exceed Budget		

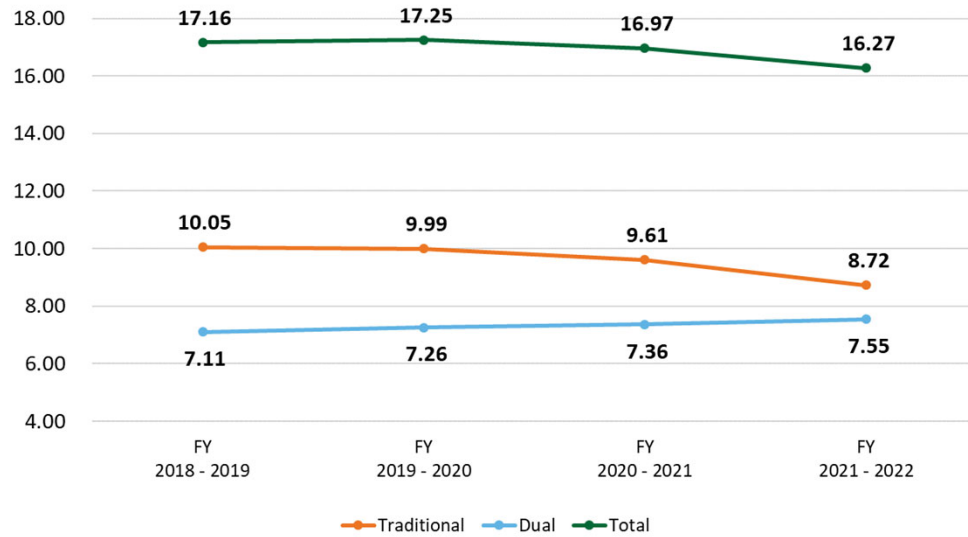
11

## Census Student Enrollment – Fall Term Only



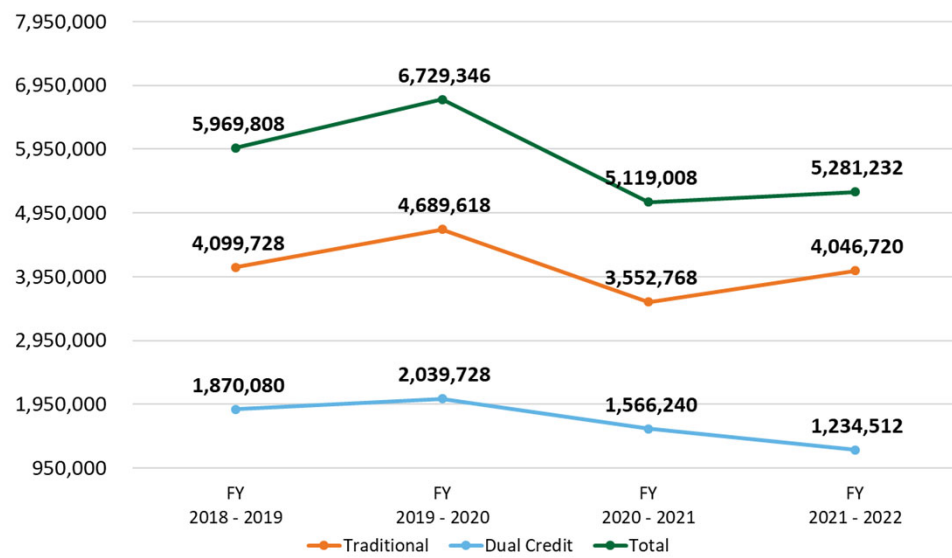
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## Census Average Semester Credit Hours Per Student– Fall Term Only



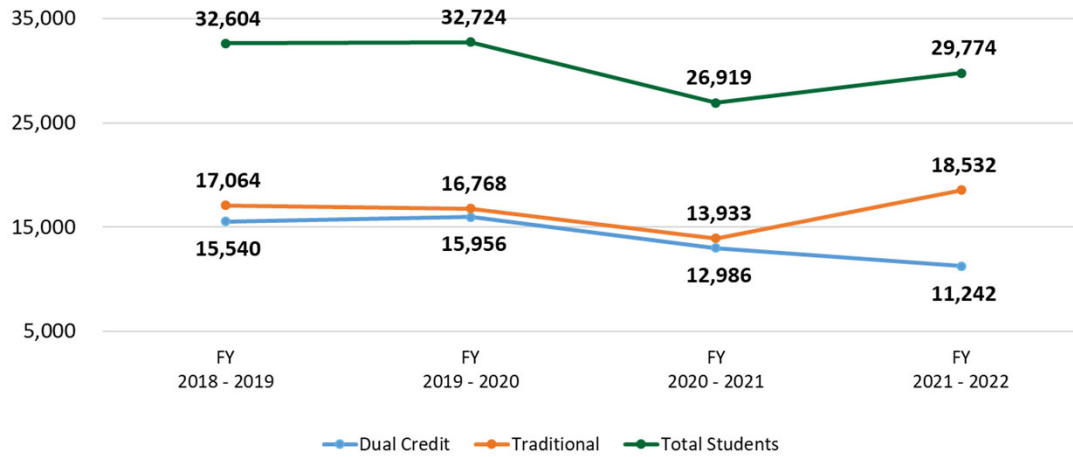
13

## Census Contact Hours – Fall Term Only



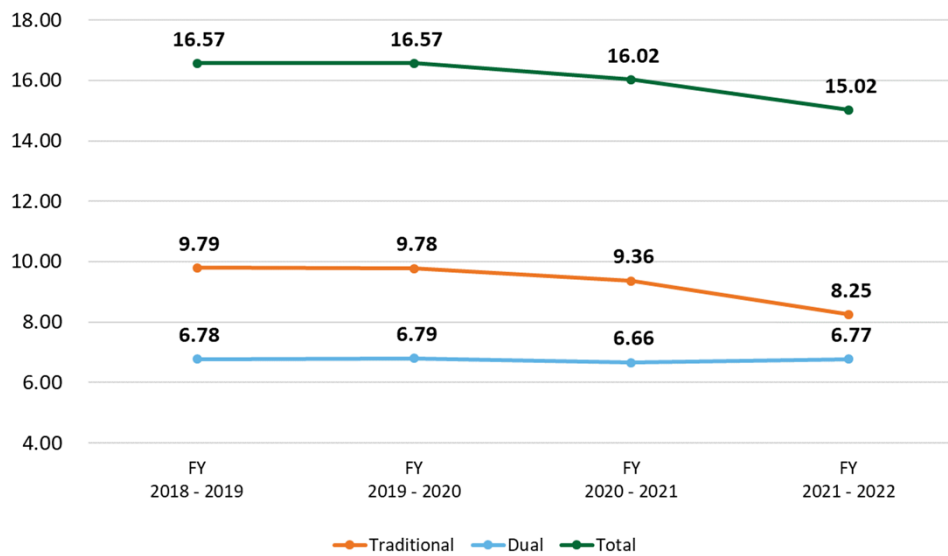
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## Census Student Enrollment – Spring Term Only



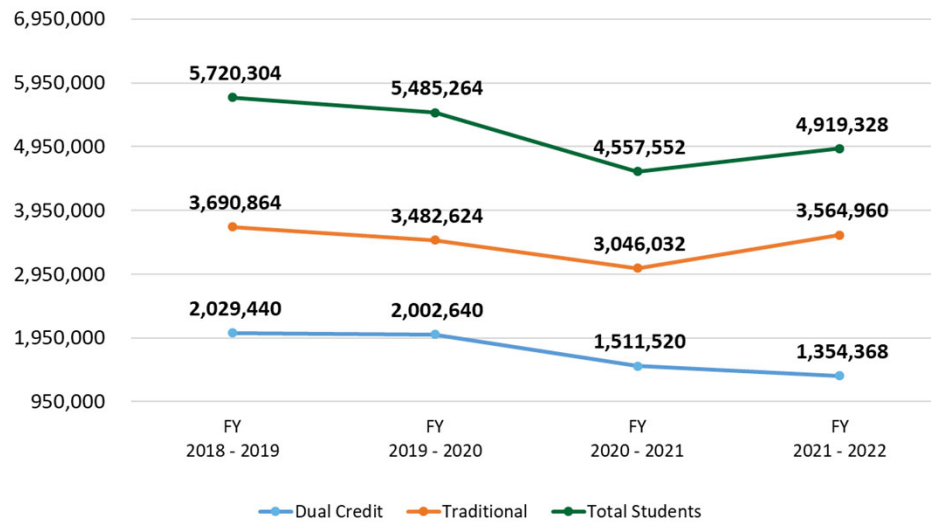
15

## Census Average Semester Credit Hours Per Student– Spring Term Only



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## Census Contact Hours – Spring Term Only



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## FY 2022 – 2023 Traditional Student Enrollment Considerations

- Less Courses Taken on Average – Students Taking One Class
- Discontinued Financial Aid Awards (HEERF Funding)
- Discontinued Discharge of Student Debt Balances
- Trend Analysis

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## Tuition and Fee Revenue

Revenues	FY 2020 – 2021 Budget (Amended)	FY 2021 – 2022 Budget (Amended)	FY 2022 – 2023 Budget (Preliminary)
Tuition and Fees	\$53,046,446	\$55,215,619	\$58,289,839
<i>Increase/(Decrease) from Prior Fiscal Year</i>		\$2,169,173	\$3,074,220
<i>Increase/(Decrease) from FY 2020-2021</i>			\$5,243,393
Budget Assumption	Enrollment Decrease in Traditional Students Enrollment Decrease: 25% for Fall, 10% for Spring, 0% for Summer ↑	Flat Enrollment in Traditional Students Increase Based on Trend and Flat Enrollment ↑	Slight Increase in Enrollment for Traditional Students from FY 2021 – 2022 Budgeted Enrollment and Trend
Actuals (As of January 2022)	Exceeded Budget ↑	Enrollment Increase: 23% for Fall, 33% for Spring, TBD for Summer	
Projected (As of August 31, 2022)		↑ Exceed Budget, (Pending Summer Enrollment)	

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## FY 2020-2021 – FY 2022-2023 | Budgeted State Appropriations – On Behalf Benefits

Fiscal Year Budget	State Appropriations On Behalf Benefits Optional Retirement Plan (ORP), Teacher Retirement System (TRS), and Higher Education Employees Group Insurance (HEGI)
FY 2018 - 2019	\$8.3 million 4.4%
FY 2019 - 2020	\$6.2 million 3.4%
FY 2020 - 2021	\$11.7 million 6.3%
FY 2021 - 2022	\$9.0 million 4.9%
FY 2022 – 2023	\$9.1 million 5.1%

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## State Appropriations On Behalf & Hazlewood Revenue

Revenues	FY 2020 – 2021 Budget (Amended)		FY 2021 – 2022 Budget (Amended)		FY 2022 – 2023 Budget (Preliminary)
State Appropriations – On Behalf & Hazlewood	\$11,713,899		\$9,004,877		\$9,137,068
<i>Increase/(Decrease) from Prior Fiscal Year</i>			<i>\$(2,709,022)</i>		<i>\$132,191</i>
<i>Increase/(Decrease) from FY 2020-2021</i>					<i>\$(2,576,831)</i>
Budget Assumption	Correctly Funded for the Biennium	✓	Correctly Funded for the Biennium	↑	Correctly Funded for the Biennium
Actuals (As of January 2022)	Exceeded Budget (Retirement Funding)	✓	Met Budget		
Projected (As of August 31, 2022)		✓	Meet Budget		

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## Optional Retirement Plan (ORP) Contribution Rates

SB 1812, Eighty-third Legislature, limited the payroll state contribution rate for Optional Retirement Program (ORP) to 50% of the contribution. Total projected State Retirement Contribution for ORP in FY 2022 – 2023 is **\$558,819**.

Classification	FY 2020 – 2021	FY 2021 – 2022	FY 2022 – 2023
Employee	6.65%	6.65%	6.65%
Employer (Base)	6.6%	6.6%	6.6%
Total (Minimum)	13.25%	13.25%	13.25%
Optional ORP Supplement (Maximum)	1.9%	1.9%	1.9%
Total (Maximum)	15.15%	15.15%	15.15%

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## Teacher Retirement System (TRS) Contribution Rates

SB 1812, Eighty-third Legislature, limited the payroll state contribution rate for Teacher Retirement System (TRS) to 50% of the contribution. Total projected State Retirement Contribution for TRS in FY 2022 – 2023 is **\$2,298,203**.

Classification	FY 2020 – 2021	FY 2021 – 2022	FY 2022 – 2023
Member Retirement Contribution	7.7%	8.0%	8.0%
State Contribution	7.5%	7.75%	8.0%

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## Health Plan Premium Rates

SB 1812, Eighty-third Legislature, set the payroll state contribution rate for Higher Education Group Insurance (HEGI) contributions for community colleges at 50% of the cost associated with eligible employees. Total projected State Insurance Contribution in FY 2022 – 2023 is **\$6,235,046**.

Classification	FY 2020 – 2021		FY 2021 – 2022		FY 2022 – 2023	
	State Pays	Member Pays	State Pays	Member Pays	State Pays	Member Pays
Member Only	\$624.82	\$0	\$624.82	\$0	Pending	Pending
Member + Spouse	982.36	357.54	1,339.90	357.54	Pending	Pending
Member + Children	864.20	239.38	1,103.58	239.38	Pending	Pending
Member + Family	1,221.74	596.92	1,818.66	596.92	Pending	Pending

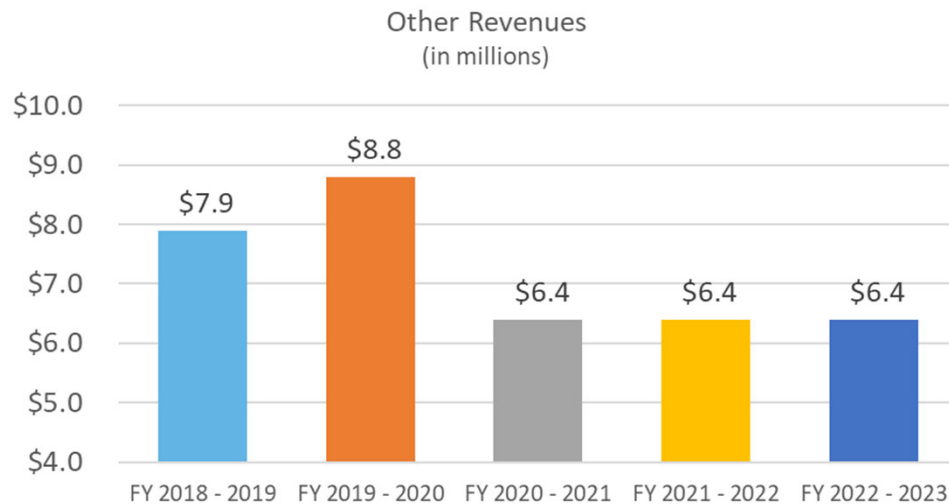
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### FY 2020-2021 – FY 2022-2023 | Budgeted Other Revenues

Fiscal Year Budget	Other Revenues <small>Includes Dual Credit Reimbursement Costs, Dual Credit Academy Participation Fee, Administrative Costs, HEERF Lost Revenue</small>
FY 2018 - 2019	\$7.9 million 4.2%
FY 2019 - 2020	\$8.8 million 4.8%
FY 2020 - 2021	\$6.4 million 3.4%
FY 2021 - 2022	\$6.4 million 3.5%
FY 2022 – 2023	\$6.4 million 3.6%

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## Other Revenues Trend



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## Dual Credit Reimbursement Cost Revenue

Revenues	FY 2020 – 2021 Budget (Amended)		FY 2021 – 2022 Budget (Amended)		FY 2022 – 2023 Budget (Preliminary)
Dual Credit Reimbursement Cost	\$4,008,795		\$5,000,000		\$5,000,000
<i>Increase/(Decrease) from Prior Fiscal Year</i>			\$991,205		\$991,205
<i>Increase/(Decrease) from FY 2020-2021</i>					\$991,205
Budget Assumption	Enrollment Decrease by 10%	↑	Enrollment Increase Based on Trends	↔	Flat Revenue Maintain Revenue Level
Actuals (As of January 2022)	Exceeded Budget	↓	Slight Decrease in Revenue		
Projected (As of August 31, 2022)		✓	Meet Budget		

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## Interest Income Revenue

Revenues	FY 2020 – 2021 Budget (Amended)		FY 2021 – 2022 Budget (Amended)		FY 2022 – 2023 Budget (Preliminary)
Interest Income	\$1,200,000		\$600,000		\$600,000
<i>Increase/(Decrease) from Prior Fiscal Year</i>			\$(600,000)		\$-
<i>Increase/(Decrease) from FY 2020-2021</i>					\$(600,000)
Budget Assumption	Interest Rate Decrease	↓	Interest Rate Decrease	↔	Flat Interest Rate Maintain Revenue Level
Actuals (As of January 2022)	Exceeded Budget	↓	Slight Decrease in Revenue		
Projected (As of August 31, 2022)		✓	Meet Budget		

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## Other Revenues Detail

Revenues	FY 2020 – 2021 Budget (Amended)	FY 2021 – 2022 Budget (Amended)	FY 2022 – 2023 Budget (Preliminary)
Conferences – CPWE	\$64,742	\$64,742	\$64,742
Dual Credit Enrollment Costs Reimbursement	4,008,795	5,000,000	5,000,000
Dual Credit Academy Participation Fee	408,825	350,000	350,000
Interest	1,200,000	600,000	600,000
Administrative Cost – Veterans	4,000	4,000	4,000
Administrative Cost - Pell	75,000	75,000	75,000
Administrative Cost – Federal Work Study	60,000	60,000	60,000
Administrative Cost – CPWE	110,247	110,856	110,856
Administrative Cost – Carl Perkins	-	-	-
Shuttle System Contribution	429,470	171,860	171,860
Testing Commissions	5,100	950	950
<b>Total</b>	<b>\$6,366,179</b>	<b>\$6,437,408</b>	<b>\$6,437,408</b>





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## FY 2020-2021 – FY 2022-2023 | Budgeted Carryover Allocations

Fiscal Year Budget	Carryover Allocations <small>Includes Contingency Fund, Book Royalties, Unexpended Construction Plant Transfer, and CPWE</small>
FY 2018 - 2019	\$17.6 million 9.4%
FY 2019 - 2020	\$6.4 million 3.5%
FY 2020 - 2021	\$5.2 million 2.8%
FY 2021 - 2022	\$6.2 million 3.4%
FY 2022 – 2023	\$6.0 million 3.4%

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## Carryover Allocations

Revenues	FY 2020 – 2021 Budget (Amended)	FY 2021 – 2022 Budget (Amended)	FY 2022 – 2023 Budget (Preliminary)
Carryover Allocations	\$5,177,901	\$6,186,261	\$5,954,813
<i>Increase/(Decrease) from Prior Fiscal Year</i>		\$1,008,360	\$(231,448)
<i>Increase/(Decrease) from FY 2020-2021</i>			\$776,912
Budget Assumption	Reduce Based on Need (M&O Tax Bond Program 2013, Plant Fund Transfer) 	Increase for Plant Fund Transfer and COVID-19 Response Strategies Payment	 Decrease Based on College's Needs
Actuals (As of January 2022)	Entire Budgeted Amount Not Used 	Funds Used as Needed	
Projected (As of August 31, 2022)		 Maintain Use of Funds as Needed	

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## Carryover Allocations Detail

Revenues	FY 2020 – 2021 Budget (Amended)	FY 2021 – 2022 Budget (Approved)	FY 2022 – 2023 Budget (Preliminary)
Contingency Fund	\$2,000,000	\$2,000,000	\$2,000,000
Book Royalties	4,813	4,813	4,813
Unexpended Construction Plant Fund	2,000,000	3,500,000	3,500,000
Continuing, Professional, and Workforce Education	450,000	450,000	450,000
Capital Purchases	723,088	-	-
Response Strategies Payment	-	231,448	-
<b>Total</b>	<b>\$5,177,901</b>	<b>\$6,186,261</b>	<b>\$5,954,813</b>

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## Preliminary Budget Summary – FY 2022 – 2023 Revenues

Summary of Revenues and Carryover Allocations	FY 2021 - 2022 Budget (Amended)	FY 2022 - 2023 Budget (Preliminary)	% of Total Revenues	Difference FY 2022 Amended to FY 2023 Preliminary
State Appropriations	\$ 40,094,035	\$ 40,094,033	22.44%	\$ (2)
<i>Other State Appropriation-ORP</i>	532,963	558,819	0.31%	25,856
<i>Other State Appropriation-TRS</i>	2,191,868	2,298,203	1.29%	106,335
<i>Other State Appropriation-HEGI</i>	6,235,046	6,235,046	3.49%	-
<i>Other State Appropriation-Hazlewood Reimbursement</i>	45,000	45,000	0.03%	-
Other State Appropriations Subtotal	9,004,877	9,137,068	5.09%	132,191
<b>Total State Appropriations</b>	<b>49,098,912</b>	<b>49,231,101</b>	<b>27.55%</b>	<b>132,189</b>
<i>Academic &amp; Differential Tuition-Net TPEG</i>	27,890,315	28,846,978	16.14%	956,663
<i>Continuing Ed/ITED-Net TPEG</i>	2,990,658	2,990,658	1.67%	-
<b>Total Tuition-Net of TPEG</b>	<b>30,880,973</b>	<b>31,837,636</b>	<b>17.82%</b>	<b>956,663</b>
<b>Total Fees</b>	<b>24,334,646</b>	<b>26,452,203</b>	<b>14.80%</b>	<b>2,117,557</b>
<b>Total M&amp;O Property Taxes</b>	<b>58,273,025</b>	<b>58,773,025</b>	<b>32.89%</b>	<b>500,000</b>
<b>Total Other Revenues</b>	<b>6,437,408</b>	<b>6,437,408</b>	<b>3.60%</b>	<b>-</b>
<b>Total HEERF Lost Revenue</b>	<b>7,738,146</b>	<b>-</b>	<b>0.00%</b>	<b>(7,738,146)</b>
<b>Total Carryover Allocations</b>	<b>6,186,261</b>	<b>5,954,813</b>	<b>3.34%</b>	<b>(231,448)</b>
<b>Total Revenues and Carryover Allocations</b>	<b>\$ 182,949,371</b>	<b>\$ 178,686,186</b>	<b>100.00%</b>	<b>\$ (4,263,185)</b>

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## FY 2022 – 2023 | Budget Considerations

### Expenditures

- Faculty and Staff Salary Increases
- New Positions
- Salary Adjustments/Position Reclassifications
- Frozen Positions/Pauses
- Strategic Investment Priorities in Operating Budget
- Increased Expenditures for Operating, Travel, and Capital Budgets
- Unexpended Plant Fund Transfers
- Past Trends and Models May Not Predict the Future

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THANK YOU



Questions?

### **Discussion and Action as Necessary to Amend TASB Risk Management Fund Interlocal Participation Agreement (IPA)**

Approval to amend the Interlocal Participation Agreement (IPA) between South Texas College and the TASB Risk Management Fund will be requested at the March 29, 2022 Board meeting.

Purpose – An amended IPA was adopted by the Board of Trustees of the TASB Risk Management Fund on November 12, 2021, and is effective May 1, 2022. The new IPA replaces the current IPA and must be authorized and approved by the College's Board of Trustees to ensure continued coverage in Fund programs. The Fund's IPA was last updated in 2012.

Justification – The IPA was last approved by the TASB Risk Management Fund Board in April 2012 as a universal IPA covering all Fund programs. It has not been modified since 2012. The Fund reviews and updates its IPA at least once every ten (10) years or more frequently, as needed. Membership in each specific Fund program is created and controlled through a Contribution and Coverage Summary (CCS). The IPA is approved once by each Fund Member's board. It remains in effect until the Fund Member ceases to participate in at least one Fund coverage program or the Fund terminates the IPA.

Background – The College received the amended IPA on March 1, 2022. The signed IPA must be returned to TASB no later than May 13, 2022. The IPA is the foundational agreement of the TASB Risk Management Fund. The Fund is a self-funded risk pool, and the IPA is the agreement through which Fund Members participate in the Fund. The IPA sets out the basic terms, conditions, and requirements of Fund membership. Through an executed IPA, Fund Members may participate in the various lines of coverage offered by the Fund. The amendments to the IPA focus on three (3) separate areas:

- clarity of purpose and meaning,
- updating Fund Member duties and obligations, and
- revising the dispute resolution provisions.

Reviewers – The amended IPA was reviewed by the Vice President for Finance and Administrative Services, Raul Cabaza, Risk Management Consultant, and Accountability, Risk and Compliance.

Enclosed Documents – The following documents are provided for the Committee's review:

- Letter of Explanation
- Amended Interlocal Participation Agreement

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the March 29, 2022 Board meeting, amended the Interlocal Participation Agreement (IPA) between South Texas College and the TASB Risk Management Fund as presented.



March 1, 2022

Dr. Ricardo Solis  
South Texas College  
[president@southtexascollege.edu](mailto:president@southtexascollege.edu)

### **Participation in TASB Risk Management Fund Coverage Programs**

Dear Dr. Solis:

Please accept this letter as formal written notice that the Interlocal Participation Agreement (IPA) between South Texas College and the TASB Risk Management Fund (Fund) is amended by the Fund effective May 1, 2022. The IPA is the foundational agreement by which eligible organizations join the Fund.

The amended IPA will replace your current IPA with the Fund. A copy of the new IPA is included for review and execution. It was last amended in 2012. Pursuant to Chapter 791 of the Texas Government Code, the new IPA must be authorized and approved by your Board of Trustees.

Along with the new IPA, a Frequently Asked Questions document with more information and a summary of changes is included to assist you in executing the agreement. The updates to the IPA focus on three areas: 1) clarity of purpose and meaning, 2) updates to Fund Member duties and obligations, and 3) revisions to the dispute resolution provisions.

The IPA must be approved through Board action and returned to the Fund. Your organization may take one of following approaches related to the new IPA:

- Seek authorization from your Board of Trustees and return the executed IPA to the TASB Risk Management Fund at [tasbrmf@tasbrmf.org](mailto:tasbrmf@tasbrmf.org) no later than May 13, 2022. A countersigned copy will be returned to you for your records.
- Take no action. The IPA will go into effect May 1, 2022, and your current coverage will continue under the terms of the new IPA. However, your next renewal proposal for Fund coverage will require a board-approved executed IPA unless you terminate coverage at that time.
- Terminate coverage in all Fund programs effective April 30, 2022, by providing written notice of termination to the Fund by April 29, 2022.

Please reach out to your TASB Risk Management Marketing Consultant for assistance with this process. We thank you for your membership in the TASB Risk Management Fund. We are very



proud of our 48-year record of proven strength, stability, and service to Texas public school districts and other educational entities and look forward to our continued partnership.

Sincerely,

A handwritten signature in black ink that reads "Dubravka H. Romano". The signature is written in a cursive, flowing style.

Dubravka H. Romano  
Associate Executive Director  
Risk Management Services  
Texas Association of School Boards, Inc.

CC: Ken Lyons, Laura Requena  
Adrian Pena ([Adrian.Pena@tasb.org](mailto:Adrian.Pena@tasb.org))

Attachments: Frequently Asked Questions and Explanation of Changes, Amended Interlocal Participation Agreement

## TASB RISK MANAGEMENT FUND INTERLOCAL PARTICIPATION AGREEMENT

Pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Interlocal Participation Agreement (Agreement) is entered into by and between the Texas Association of School Boards Risk Management Fund (Fund) and the undersigned local government of the State of Texas (Fund Member). The Fund is an administrative agency of local governments (Fund Members) that cooperate in performing administrative services and governmental functions relative to risk management.

### TERMS AND CONDITIONS

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, including, without limitation, the agreement of the Fund and Fund Members to provide risk management programs as detailed in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Fund Member and the Fund, intending to be legally bound, and subject to the terms, conditions, and provisions of this Agreement, agree as follows:

1. **Authority.** Fund Member hereby approves and adopts the Restatement of Interlocal Agreement, dated May 20, 1997, which restated the Interlocal Agreement dated July 2, 1974, establishing the predecessor of the Fund. The Restatement of Interlocal Agreement is incorporated into this Agreement by reference and is available from the Fund upon request. This Agreement serves to outline the relationship between the Fund and Fund Member. While the Texas Interlocal Cooperation Act provides the overarching basis for the Fund, certain Fund programs are further authorized pursuant to various statutes, such as Chapter 504 of the Texas Labor Code, pertaining to workers' compensation; and Chapter 2259, Subchapter B, of the Texas Government Code, pertaining to other risks or hazards.
2. **Program Participation.** This Agreement enables Fund Member to participate in one or more of the Fund's available programs. Because this is an enabling Agreement, Fund Member must also execute a separate Contribution and Coverage Summary (CCS) for each Fund program from which it seeks coverage and/or administrative services. Only a valid CCS will confer the right to participate in a specific program and each CCS shall be incorporated into this Agreement. Through participation in any Fund program, Fund Member waives none of its immunities and authorizes the Fund, or its designee, to assert such immunities on its behalf and on behalf of the Fund or its designee.
3. **Term of Agreement.** This Agreement shall be effective from the date of the last signature below and shall remain in effect unless terminated as provided in this Agreement. This Agreement will automatically terminate if Fund Member ceases to participate in at least one of the Fund's programs (due to the expiration of a CCS participation term or the valid termination of same) or fails to meet the membership qualifications of the Fund as provided in this Agreement and as determined by the Fund in writing.
4. **Termination.** Unless this Agreement is automatically terminated as described above, this Agreement, and/or any component CCS applicable to Fund Member, can be terminated as set forth below. However, unless specifically required in a CCS, the termination of any single Fund program under a CCS shall not also result in the automatic termination of another pending CCS, or this enabling Agreement if any other CCS is still in force for Fund Member. Rather, each Fund program can only be terminated as provided in this Agreement.
  - a. **By Either Party with 30 Days Notice before Renewal.** Any CCS may be terminated by either party with termination to be effective on any successive renewal date by giving written notice to the other party no later than 30 days prior to automatic renewal.
  - b. **By Fund Member upon Payment of Late Notice Fee.** If Fund Member fails to terminate a CCS as provided above, it may still terminate participation in any Fund program prior to the renewal date by paying a late notice fee as herein provided. If Fund Member terminates the CCS before the renewal date, but with fewer than 30 days' advance written notice, Fund Member agrees to pay the Fund a late notice fee in the amount of 25% of the annual contribution for the expiring participation term. Fund Member expressly acknowledges that the late notice fee is not a penalty, but a reasonable approximation of the Fund's damages for the Fund Member's untimely withdrawal from the program identified in the CCS. However, once the renewal term of a CCS commences, Fund Member can no longer terminate the CCS by paying a late notice fee; the CCS shall renew and Fund Member must pay 100% of the annual contribution for the renewal period.
  - c. **By the Fund upon Breach by Fund Member.** The Fund may terminate this Agreement or any CCS based on breach of any of the following obligations, by giving 10 days' written notice to Fund Member of the breach; and Fund Member's failure to cure the breach within said 10 days (or other time period allowed by the Fund):
    - 1) Fund Member fails or refuses to make the payments or contributions required by this Agreement;
    - 2) Fund Member fails to cooperate and comply with any reasonable requests for information and/or records made by the Fund;

- 3) Fund Member fails or refuses to follow loss prevention or statutory compliance requirements of the Fund, as provided in this Agreement; or
- 4) Fund Member otherwise breaches this Agreement.

If the Fund terminates this Agreement, or any CCS, based on breach as described above, Fund Member agrees that the Fund will have no responsibility of any kind or nature to provide coverage on the terminated Fund program post-termination. Further, Fund Member shall bear the full financial responsibility for any unpaid open claim and expense related to any claim, asserted or unasserted and reported or unreported, against the Fund or Fund Member, or incurred by the agents or representatives of Fund Member.

In addition to the foregoing, if termination is due to Fund Member's failure to make required payments or contributions, Fund Member agrees that it shall pay the Fund liquidated damages in the amount of 50% of the annual contribution for the participation term identified in the terminated CCS.

## 5. Contributions.

- a. **Agreement to Pay Contribution.** Fund Member agrees to pay its contribution for each Fund program in which it participates based on a plan developed by the Fund. The amount of contribution will be stated in the relevant CCS and will be payable upon receipt of an invoice from the Fund. Late fees amounting to the maximum interest allowed by law, but not less than the rate of interest authorized under Chapter 2251, Texas Government Code, shall begin to accrue daily on the first day following the due date and continue until the contribution and late fees are paid in full. If Fund Member fails to pay the amounts due under this Agreement, including any CCS, the Fund may redirect other amounts due to the Fund Member, payments received from Fund Member, or amounts held by the Fund for Fund Member's benefit, to offset the amount owed. Any offset will not extinguish Fund Member's obligation for any and all payments due under this Agreement, including any CCS.
- b. **Other Payments Due to the Fund.** In addition to contributions, if the Fund Member owes other payments to the Fund, such as deductibles or claim overpayments, and Fund Member fails to timely pay the amounts due, the Fund may redirect other amounts due to the Fund Member, payments received from Fund Member, or amounts held by the Fund for the Fund Member's benefit to offset the amounts owed.
- c. **Estimated Contribution and Contribution Adjustment.** In specified situations, the amount of contribution shown in the CCS will be identified as an estimate. The Fund reserves the right to request an audit of updated exposure information at the end of the CCS participation term and adjust contributions if Fund Member's exposure changes during the CCS participation term. As a result of the exposure review, any additional contribution payable to the Fund shall be paid by Fund Member, and any overpayment of contribution by Fund Member shall be returned or credited by the Fund. The Fund reserves the right to audit the relevant records of Fund Member in order to conduct this exposure review.

Upon expiration of each participation period, Fund Member may request a contribution adjustment due to exposure changes. Such request must be made in writing within 60 days after the end of the participation period. Fund Member must provide documentation as requested by the Fund to demonstrate that the exposure change warrants a contribution adjustment.

The annual contribution may be adjusted due to an exposure change or audit as presented in the CCS. The Fund may also request a contribution adjustment should the Fund's underwriting income for any program within a given program year be inadequate to pay the ultimate cost of claims incurred for that year, the Fund may collect an adjusted contribution from any current or former Fund Member if that Fund Member's contribution is inadequate to pay the Fund Member's claims incurred during that year.

6. **Contribution and Coverage Summary.** Fund Member agrees to abide by each CCS that governs its participation. A CCS will incorporate the program specific coverage document, if any, which sets forth the scope of coverage and/or services from the Fund. This Agreement will be construed to incorporate the CCS, Coverage Agreements, Endorsements, and Addenda, if any, whether or not physically attached. A CCS for a Fund program will state the participation term. After Fund Member's execution of a CCS, the CCS will automatically renew annually, unless terminated in accordance with this Agreement. Any renewal containing a change in the amount of contribution or other terms will be subject to the Amendment by Notice process described in this Agreement.
7. **Loss Prevention.** The Fund may provide loss prevention services to Fund Member. Fund Member agrees to adopt the Fund's reasonable and customary standards for loss prevention and to cooperate in implementing any and all reasonable loss prevention and statutory compliance recommendations or requirements. The Fund makes no warranty on Fund loss prevention recommendations.

8. **Other Duties of Fund Member.**

- a. **Standards of Performance.** Time shall be of the essence in Fund Member's reporting of any and all claims to the Fund, payment of any contributions or monies due to the Fund, and delivery of any written notices under this Agreement.
- b. **Claims Reporting.** Notice of any claim must be provided to the Fund as required by law or the applicable Coverage Agreement. Failure by Fund Member to timely report a claim may result in denial of coverage or payment of fines or penalties imposed by law or regulatory agencies. If the Fund advances payment of any fine or penalty arising from Fund Member's late claim reporting, Fund Member will reimburse the Fund for all such costs.
- c. **Cooperation and Access.** Fund Member agrees to cooperate and to comply in a timely manner with all reasonable requests for access, information and/or records made by the Fund or by a third-party acting for the Fund. Fund Member further agrees to provide complete and accurate statements of material facts, to not misrepresent or omit such facts, or make false statements to the Fund. The Fund Member agrees that any information held by the Fund's Administrator, or its' affiliated entities may be provided to the Fund. The Fund reserves the right to audit the relevant records of Fund Member to determine compliance with this Agreement.

9. **Administration of Claims.** The Fund or its designee agrees to administer all claims for which Fund Member has coverage after Fund Member provides timely written notice to the Fund. Fund Member hereby authorizes the Fund or its designee to act in all matters pertaining to handling of claims for which Fund Member has coverage pursuant to this Agreement. Fund Member expressly agrees that the Fund has sole authority in all matters pertaining to the administration of claims and grants the Fund or its designee full decision-making authority in all matters, including without limitation, discussions with claimants and their attorneys or other duly authorized representatives. Fund Member further agrees to be fully cooperative in supplying any information reasonably requested by the Fund in the handling of claims. All decisions on individual claims shall be made by the Fund or its designee, including, without limitation, decisions concerning claim values, payment due on the claim, settlement, subrogation, litigation, or appeals.

10. **Excess Coverage/Reinsurance.** The Fund, in its sole discretion, may purchase excess coverage or reinsurance for any or all Fund programs. In the event of a substantial change in terms or cost of such coverage, the Fund reserves the right to make adjustments to the terms and conditions of a CCS as allowed by the Amendment by Notice process under this Agreement. If any reinsurer, stop loss carrier, and/or excess coverage provider fails to meet its obligations to the Fund or any Fund Member, the Fund is not responsible for any payment or any obligations to Fund Member from any reinsurer, stop loss carrier, or excess coverage provider.

11. **Subrogation and Assignment of Rights.**

- a. Fund Member, on its own behalf and on behalf of any person entitled to benefits under this Agreement, assigns all subrogation rights to the Fund. The Fund has the right, in its sole discretion, without notice to Fund Member, to bring all claims and lawsuits in the name of Fund Member or the Fund. Fund Member agrees that all subrogation rights and recoveries belong first to the Fund, up to the amount of benefits, expenses, and attorneys' fees incurred by the Fund, with the balance, if any, being paid to Fund Member, unless otherwise specifically stated in the Agreement. Award of funds to any person entitled to coverage, whether by judgment or settlement, shall be conclusive proof that the injured party has been made whole. Fund Member's right to be made whole is expressly superseded by the Fund's subrogation rights. If Fund Member procures alternate coverage for a risk covered by the Fund, the latter acquired coverage shall be deemed primary coverage concerning that risk.
- b. Fund Member shall do nothing to prejudice or waive the Fund's existing or prospective subrogation rights under this Agreement. If Fund Member has waived any subrogation right without first obtaining the Fund's written approval, the Fund shall be entitled to recover from Fund Member any sums that it would have been able to recover absent such waiver. Recoverable amounts include attorneys' fees, costs, and expenses.

12. **Appeals.** Fund Member shall have the right to appeal any written decision or recommendation to the Fund's Board of Trustees, and the Board's determination will be final. Any appeal shall be made in writing to the Board Chair within 30 days of the decision or recommendation.

13. **Bylaws, Policies, and Procedures.** Fund Member agrees to abide by the Bylaws of the Fund, as they may be amended from time to time, and any and all written policies and procedures established by the Fund (which are available from the Fund upon written request). If a change is made to the Fund's Bylaws, written policies or procedures which conflicts with or impairs a CCS, such change will not apply to Fund Member until the renewal of such CCS, unless Fund Member specifically agrees otherwise.

14. **Payments.** Fund Member represents and warrants that all payments required under this Agreement of Fund Member shall be made from its available current revenues.

15. **Fund Member's Designation of Coordinator.** Fund Member agrees to designate an employee with appropriate authority as coordinator (Program Coordinator) for Fund Member on this Agreement or any CCS executed by Fund Member. Fund Member's Program Coordinator shall have express authority to represent and to bind Fund Member, shall fully communicate with the Fund regarding Fund business, and shall not delegate this communication to a third party. The Fund will not be required to contact any other individual regarding matters arising from or related to this Agreement. Fund Member reserves the right to change its Program Coordinator as needed, by giving written notice to the Fund; such notice is not effective until actually received by the Fund. Notice provided to the Chief Executive Officer of Fund Member shall also serve as notice to the Program Coordinator.
16. **Risk Sharing Agreement.** This Agreement is a risk sharing and risk participation agreement and should not be construed to be a contract of insurance. If any ambiguity exists in this Agreement, including any CCS or specific coverage document, the provision shall not be construed against the Fund as drafter of this Agreement. The Fund is not an insurance company nor is any member an insured. The Fund is a self-insured risk pool through which its members agree to share risk and actively participate in their contractual obligations to lessen risk and cost for all members. Any reference in this Agreement to an insurance term or concept is coincidental, is not intended to characterize the Fund as "insurance" as defined by law, shall be deemed to apply to self-insurance, and is not to be construed as being contrary to the self-insurance concept.
17. **Representation.** Fund Member authorizes the Fund to represent Fund Member in any lawsuit, dispute, or proceeding arising under or relating to any Fund program and/or coverage in which Fund Member participates. The Fund may exercise this right in its sole discretion and to the fullest extent permitted or authorized by law. Fund Member shall fully cooperate with the Fund, its designee, and the Fund's chosen counsel, including, without limitation, supplying any information necessary or relevant to the lawsuit, dispute, or proceeding in a timely fashion. Subject to specific revocation, Fund Member designates the Fund to act as a class representative on its behalf in matters arising out of this Agreement.
18. **Members' Equity.** The Fund Board, in its sole discretion, may declare a distribution of the Fund's members' equity to Fund Members. Members' equity belongs to the Fund. No current or former individual Fund Member is entitled to an individual allocation or portion of members' equity.
19. **Entire Agreement.** This Agreement, together with the Restated Interlocal Agreement, Bylaws, CCSs, and Coverage Agreements that are in effect as to Fund Member from time to time, represent and contain the complete understanding and agreement of the Fund and Fund Member, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Fund and Fund Member other than those set forth in this Agreement duly executed in writing. In the event of conflict between the terms of this Agreement and the Restated Interlocal Agreement, Bylaws, CCS, or any Coverage Agreement, the specific terms of the later adopted agreement shall prevail to the extent necessary to resolve the conflict. This Agreement replaces all previous Interlocal Participation Agreements between the Fund and Fund Member. Notwithstanding the foregoing, this Agreement does not supersede any unexpired participation term or pending claim under an existing agreement between Fund Member and Fund.
20. **Amendment by Notice.** This Agreement, including any of its component CCSs or coverage documents, may be amended by the Fund, in writing, by providing Fund Member with written notice before the earlier of (i) the effective date of the amendment or (ii) the date by which Fund Member can terminate without payment of late notice fees or liquidated damages. Unless this Agreement expressly provides otherwise, an amendment shall only apply prospectively and Fund Member shall have the right to terminate this Agreement, or a component CCS to which the amendment applies, before the amendment becomes effective, as provided in this Agreement. If Fund Member fails to give the Fund timely written notice of termination, Fund Member shall be deemed to have consented to the Fund's amendment and agrees to abide by and be bound by the amendment, without necessity of obtaining Fund Member's signature.

The Fund may amend this Agreement or any CCS effective upon renewal. Amendments may be for any reason including changes to the terms or contribution amount.

The Fund may also amend this Agreement or any CCS, effective during the term of a CCS, for any reason including but not limited to the following:

- a. State or federal governments, including any court, regulatory body, or agency thereof, adopt a statute, rule, decision, or take any action that would substantially impact the rights or financial obligations of the Fund as it pertains to this Agreement, or any Fund program or CCS.
- b. The terms of the Fund's stop-loss or excess coverage or reinsurance change substantially.

If the Fund exercises the option to amend the Agreement or any CCS during the term of a CCS and prior to renewal, the Fund shall give Fund Member 30 days advance written notice. Fund Member will then have the right during the 30-day period to give the Fund written notice of termination of the applicable Fund program, effective upon the expiration of the 30-day notice period (or longer period if so provided by the Fund in writing).

21. **Severability; Interpretation.** If any portion of this Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions shall continue in full force and effect. Any questions of particular interpretation shall not be interpreted against the drafter of this Agreement, but rather in accordance with the fair meaning thereof.
22. **Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles that would require the application of the laws of another state. The Fund retains its governmental immunity except to the extent it is waived by the legislature. The parties agree that the following adjudication procedures apply to any legal dispute, and that the Fund Member's right to file suit against the Fund is contingent upon compliance with these procedures pursuant to Texas Local Government Code section 271.154:
- a. Prior to filing suit, the Fund Member must comply with all of its obligations under this Agreement and any specific Coverage Agreement including an appeal to the Fund Board as described by Section 12 of this Agreement. A good-faith appeal to the Fund Board is a pre-suit adjudication procedure that is required before litigation by a Fund Member against the Fund.
  - b. Prior to filing suit, the Fund Member will participate in good faith in mediation in Travis County, Texas before a mediator approved by both parties; and
  - c. Any suit against the Fund must be brought in Travis County, Texas.

In the event of a lawsuit or formal adjudication between Fund Member and the Fund, the prevailing party is entitled to recover reasonable and necessary attorneys' fees and expenses, including expert fees, that are equitable and just.

**Waiver and Estoppel.** No provision of this Agreement will be deemed waived by either party unless expressly waived in writing by the waiving party. No waiver shall be implied by delay or any other act or omission. No waiver by either party of any provision of this Agreement shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision. Estoppel may not be asserted against either party so as to prevent that party from enforcing or insisting on the other party's compliance with any provision of this Agreement.

**Assignment.** This Agreement or any duties or obligations imposed by this Agreement shall not be assignable by Fund Member without the prior written consent of the Fund. Fund Member shall not transfer any interest in Fund claim related payments to any third party, including, but not limited to litigation finance companies, attorneys, banks, public adjusters, architects, engineers, or contractors. Any action by the Fund Member which grants or attempts to grant to any third party an interest in or control over any claim payment, including, but not limited to, the Member's entry into a contingent fee contract, will immediately suspend any obligation by the Fund to make any claim payment under this Agreement. The obligation of the Fund to make any such claim payments shall not be restored unless and until the Fund Member provides the Fund with evidence reasonably satisfactory to the Fund that any such transfer or attempt to transfer an interest in or control over such claim payment to a third party has effectively been terminated.

23. **Authorization.** By the execution of this Agreement, the undersigned individuals warrant that they have been authorized by all requisite governance action to enter into and to perform the terms and conditions of this Agreement and that the Fund Member authorizes the Program Coordinator or Chief Executive Officer to approve and bind the Fund Member to any current or future CCS entered into under this Agreement
24. **Notice.** Unless expressly stated otherwise in this Agreement, any notice required or provided under this Agreement by either party to the other party shall be in writing and shall be sent by first class mail, postage prepaid or by a carrier for overnight service or by electronic means typically used in commerce. Notice to the Fund shall be sufficient if made or addressed as follows: TASB Risk Management Fund, P.O. Box 301, Austin, Texas 78767-0301, or [tasbrmf@tasbrmf.org](mailto:tasbrmf@tasbrmf.org). The Fund's required notice address may be updated through explicit written or electronic notice to Fund Members. Notice to a Fund Member shall be sufficient if addressed to the Program Coordinator or Fund Member's Chief Executive Officer and mailed to Fund Member's physical or electronic address of record on file with the Fund.
25. **Miscellaneous.** These provisions apply throughout this Agreement:
- a. **Fund reference.** Any reference to the Fund in this Agreement includes reference to its designees.
  - b. **CCS reference.** References to a Contribution and Coverage Summary (CCS) includes a reference to all separate coverage portions of a CCS and/or any similar service agreement between the Fund and a Fund Member.
  - c. **"Including."** Unless the context requires otherwise, the term "including" means "including but not limited to."
  - d. **Successors.** This Agreement binds and inures to the benefit of the parties and their successors.
  - e. **Headings.** The headings are for convenience only and do not affect the interpretation of this Agreement.

26. **Signatures/Counterparts.** The failure of a party to provide an original, manually executed signature to the other party shall not affect the validity or enforceability of this Agreement. Either party may rely upon a facsimile or imaged signature as if it were an original. This Agreement may be executed in several separate counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

WHEREFORE, the parties agree to be bound by this Agreement by signing below.

For FUND MEMBER: **South Texas College**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Fund Member's Authorized Representative

Printed Name of Fund Member's Authorized Representative

\_\_\_\_\_

Date approved by Fund Member's Board of Trustees: \_\_\_\_\_

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**For TASB Risk Management Fund Use Only**

**For TASB RISK MANAGEMENT FUND:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Chair, TASB Risk Management Fund Board of Trustees