



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing and Special Board Meeting

**Tuesday, August 27, 2024
5:15 p.m.**

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

Online Board Packet

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, August 27, 2024 @ 5:15 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501**

AGENDA

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

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Public Comments**
- IV. Action on Committee Recommendations**
- V. Public Hearing on FY 2024 – 2025 Budget 3**
 - Presentation of Overview of FY 2024 - 2025 Budget
 - Public Comments
 - Close of Public Hearing on FY 2024 - 2025 Budget
- VI. Consideration and Action on Agenda Items**
 - 1. Consideration and Approval of Resolution 2024-017 Adopting the Budget for FY 2024 – 2025..... 4 - 21
- VII. Announcements**
 - A. Next Meeting:
 - Regular Meeting of Board of Trustees, August 27, 2024 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on FY 2024 - 2025 Budget

Ms. Mary Del Paz, Vice President for Finance and Administrative Services, will present the FY 2024 - 2025 Budget to the public and Board of Trustees during the public hearing and prior to the formal adoption of the Budget by the Board.

The Public Hearing on the FY 2024 - 2025 Budget will consist of:

- Presentation of Overview of FY 2024 - 2025 Budget
- Public Comments
- Closing of the Public Hearing on FY 2024 - 2025 Budget

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

Consideration and Approval of Resolution 2024-017 Adopting the Budget for FY 2024 – 2025

It is recommended that the Board of Trustees approve Resolution 2024-017 adopting the Budget for FY 2024 - 2025 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2024 - 2025 was advertised on August 7, 2024 in the Starr County Town Crier and The Monitor. The Hearing gives the general public the opportunity to make comments and have input with regard to the adoption of the budget. A copy of the budget is included under separate cover.

Resolution 2024-017 adopting the Budget for FY 2024 - 2025 and a presentation on the Budget follow in the packet for the Board's information and review.

A copy of the proposed budget was made available for viewing at the Office of the Vice President for Finance and Administrative Services located in the Building P in Room 3.144 at the Pecan Campus prior to the Public Hearing. Copies of the budget are publicly available online and printed copies will be made available at the Public Hearing.

The Finance, Audit, and Human Resources Committee reviewed the FY 2024 – 2025 Proposed Budget, which included all Funds at their August 12, 2024 meeting and recommended approval.

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

The Board of Trustees of South Texas College approves and authorizes Resolution 2024-017 adopting the Budget for FY 2024 - 2025 as recommended.

Approval Recommended:

Dr. Ricardo J. Solis
President

Resolution No. 2024-017

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2024 AND ENDING AUGUST 31, 2025 IN ACCORDANCE WITH THE PROVISIONS OF THE TEXAS EDUCATION CODE AND ORDERING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

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

SECTION I: The Budget Estimate of revenues for South Texas College District (the “College District”) and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning September 1, 2024, and ending August 31, 2025, as submitted by the President of the College, be, and the same is in all things, adopted and approved as the budget of all of the current revenues and expenses for the fiscal year beginning the 1st day of September, 2024, and ending the 31st day of August, 2025.

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

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

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

SECTION V: This Resolution shall be and remain in full force and effect as of September 1, 2024.

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

CONSIDERED, PASSED and APPROVED this ____ day of August, 2024 at a meeting of the Board of Trustees of South Texas College District at which a quorum was present and which was held in accordance with the Texas Government Code Chapter 551.

SIGNED this ____ day of August, 2024.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Dr. Alejo Salinas, Chair

ATTEST:

By: _____
Danny Guzman, Secretary



SOUTH TEXAS
COLLEGE

Preliminary Budget for FY 2024 - 2025

AUGUST 27, 2024

MARIA G. DEL PAZ, MBA, CPA, CFE, CGMA

VICE PRESIDENT FOR FINANCE AND ADMINISTRATIVE SERVICES

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FY 2024 – 2025 Budget Highlights



1. HB8 Financial Aid for Swift Transfer (FAST Funding)
2. Simplified Tuition Rate (STR) Includes Student Activity Fee
3. Increase in Interest Revenue
4. Increase in Property Tax Revenue
5. ERP Implementation (Carryover Funding)
6. Board Approved TASB Salary Increases
7. Proposed New Positions and Adjustments
8. FLSA Exempt Rule Change
9. Technology Classification
10. Capital Funded with Current-Year Revenue

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Preliminary Unrestricted Fund Revenues FY 2024 - 2025

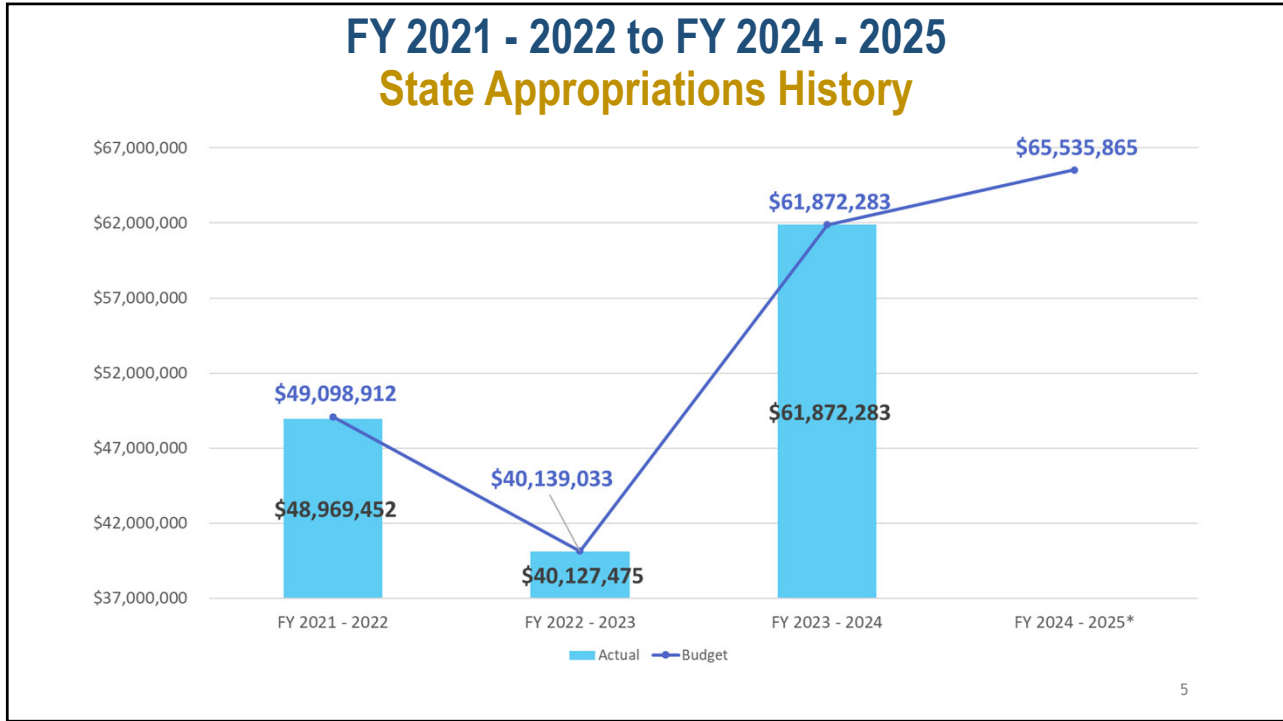
Summary of Revenues	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Increase/ (Decrease)
State Appropriations	\$61,724,370	\$65,387,952	\$3,663,582
Other State Appropriations – Hazlewood Reimbursement	147,913	147,913	-
Total State Appropriations	61,872,283	65,535,865	3,663,582
Total Tuition-Net of TPEG	55,810,730	58,879,238	3,068,508
Total Fees	2,912,740	2,571,327	(341,413)
Total M&O Property Taxes	76,004,964	76,706,437	701,473
Total Other Revenues	18,218,362	14,096,005	(4,122,357)
Total Carryover Allocations	23,103,169	18,112,170	(4,990,999)
Total Revenues	\$237,922,248	\$235,901,042	\$(2,021,206)

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FY 2024 - 2025 State Appropriation Changes

Appropriation Category	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Revenue Increase/(Decrease)
State Appropriations	\$52,949,625	\$56,743,212	\$3,793,587
State Appropriations - FAST	8,774,745	8,644,740	(130,005)
Hazlewood Reimbursement	147,913	147,913	-
Total State Appropriations	\$61,872,283	\$65,535,865	\$3,663,582

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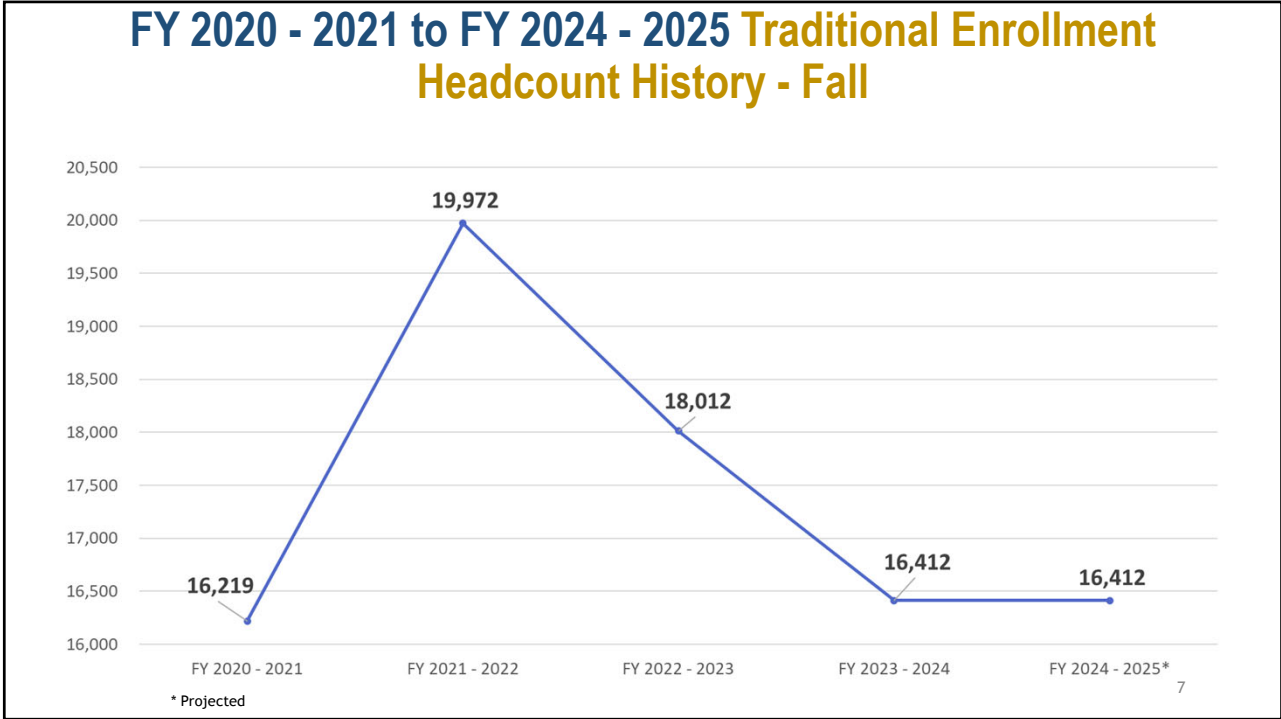


FY 2024 - 2025 Traditional and Dual Credit Enrollment Headcount Projection

Term	FY 2023 - 2024 Traditional (Actual)	FY 2024 - 2025 Traditional Projected	Enrollment Decrease (from FY 2023 - 2024)	% Reduction
Fall	16,412	16,412	-	0.0%
Spring	13,857	13,857	-	0.0%
Summer	7,349	7,234	(115)	(1.6%)
Total	37,618	37,503	(115)	(0.3%)

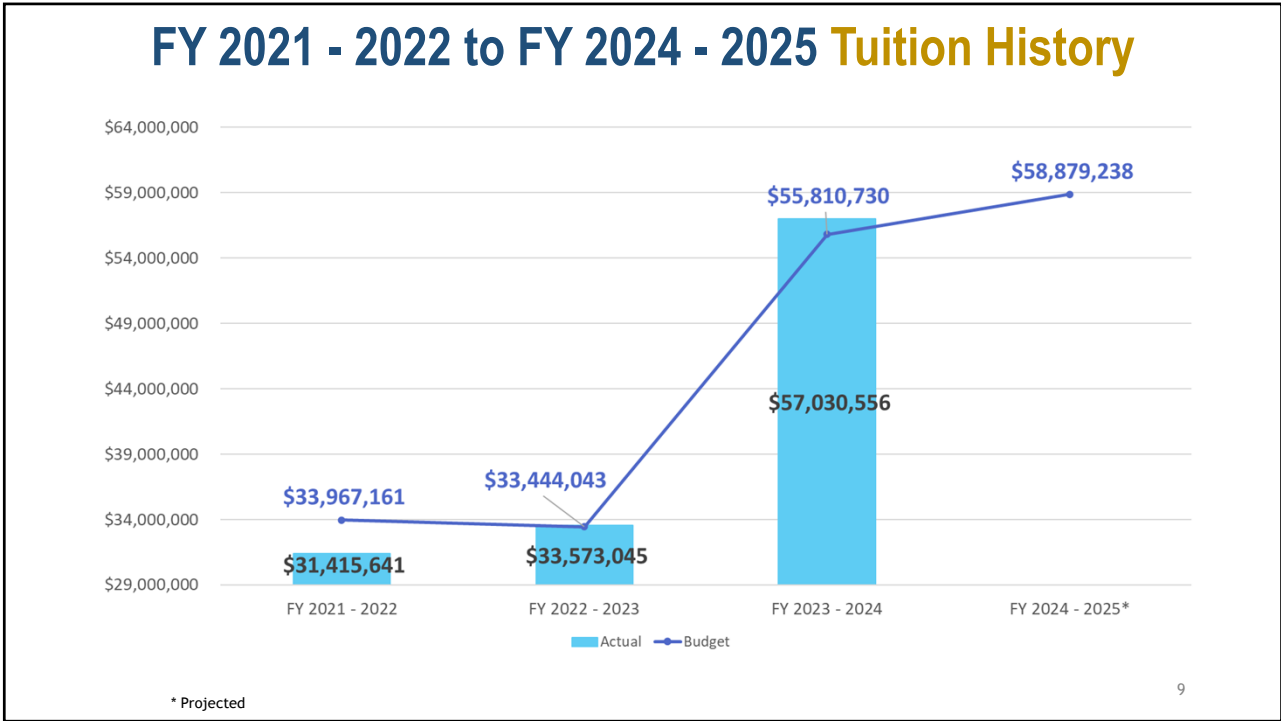
Term	FY 2023 - 2024 Dual Credit (Actual)	FY 2024 - 2025 Dual Credit Projected	Enrollment Decrease (from FY 2023 - 2024)	% Reduction
Fall	10,270	10,578	308	3.0%
Spring	12,178	12,665	487	4.0%
Summer	4,523	4,541	18	0.4%
Total	26,971	27,784	813	3.0%

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FY 2024 - 2025 Tuition Changes

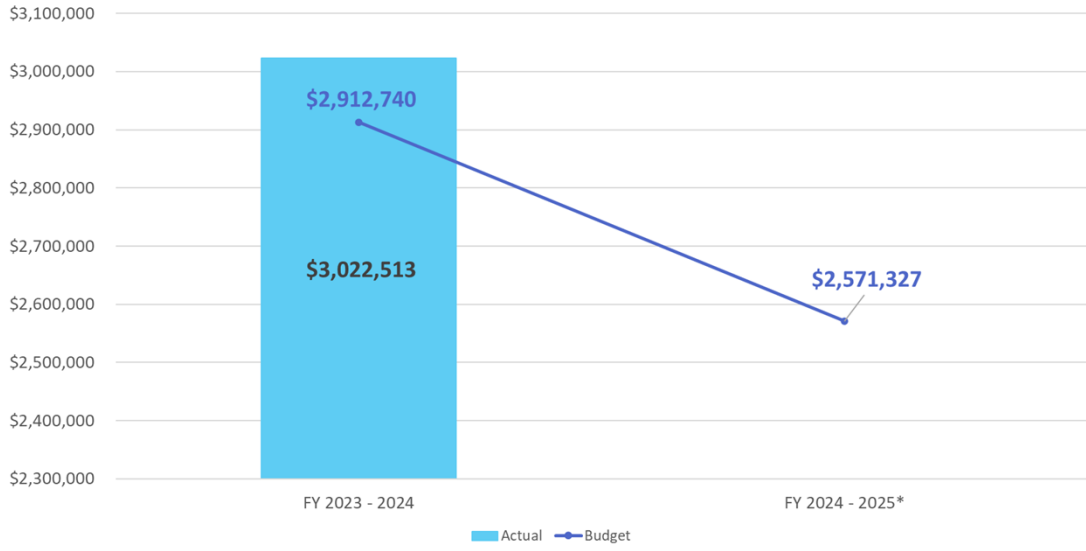
Tuition Category	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Revenue Increase/(Decrease)
Academic Tuition Increase Due to Trend, Flat Enrollment, and Student Activities Fee Merged into STR	\$50,833,630	\$55,611,273	\$4,777,643
Differential Tuition Increase Due to Trend, and Flat Enrollment	1,778,475	2,394,600	616,125
Bachelor of Applied Science in Organizational Leadership Decrease Due to Removal of Tuition	2,058,060	-	(2,058,060)
Continuing, Professional, and Workforce Education (CPWE) and Industry Training and Economic Development (ITED) Decrease	4,597,441	4,507,381	(90,060)
Texas Public Education Grants (TPEG)	(3,456,876)	(3,634,016)	(177,140)
Total Tuition Changes-Net of TPEG	\$55,810,730	\$58,879,238	\$3,068,508



FY 2024 - 2025 Fee Changes

Fee Category	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Revenue Increase/(Decrease)
Fee Decrease Due to Trend and Flat Enrollment	\$2,912,740	\$2,571,327	(\$341,413)

FY 2023 - 2024 to FY 2024 - 2025 Fee History



* Projected

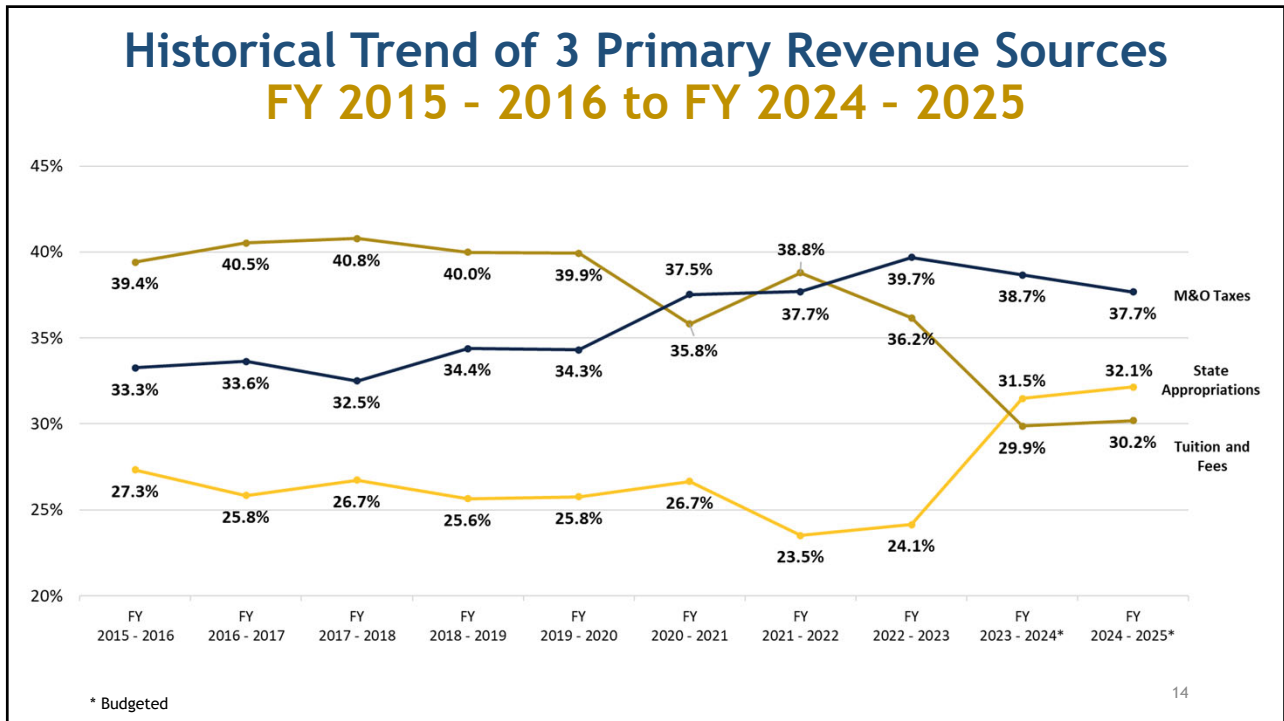
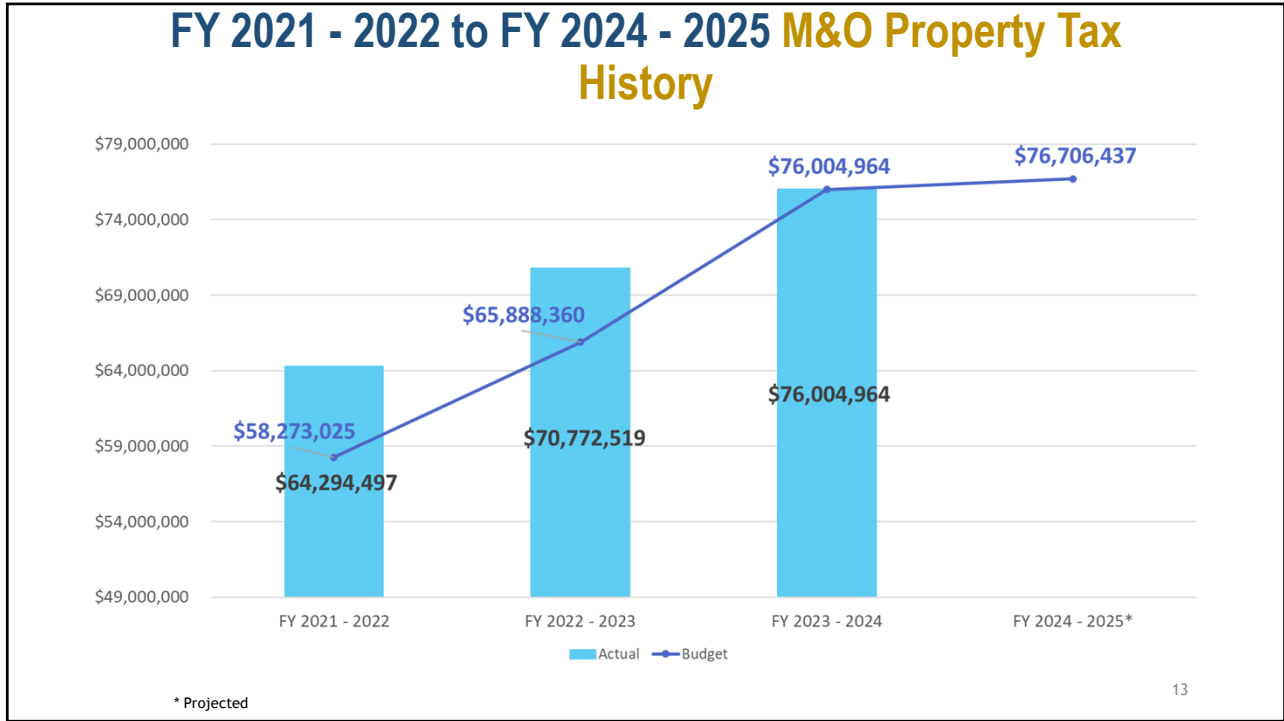
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FY 2024 - 2025 M&O Property Tax Changes

M&O Property Taxes	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Revenue Increase/(Decrease)
M&O Tax Collections, Delinquent Tax, and Penalties and Interest* Increase	\$76,004,964	\$76,706,437	\$701,473

* Based on increased collection revenues

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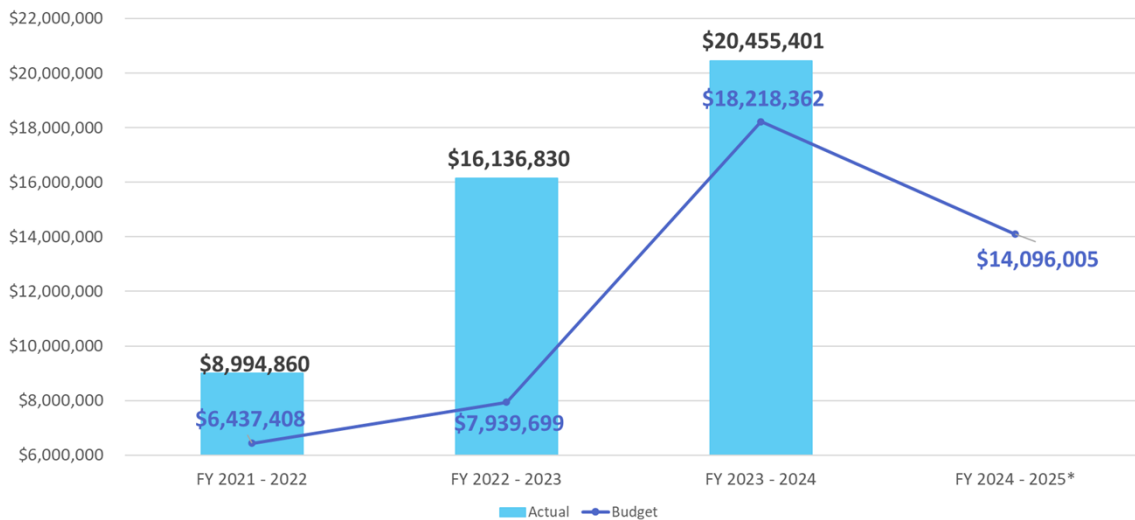


FY 2024 - 2025 Other Revenue Changes

Other Revenue Category	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Revenue Increase/(Decrease)
Dual Credit Enrollment Cost Reimbursement Decrease	\$4,800,000	\$3,250,000	\$(1,550,000)
Dual Credit Academy Participation Fee Increase	280,000	300,000	20,000
Interest Decrease	12,423,887	10,000,000	(2,423,887)
Administrative Costs/Shuttle System Contribution Decrease	577,640	534,305	(43,335)
Testing Commissions, Indirect Processing Fee, Promise Program Decrease	136,835	11,700	(125,135)
Total Other Revenue Changes	\$18,218,362	\$14,096,005	\$(4,122,357)

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FY 2021 - 2022 to FY 2024 - 2025 Other Revenue History



* Projected

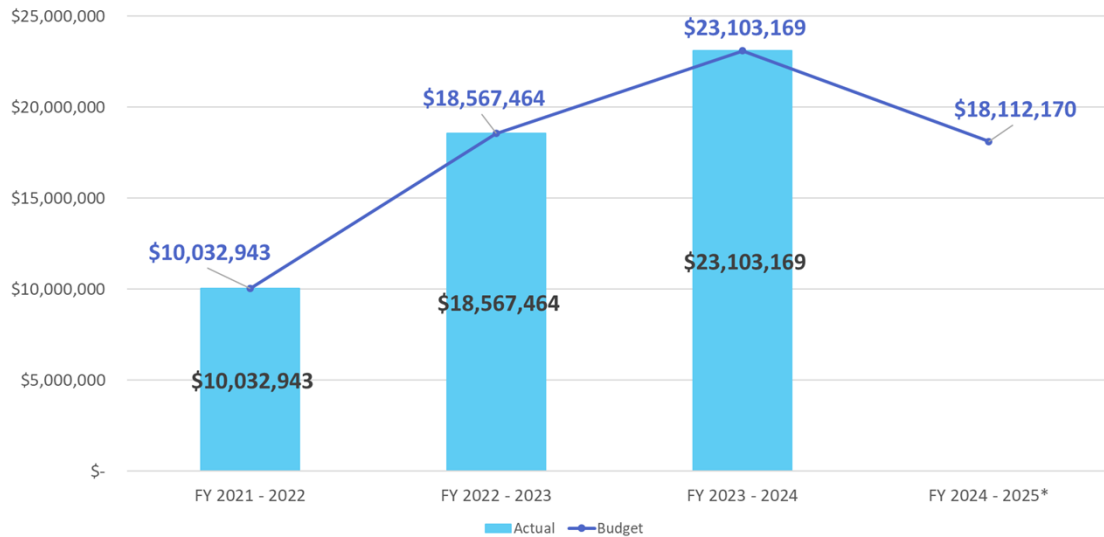
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FY 2024 - 2025 Carryover Allocations Revenue

Carryover Allocation Category	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Revenue Increase/(Decrease)
Contingency Fund	\$2,000,000	\$-	\$(2,000,000)
Unexpended Construction Plant Fund	10,000,000	10,000,000	-
Developmental Studies Book Royalties	4,813	-	(4,813)
Continuing, Professional, and Workforce Education	448,200	220,000	(228,200)
Retention Incentive Payment	3,208,238	-	(3,208,238)
Technology Support Reimbursement	1,475,175	-	(1,475,175)
NAH Faculty	102,000	250,000	148,000
Gap Bridging Retention Payment	-	3,882,973	3,882,973
Center for Advanced Training & Apprenticeships	79,520	-	(79,520)
ERP Implementation	5,785,223	3,759,197	(2,026,026)
Total Carryover Allocations Revenue Changes	\$23,103,169	\$18,112,170	\$(4,990,999)

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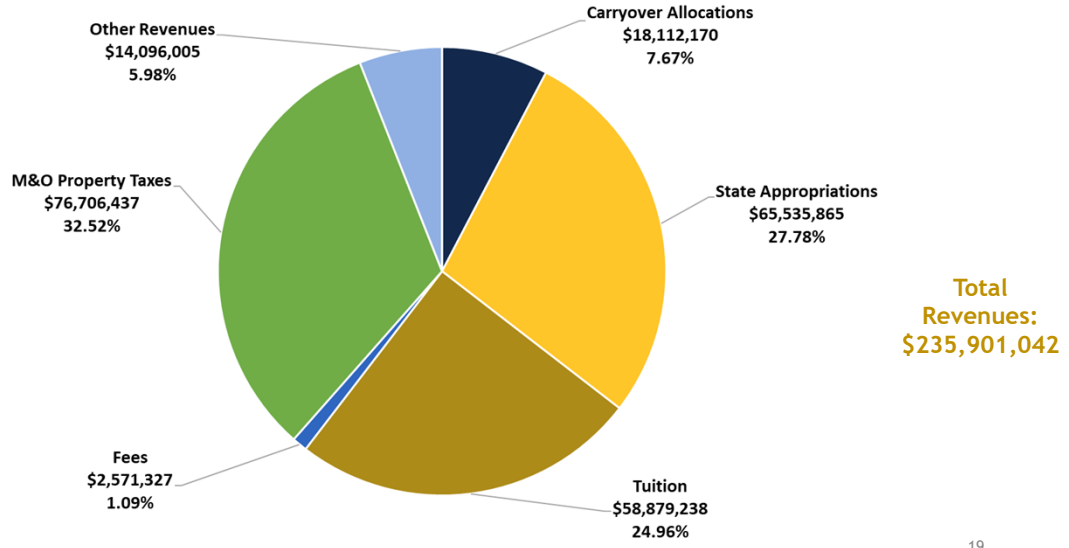
FY 2021 - 2022 to FY 2024 - 2025 Carryover Allocations Revenue History



* Projected

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Proposed Unrestricted Fund Revenues FY 2024 - 2025



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Preliminary Unrestricted Fund Expenditures FY 2024 - 2025

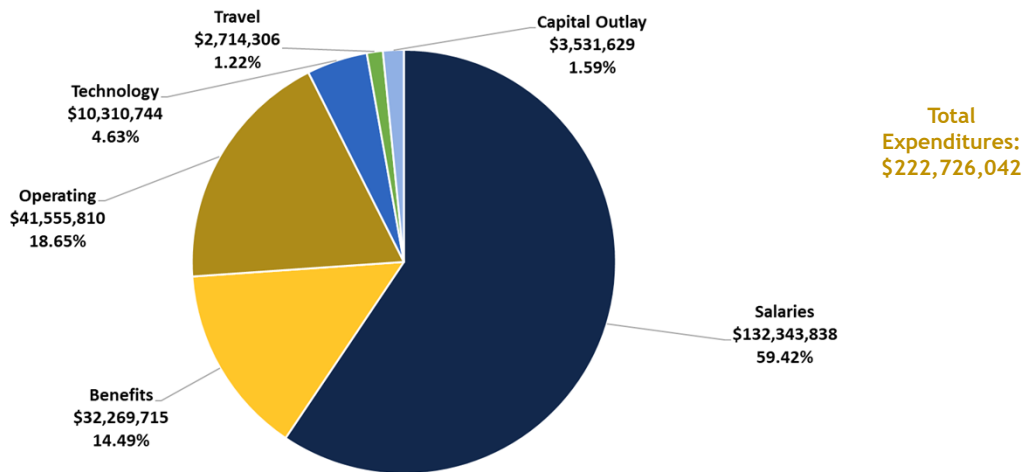
Summary of Expenditures	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Increase/ (Decrease)
Total Salaries	\$118,899,054	\$132,343,838	\$13,444,784
Total Benefits	28,453,649	32,269,715	3,816,066
Total Operating	46,612,416	41,555,810	(5,056,606)
Total Technology	-	10,310,744	10,310,744
Total Travel	2,535,102	2,714,306	179,204
Total Capital Outlay	6,301,736	3,531,629	(2,770,107)
Total Expenditures	\$202,801,957	\$222,726,042	\$19,924,085
Transfers & Reserves			
Transfer to Unexpended Plant Fund	15,085,763	10,000,000	(5,085,763)
Transfer to R&R Plant Fund	4,000,000	-	(4,000,000)
Transfer to Student Activities Auxiliary Fund	-	1,175,000	1,175,000
Contingency Fund	2,000,000	2,000,000	-
Fund Balance Reserve	14,034,528	-	(14,034,528)
Total Transfers & Reserves	35,120,291	13,175,000	(21,945,291)
Total Expenditures, Transfers & Reserves	\$237,922,248	\$235,901,042	\$(2,021,206)
Revenues over Expenditures	\$-	\$-	\$-

FY 2024 - 2025 Transfers & Reserves Changes

Transfers & Reserves Category	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Expenditure Increase/(Decrease)
Transfer to Unexpended Plant Fund	\$15,085,763	\$10,000,000	\$(5,085,763)
Transfer to R&R Plant Fund	4,000,000	-	(4,000,000)
Transfer to Student Activities Auxiliary Fund	-	1,175,000	1,175,000
Contingency Fund	2,000,000	2,000,000	-
Fund Balance Reserve	14,034,528	-	(14,034,528)
Total Transfers & Reserves	\$35,120,291	\$13,175,000	\$(21,945,291)

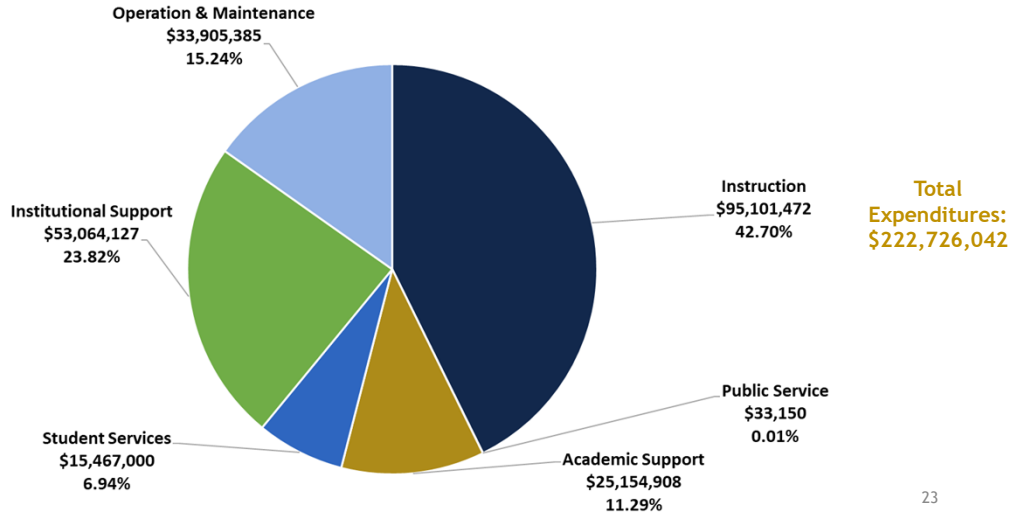
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Proposed Unrestricted Fund Expenditures by Classification FY 2024 - 2025 (Excluding Transfers and Reserves)



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Proposed Unrestricted Fund Expenditures by Function FY 2024 - 2025 (Excluding Transfers and Reserves)



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FY 2024 - 2025 Revenues over Expenditures

Summary of Revenues and Expenditures	FY 2023 - 2024 Budget (Amended)	FY 2024 - 2025 Budget (Proposed)	Increase/(Decrease)
Total Revenue	\$237,922,248	\$235,901,042	\$(2,021,206)
Total Expenditures, Transfers & Reserves	237,922,248	235,901,042	(2,021,206)
Revenues over Expenditures	\$-	\$-	\$-

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Proposed Auxiliary Fund Revenues and Expenditures

Total Revenues		Total Expenditures	
\$3,034,108		\$3,034,108	
Revenue Sources		Expenditure Types	
Bookstore Commissions, Carryover Fund Balance	\$585,366	Student/Employee Initiatives	\$585,366
Vending Machine Commissions and Interest Income	\$137,000	Student/Employee Initiatives	\$137,000
Conferences Revenue	\$313,292	Conference Expenditures	\$313,292
Child Care Center Revenue	\$652,583	Child Care Center Expenditures	\$652,583
Transfer In from Unrestricted - Fund Balance Reserve	\$200,000	Fund Balance Reserve	\$200,000
Transfer In from Unrestricted-Student Activities	\$975,000	Student Activities & Wellness	\$975,000
Non Public Fund	\$129,759	Non Public Fund	\$129,759
NAH Pinning Fees	\$41,108	NAH Pinning Ceremonies	\$41,108

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Proposed Restricted Fund Revenues and Expenditures

Total Revenues		Total Expenditures	
\$97,598,778		\$97,598,778	
Revenue Sources		Expenditure Types	
State and Federal Financial Aid	\$65,533,790	Pell, SEOG, College Work-Study, TEOG Initial and Renewal	\$65,533,790
State and Federal Grants	\$9,863,666	Developing Hispanic Serving Institutions, Carl Perkins, Nursing Shortage Reduction, Veterans Chapter 31 & 33, Apprenticeship Texas	\$9,863,666
Private and Local Grants and Scholarships	\$11,719,973	Student scholarships, TPEG, VIDA, Valley Scholars, MEDA	\$11,719,973
On Behalf State Appropriations	\$10,481,349	Eligible Staff Retirement and Insurance Benefits	\$10,481,349

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Proposed Plant Fund Revenues and Expenditures

Plant Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers, and Reserves
Unexpended Fund (Construction)	\$58,383,418	\$58,383,418
Renewals & Replacements	\$13,440,855	\$13,440,855
Retirement of Indebtedness	\$12,855,311	\$12,855,311

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Proposed Section 140.0045 Expenditures

Local Government Code Section 140.0045 requires that proposed budgets prepared by certain political subdivisions, including community colleges, add a line item indicating the amount of expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Section 305.002, Government Code.

Expenditures	FY 2022 - 2023 Actual	FY 2023 -2024 Estimated	FY 2024 -2025 Budget
Total Section 140.0045 Expenditures	\$89,947	\$28,506	\$38,639

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THANK YOU
Questions

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