



**SOUTH TEXAS
COLLEGE**

Board of Trustees

Public Hearing & Special Board Meeting

**Tuesday, August 26, 2025
5:00 p.m.**

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

Online Copy

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, August 26, 2025 @ 5:00 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501**

AGENDA

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

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Public Comments**
- IV. Action on Committee Recommendations**
- V. Public Hearing on FY 2025 – 2026 Budget 2**
 - Presentation of Overview of FY 2025 - 2026 Budget
 - Public Comments
 - Close of Public Hearing on FY 2025 - 2026 Budget
- VI. Consideration and Action on Agenda Items**
 - 1. Consideration and Approval of Resolution 2025-015 Adopting the Budget for FY 2025 – 2026..... 3 - 20
- VII. Announcements**
 - A. Next Meeting:
 - Regular Meeting of Board of Trustees, August 26, 2025 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on FY 2025 - 2026 Budget

Ms. Mary Del Paz, Vice President for Finance and Administrative Services, will present the FY 2025 - 2026 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 2025 - 2026 Budget will consist of:

- Presentation of Overview of FY 2025 - 2026 Budget
- Public Comments
- Closing of the Public Hearing on FY 2025 - 2026 Budget

The Budget is included under separate cover.

Consideration and Approval of Resolution 2025-015 Adopting the Budget for FY 2025 – 2026

It is recommended that the Board of Trustees approve Resolution 2025-015 adopting the Budget for FY 2025 - 2026 as presented.

A Notice of the Public Hearing on South Texas College's proposed budget for FY 2025 - 2026 was advertised on August 6, 2025 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 2025-015 adopting the Budget for FY 2025 - 2026 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 2025 – 2026 Proposed Budget, which included all Funds at their August 12, 2025 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 2025-015 adopting the Budget for FY 2025 - 2026 as recommended.

Approval Recommended:

Dr. Ricardo J. Solis
President



**SOUTH TEXAS
COLLEGE**

Proposed Budget for FY 2025 - 2026

AUGUST 12, 2025

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

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FY 2025 – 2026 Budget Highlights

- ▶ Reduction in State Appropriations Allocation (Near-Final Run)
 - Foundation Payment Performance Tier
- ▶ Slight Increase in FAST Appropriation
- ▶ No Increase to Tuition Rates
 - Governor Abbot's November 13, 2024 Letter to Texas Colleges and Universities
 - Will not support any tuition increase an any public higher education institution in the upcoming biennium
- ▶ Increase in M&O Property Tax Revenue
- ▶ TASB Model, Approved Salary Increases and New Positions and Adjustments
- ▶ Fund Unexpended Construction Plant Fund and Renewals and Replacement Plant Fund Transfers
- ▶ Planned Surplus Due to Uncertainties

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Proposed Unrestricted Fund Revenues

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Proposed Unrestricted Fund Revenues – State Appropriation Detail FY 2025 – 2026

State Appropriations	FY 2024 - 2025 Budget (Amended)	FY 2025 - 2026 Budget (Proposed)	Increase/ (Decrease)
Foundation Payment	\$56,743,212	\$56,537,886	\$(205,326)
Financial Aid for Swift Transfer (FAST)	8,644,740	8,822,990	178,250
Total State Appropriations	\$65,387,952	\$65,360,876	\$(27,076)

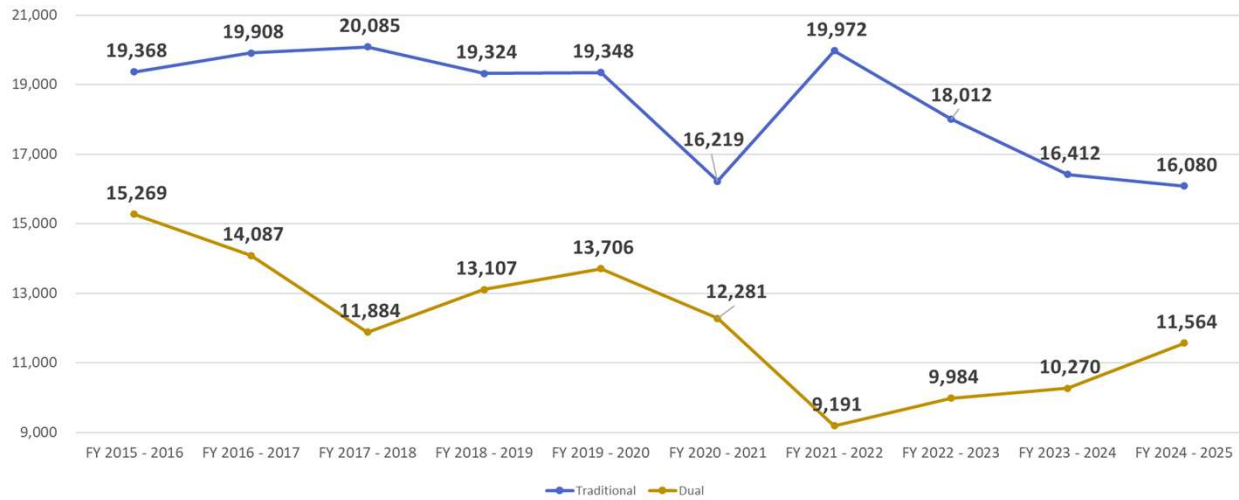
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Traditional and Dual Credit Enrollment Headcount Projection

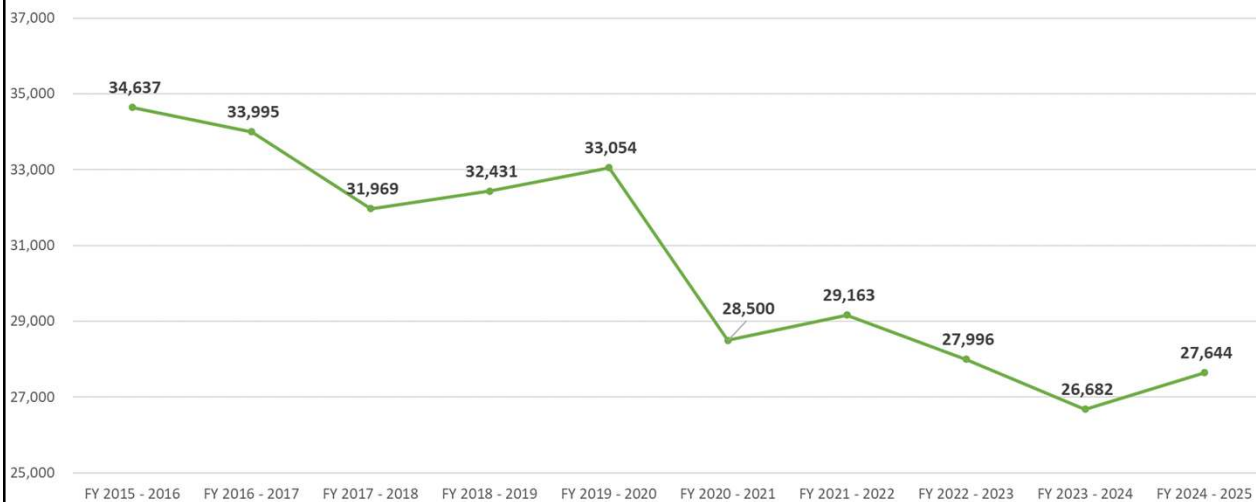
Term	FY 2024 - 2025 Traditional (Actual)	FY 2025 - 2026 Traditional Projected	Enrollment Decrease (from FY 2024 - 2025)	% Reduction
Fall	16,080	16,080	-	0.0%
Spring	14,278	14,278	-	0.0%
Summer	7,741	7,349	(392)	(5.06%)
Total	38,099	37,707	(392)	(1.03%)

Term	FY 2024 - 2025 Dual Credit (Actual)	FY 2025 - 2026 Dual Credit Projected	Enrollment Increase (from FY 2024 - 2025)	% Increase
Fall	11,564	12,493	929	8.0%
Spring	13,376	14,178	802	6.0%
Summer	4,782	4,937	155	3.2%
Total	29,722	31,608	1,886	6.4%

10 Year Historical Enrollment – Fall



10 Year Historical Enrollment – Fall Traditional and Dual

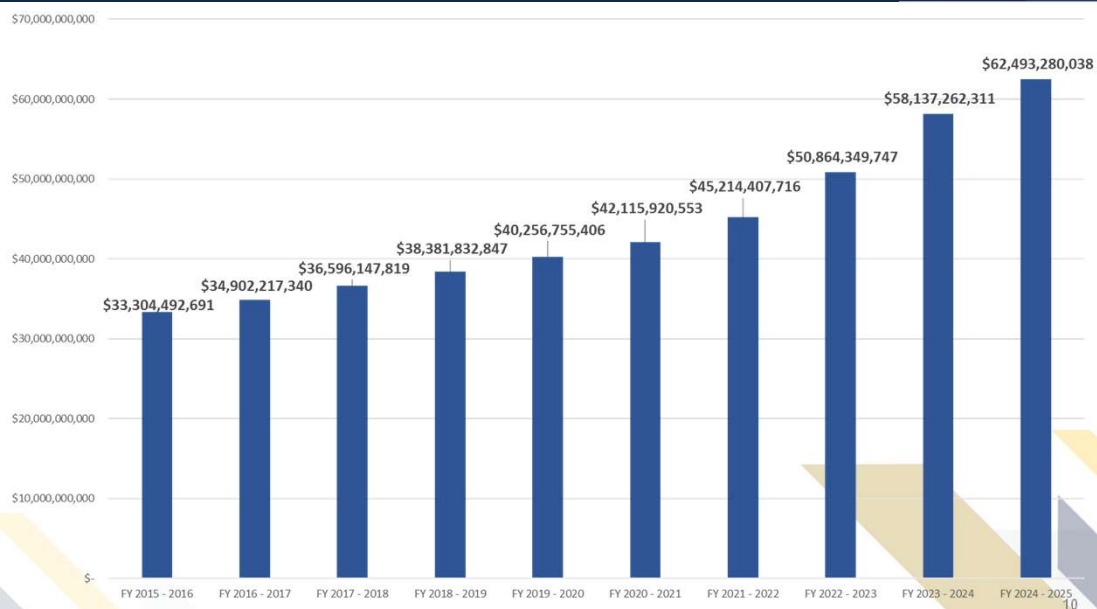


Proposed Unrestricted Fund Revenues FY 2025 - 2026

- ▶ **M&O Property Taxes**
 - Approximate increase of \$8.5 million
- ▶ **Other Revenues**
 - Dual Enrollment Reimbursement Cost
 - Approximate increase of \$1 million
 - Interest
 - Flat
- ▶ **Carryover Fund Balance Allocation**
 - Approximate increase of \$797,204 based on College needs

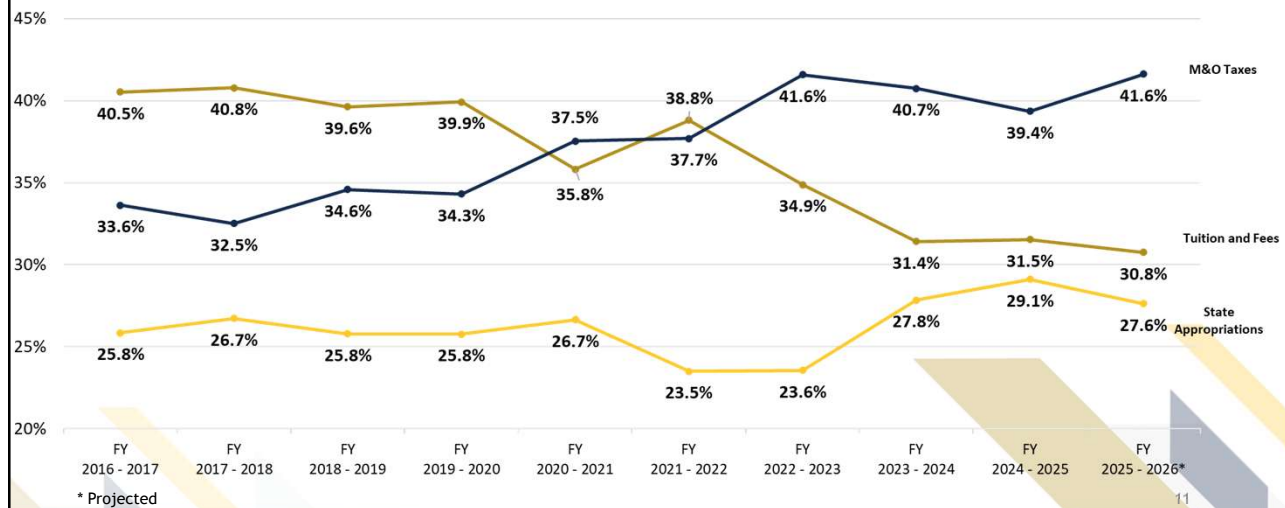
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Total Net Taxable Assessed Value FY 2016 – FY 2025



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10-Year Historical Three Primary Revenue Sources



Proposed Unrestricted Fund Revenues – Other Revenue Detail FY 2025 – 2026

Other Revenues	FY 2024 - 2025 Budget (Amended)	FY 2025 - 2026 Budget (Proposed)	Increase/ (Decrease)
Dual Credit Enrollment Cost Reimbursement	\$3,250,000	\$4,250,000	\$1,000,000
Dual Credit Academy Participation Fee	300,000	300,000	-
Interest	10,000,000	10,000,000	-
Administrative Cost - Veterans	9,000	9,000	-
Administrative Cost - Pell	75,000	75,000	-
Administrative Cost - Federal Work Study	60,000	60,000	-
Administrative Cost - CEWD	149,307	144,249	(5,058)
Administrative Cost - CATA	44,605	31,927	(12,678)
Shuttle System Contribution	204,143	189,217	(14,926)
Testing Commission	3,950	4,500	550
Total Other Revenues	\$14,096,005	\$15,063,893	\$967,888

Proposed Unrestricted Fund Revenues – Carryover Detail FY 2025 – 2026

Carryover Allocation	FY 2024 - 2025 Budget (Amended)	FY 2025 - 2026 Budget (Proposed)	Increase/ (Decrease)
Unexpended Construction Plant Fund	\$10,000,000	\$10,000,000	\$-
Renewals and Replacements Plant Fund	-	1,000,000	1,000,000
Continuing Education and Workforce Development	220,000	-	(220,000)
Scholarship	306,500	403,106	96,606
NAH Faculty	250,000	250,000	-
ERP Implementation	6,173,367	9,819,348	3,645,981
Transfer In from Auxiliary	-	157,590	157,590
Gap Bridging Retention Payment	3,882,973	-	(3,882,973)
Total Revenues	\$20,832,840	\$21,630,044	\$797,204

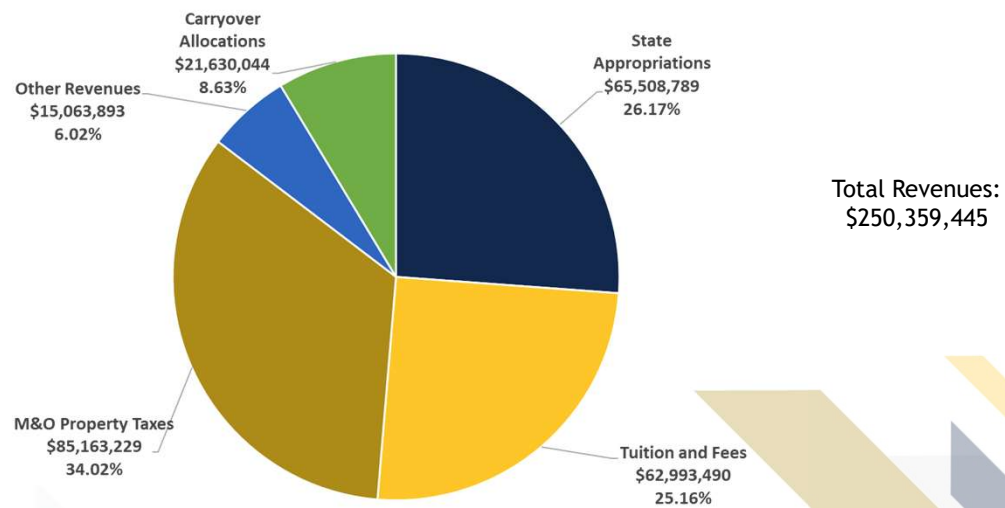
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Proposed Unrestricted Fund Revenues FY 2025 – 2026

Summary of Revenues	FY 2024 - 2025 Budget (Amended)	FY 2025 - 2026 Budget (Proposed)	Increase/ (Decrease)
State Appropriations	\$65,535,865	\$65,508,789	\$(27,076)
Tuition	58,879,238	60,162,524	1,283,286
<i>Academic & Differential Tuition-Net</i>	<i>54,642,300</i>	<i>55,901,771</i>	<i>1,259,471</i>
<i>CEWD/CATA Tuition - Net</i>	<i>4,236,938</i>	<i>4,260,753</i>	<i>23,815</i>
Fees	2,571,327	2,830,966	259,639
M&O Property Taxes	76,706,437	85,163,229	8,456,792
Other Revenues	14,096,005	15,063,893	967,888
Carryover Allocations	20,832,840	21,630,044	797,204
Total Revenues	\$238,621,712	\$250,359,445	\$11,737,733

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Proposed Unrestricted Fund Revenues FY 2025 – 2026



Proposed Unrestricted Fund Expenditures

Proposed Expenditures FY 2025 – 2026

► Salaries and Benefits

- Approved annual salary increase scenarios for faculty and non-faculty personnel of 3% plus targeted adjustments for a total of a 3.8% average pay increase (\$3,854,762)
- Approved requests for new positions and other adjustments (\$1,990,833)

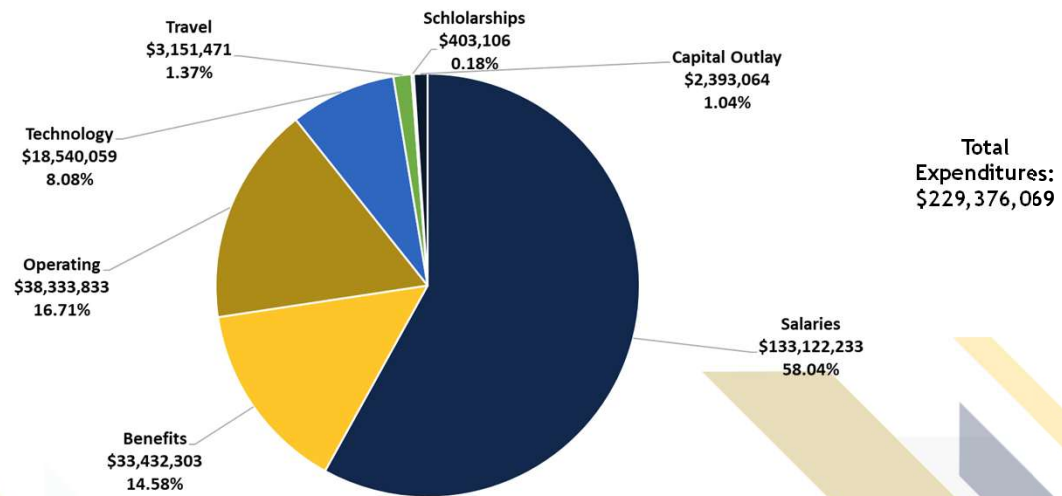
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Proposed Unrestricted Fund Expenditures FY 2025 – 2026

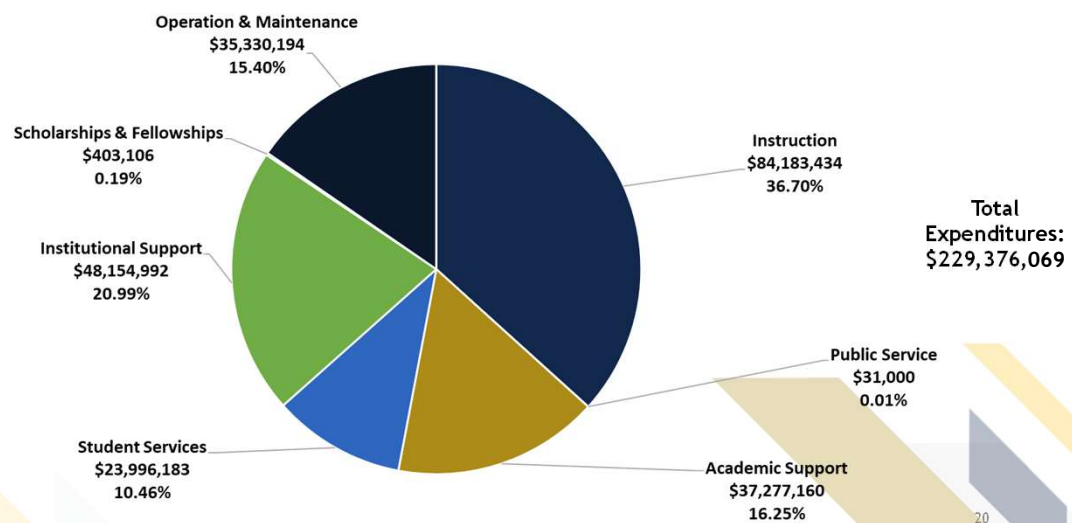
Summary of Expenditures	FY 2024 - 2025 Budget (Amended)	FY 2025 - 2026 Budget (Proposed)	Difference FY 2025 Amended to FY 2026 Preliminary
Salaries	\$132,415,838	\$133,122,233	\$706,395
Benefits	32,286,995	33,432,303	1,145,308
Operating	42,558,700	38,333,833	(4,224,867)
Technology	10,310,744	18,540,059	8,229,315
Travel	2,714,306	3,151,471	437,165
Capital Outlay	4,853,629	2,393,064	(2,460,565)
Scholarships	306,500	403,106	96,606
Total Expenditures	\$225,446,712	\$229,376,069	\$3,929,357
Transfers & Reserves			
Transfer to Unexpended Plant Fund	10,000,000	10,000,000	-
Transfer to Renewals and Replacements Plant Fund	-	1,000,000	1,000,000
Transfer to Student Activities Auxiliary Fund	1,175,000	1,175,000	-
Contingency Fund	2,000,000	8,808,376	6,808,376
Total Transfers & Reserves	13,175,000	20,983,376	7,808,376
Total Expenditures, Transfers & Reserves	\$238,621,712	\$250,359,445	\$11,737,733
Revenues over Expenditures	\$-	\$-	

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Proposed Unrestricted Fund Expenditures by Classification FY 2025 – 2026 (Excluding Transfers and Reserves)



Proposed Unrestricted Fund Expenditures by Function FY 2025 – 2026 (Excluding Transfers and Reserves)



Proposed Unrestricted Fund Revenues and Expenditures FY 2025 – 2026

Summary of Expenditures	FY 2025 - 2026 Budget (Proposed)
State Appropriations	\$65,508,789
Tuition and Fees	62,993,490
Property Taxes	85,163,229
Other Revenues	15,063,893
Carryover Allocations	21,630,044
Total Revenues	\$250,359,445
Salaries	\$133,122,233
Benefits	33,432,303
Operating	38,333,833
Technology	18,540,059
Travel	3,151,471
Capital Outlay	2,393,064
Scholarships	403,106
Total Expenditures	\$229,376,069
Transfers & Reserves	20,983,376
Total Expenditures, Transfers & Reserves	\$250,359,445
Revenues over Expenditures	\$-

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Proposed Auxiliary Fund Revenues and Expenditures

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Proposed Auxiliary Fund Revenues and Expenditures

Total Revenues		Total Expenditures	
\$2,850,333		\$2,850,333	
Revenue Sources		Expenditure Types	
Funded Non Self Sustaining Bookstore Commissions, Vending Machine Commissions and Interest Income	\$409,890	Funded Non Self Sustaining Auxiliary Operations, Employee/Spouse/Dependent Waiver, Non Public Fund	\$409,890
Non Funded Non Self Sustaining Carryover Fund Balance	\$157,590	Non Funded Non Self Sustaining Transfer to Unrestricted	\$157,590
Self Sustaining		Self Sustaining	
Conferences Revenue	\$293,989	Conference Expenditures	\$293,989
Child Care Center Revenue	\$668,321	Child Care Center Expenditures	\$668,321
Transfer In from Unrestricted-Student Activities & Wellness	\$1,175,000	Student Activities & Wellness	\$1,175,000
Non Public Fund	\$104,110	Non Public Fund	\$104,110
NAH Pinning Fees	\$41,433	NAH Pinning Ceremonies	\$41,433

Proposed Restricted Fund Revenues and Expenditures

Proposed Restricted Fund Revenues and Expenditures

Total Revenues		Total Expenditures	
\$99,326,799		\$99,326,799	
Revenue Sources		Expenditure Types	
State and Federal Financial Aid	\$73,993,288	Pell, SEOG, College Work-Study, TEOG Initial and Renewal	\$73,993,288
State and Federal Grants	\$7,847,178	Developing Hispanic Serving Institutions, Carl Perkins, Nursing Shortage Reduction, Veterans Chapter 31 & 33, Apprenticeship Texas	\$7,847,178
Private and Local Grants and Scholarships	\$6,103,245	Student scholarships, TPEG, VIDA, MEDA, Increase in Nursing and Allied Health Care	\$6,103,245
On Behalf State Appropriations	\$11,383,088	Eligible Staff Retirement and Insurance Benefits	\$11,383,088

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Proposed Plant Fund Revenues and Expenditures

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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)	\$51,750,917	\$51,750,917
Renewals & Replacements	\$16,616,504	\$16,616,504
Retirement of Indebtedness	\$10,801,618	\$10,801,618

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Proposed Section 140.0045 Expenditures

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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 2023 - 2024 Actual	FY 2024 - 2025 Estimated	FY 2025 - 2026 Budget
Total Section 140.0045 Expenditures	\$28,380	\$29,730	\$25,262

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THANK YOU
Questions?

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Resolution No. 2025-015

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2025 AND ENDING AUGUST 31, 2026 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, 2025, and ending August 31, 2026, 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, 2025, and ending the 31st day of August, 2026.

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, 2025.

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, 2025 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, 2025.

SOUTH TEXAS COLLEGE DISTRICT

By: _____
Dr. Alejo Salinas, Chair

ATTEST:

By: _____
Danny Guzman, Secretary