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Committee for Fiscal Affairs

[John Hatchel (Chair), Linda McKenna, Ellis Skinner]

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Board Meeting Date: November 17, 2016

Proposed Minute Order #: 60-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Policy for Investments

Background: The Public Funds Investment Act, Government Code Chapter 2256, requires all state agencies to adopt an annual investment policy that ensures safety of principle, liquidity, and adequate yield for invested funds. The supporting Statewide Operating Standard describes how the policy will be implemented, provides pertinent information, and includes operating requirements and performance standards.

Justification: Texas State Technical College (TSTC) traditionally approves its investment policy annually in accordance with The Public Funds Investment Act, Government Code Chapter 2256 at the Fall meeting of the TSTC Board of Regents.

Additional Information: None

Fiscal Implications: No significant fiscal impact

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): None

Recommended Minute Order: “It is the policy of Texas State Technical College (TSTC) to prudently invest funds not needed for immediate operating purposes and other funds such as plant funds, endowment funds, and other reserve funds. Such funds will be appropriately invested according to each fund type in consideration of preservation and safety of principal, liquidity, and yield while meeting the daily cash flow needs of the college. All deposits and investments shall conform to the Public Funds Investment Act.

SHORT-TERM VERSUS LONG-TERM PORTFOLIO

Limitations on instruments, diversification and maturity scheduling shall depend upon whether the funds being invested are considered short-term or long-term funds. All funds shall be considered short-term except construction funds, endowment funds, plant funds for future capital projects, and reserve funds.

SHORT-TERM PORTFOLIO DIVERSIFICATION

TSTC will diversify its investments to avoid incurring unreasonable

risks inherent in over- investing in individual financial institutions or maturities.

Maturity Scheduling:

Investment maturities of operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizeable blocks of anticipated revenue.

Short-term funds shall be invested in instruments whose maturities do not exceed one year from the time of purchase.

LONG-TERM PORTFOLIO DIVERSIFICATION

Eligible investment instruments and diversification objectives for the long-term portfolio shall be the same as for the short-term portfolio.

Maturity scheduling shall be timed according to anticipated need. Weighted Average portfolio maturity shall not exceed 24 months. Long-term funds shall be invested in instruments whose maturities do not exceed three years from the time of purchase.

The remainder of this policy applies to both short-term portfolio and the long-term portfolio.

THE COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS AND OPERATING ACCOUNTS

Before TSTC invests any funds, a competitive 'bid' process shall be conducted. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments that meet the maturity requirements. If no specific maturity is required, a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous.

Written or oral bids will be requested from three approved depository banks for various options with regard to term and instrument. TSTC will accept the bid that provides the highest rate of return within the maturity required and within the parameters of these policies. TSTC will maintain a copy of bids obtained.

The Chief Financial Officer shall discuss with the Board of Regents Fiscal Affairs Committee the existing status of depository agreements with existing operating accounts at each fall meeting of the Board of Regents, including the necessity of bidding such operating accounts.

QUALIFIED INSTITUTIONS

TSTC shall maintain a listing of depository financial institutions that are approved for investment purposes. In order to be qualified as an approved depository institution, a financial institution must meet the following tests:

1. The financial institution is selected by competitive bid process in accordance with
Section 51.003(a) of the Education Code;
2. The financial institution must provide their most recent Statement of Condition report on request;
3. The financial institution must sign a 'Certification by Registered Principal of Investment Firm/Bank' certifying that the registered principal reviewed *TSTC's Investment Policy* and acknowledges that their organization has implemented reasonable procedures and controls to comply; and,
4. The financial institution must maintain a consistent record of compliance with TSTC's collateral coverage and investment policy.

TSTC shall use a competitive bid process in accordance with Section 51.003 of the Education Code to invest through any one of these entities:

1. "Primary" government security dealers (as defined by the New York Federal Reserve), or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).
2. A Federally-insured financial institution doing business in Texas, or
3. Texas local government investment pools, as permitted in accordance with Government Code 2256.016 and this policy.

ETHICAL GUIDELINES FOR INVESTMENTS

1. Section 51.923 of the Education Code permits an institution of higher education to contract with a non-profit corporation even though one or more members of the governing board of the institution of higher education also serves as a member, director, officer or employee of such a non-profit corporation. This section further permits an institution of higher education to contract with a business entity even though one or more members of the governing board of the institution of higher education have an interest in the business entity if the interest is not a substantial interest. An interest is a substantial interest if: (1) the board member owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; (2) funds received by the member from

the business entity exceed 10 percent of the member's gross income for the previous year; (3) the member is an officer of the business entity or a member of the governing board of the business entity; or (4) an individual related to the member in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has an interest in the business entity as described above. If a board member has a substantial interest in a business entity as described in this paragraph, the institution of higher education can still contract with that business entity provided that the board member discloses such interest to the board and refrains from voting on the contract or transaction requiring board approval.

2. Section 404.0211 of the Government Code, does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, is also an officer or director of the bank if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings. This section also does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, own or have a beneficial interest, individually or collectively in 10 percent or less of the outstanding capital stock of the bank, if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings.
3. Employees of TSTC who are involved in the selection of depository financial institutions shall not attempt to gain any personal benefit from the financial institutions in turn for depositing the funds in said financial institution. These employees must complete and sign an Employee Independence – Deposits and Investments form, TSTC-0-FA-012 (09-11), at the beginning of each fiscal year. These forms are due to the System Vice Chancellor for Finance by October 1 of each year. This form seeks information needed to determine if a board vote would be needed for selection of a depository institution.
4. Board members will be requested to complete form TSTC-0-FA-043 (09-11) before the fall meeting of the Board of Regents. This form seeks information needed to determine if a board vote would be needed for selection of a depository institution.

COLLATERAL

Statute requires that all state deposits above the level of federal insurance be fully collateralized. Statute further requires that all deposits that are

collateralized by securities be protected at a minimum of 100 percent of the deposit amount. Securities are accepted at 100 percent of their market value. The value of surety bonds and FHLB Letters of Credit are their face value.

TSTC's funds in excess of FDIC-insurance, are to be fully collateralized at all times by government securities which include U.S. Treasury obligations and/or direct obligations of Federal agencies or instrumentalities including certain mortgage-backed securities, FHLB Letters of Credit or surety bonds.

All investments and/or pledged collateral requiring a Moody's Investor Service or S&P rating of "A" or better per Chapter 2256 of the Government Code must be in compliance. An independent pricing and rating service organization ("Independent Investment Evaluator or IIE") will be contracted to certify to TSTC on a monthly basis that the securities pledged against its deposits are accurately rated and priced at market value.

Pledged securities may be held in safekeeping at a commercial bank in the State of Texas, the Texas Independent Bankers-Bank (TIB), the Federal Home Loan Bank (FHLB), or at the Federal Reserve Bank.

The first portion of TSTC's demand and time deposits may be collateralized by the applicable FDIC coverage.

The collateral-to-deposit ratio for pledged deposits will be evaluated monthly. The market value of the collateral will be evaluated monthly.

In both ratio and market value processes, the financial institutions will be notified immediately if the value of securities pledged decreases to the point where the value is less than the amount on deposit and invested. Financial institutions are expected to correct deficit collateral positions immediately. Financial institutions that repeatedly fail to maintain sufficient collateral levels will be removed from TSTC's approved financial institution list.

The Accounting and Reporting Office keeps an updated record of bonds or securities pledged as collateral for deposits. The report contains the following by depository financial institution: security description, CUSIP number, par value, maturity, rate, market value, safekeeping receipt, and financial institution code.

Each month the Accounting and Reporting Office receives from each depository financial institution a listing of all pledged collateral. The Accounting and Reporting Office will compare the financial institution report to TSTC's report to determine any changes. The Accounting and Reporting Office will send all changes to the IIE (Independent Investment Evaluator). The IIE will update their records, review market values and will furnish an updated Pledged Collateral Report to TSTC.

AUTHORIZED INVESTMENTS

1. Certificates of Deposit (in Federally-insured institutions)

Time Certificates of Deposit with a maturity not to exceed two (2) years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, when possible and appropriate, in a financial institution or institutions located in the county or counties in which a TSTC campus operation is located, except for endowment accounts where the donor references a specific depository.

In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principle and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of TSTC.

2. Obligations of, or Guaranteed by Governmental Entities

- a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- b. Direct obligations of this state or its agencies and instrumentalities;
- c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than 'A' or its equivalent.

3. TexPool, an authorized AAA rated local government investment pool and other similar Texas public funds investment pools investing in government securities and repurchase agreements as approved by the Board, rated no less than AAAM or equivalent and seeking to maintain a constant dollar net asset value.

4. Repurchase agreements ("Repos") with a defined termination date, collateralized by Treasury and Federal Agency securities listed in items "a," "b" and "c" above, collateralized initially at a minimum market

value of 102 percent of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation.

UNAUTHORIZED INVESTMENTS

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the coupon payments on the outstanding principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized Mortgage Obligations that have a stated final maturity date of greater than ten years; and,
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

LIQUIDITY

The TSTC Investment Officer shall insure that:

1. Income and expenditure patterns will be monitored and continually updated to determine monthly cash needs of TSTC;
2. Placement of TSTC's investments and maturity schedules is determined by the cash needs and cash expectations of TSTC; and,
3. The TSTC portfolio will contain liquid interest-earning instruments.

YIELD

The TSTC Investment Officer shall insure that:

1. The yield on investments is negotiated at the time of purchase and that it reflects market conditions and yields available; and,
2. The investment portfolio consists of an appropriate mix of short-term interest-earning instruments that benefit from anticipated market conditions and that achieve the best allowable yield.

An investment that requires a minimum credit rating does not qualify as an AUTHORIZED INVESTMENT during the period the investment does not have the minimum credit rating even if the investment had the appropriate rating at the time of purchase. The Investment Officers shall take all prudent

measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

GIFTS AND BEQUESTS

The terms of cash gifts or bequests shall be honored with respect to the donor's preference of depository, type of investment and use of the earnings provided that the donor's preference is not contrary to applicable law.

The Texas Education Code, Chapter 135.2, authorizes the Board of Regents to accept certain land and facilities in the name of the State of Texas. The Board of Regents has delegated to the Chancellor authority to receive all other gifts and bequests.

The Chancellor has delegated to the Chief Financial Officer the authority to accept cash, checks, money orders, bank drafts, payments made with certain credit cards, supplies, and equipment.

The Chancellor retains sole authority to accept all other gifts or bequests, such as marketable securities, real estate, tangible personal property, beneficial interests in insurance policies, beneficial and/or assignable interests in retirement plans, bequests, etc. After review and due consideration, the Chancellor may delegate this authority to the Chief Marketing Officer on a case-by-case basis; such delegation must be in writing before being acted upon by the Chancellor's designee. In general, these types of gifts and bequests will be converted into cash as promptly as possible, unless prohibited by the terms of the gift or bequest; exceptions may be made with the Chancellor's approval.

INVESTMENT OFFICER

The Vice Chancellor for Finance is designated as Investment Officer of TSTC and is responsible for managing the purchase, sale and the investing of all financial resources under TSTC control or as granted by law. The Comptroller is designated as an alternate investment officer of TSTC who may act on investment decisions in the absence of the designated investment officer. The designated investment officers, acting in accordance with the System Operating Standard for Investments and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments. Should the Vice Chancellor for Finance be unable to serve in the capacity of Investment Officer of TSTC, the Chancellor may designate a successor that shall be ratified by the TSTC Board of Regents at its next regularly scheduled meeting.

The standard of care to be applied by the investment officer shall be the 'prudent investor' rule, which states:

“Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of the capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal, liquidity and yield.”

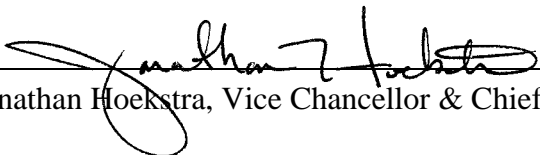
The prudent investor rule shall be applied in the context of managing the overall portfolio, rather than an individual investment.

Bond proceed investments must comply with the Texas Public Funds Investment Act, Chapter 2256 of the Government Code, and any amendments made thereto.

INVESTMENT TRAINING

Investment officers shall receive 10 hours of investment training relating to an investment officer’s responsibilities within twelve (12) months after assuming duties; and attend additional training sessions not less than once every two years and receive not less than ten (10) hours of training. Such training from an independent source shall be sponsored or instructed through the University of North Texas Center for Public Management, the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, Texas Municipal League, Texas Association of School Board Officials, Texas Association of School Boards, the North Central Texas Council of Governments or other independent industry organizations to include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.”

Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Board Meeting Date: November 17, 2016

Proposed Minute Order #: 61-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Debt Management Policy

Background: The prudent use of debt helps Texas State Technical College achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital. Texas State Technical College issues debt through two primary programs: the Revenue Financing System (RFS) and the Higher Education Assistance Fund (HEAF). In addition, TSTC routinely finances capital equipment through lease purchase agreements. The Texas Bond Review Board is responsible for the approval of all state debt issues (with a few exceptions) and lease purchases with an initial principal amount of greater than \$250,000 or a term of longer than five years.

Justification: Debt incurred by TSTC may only be issued or incurred pursuant to resolutions approved by the Board of Regents and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 of the Texas Constitution, Chapters 55 and 135 of the Texas Education Code, and Chapters 1207 and 1371 of the Texas Government Code. This policy governs the use of debt to finance capital projects within Texas State Technical College.

Additional Information: The RFS was created by the Board through the adoption of a Master Resolution on October 18, 2002. The Board established the RFS for the purpose of assembling the System's revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to TSTC and to maximize the financing options available to the Board. The primary uses of the RFS are for the sale of Tuition Revenue Bonds and Local Revenue Bonds.

- a. Tuition Revenue Bonds are used to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure on or for the college. All college revenue bonds are equally secured by and payable from a pledge of all or a portion of available revenue funds. Historically, however, the state has appropriated funds to the institution in an amount equal to all or a portion of the debt service on revenue bonds issued pursuant to certain specific authorizations to individual institutions in Chapter 55, Texas Education Code. TSTC has received appropriated funds in the amount of the TRB debt service since its issuance in 2002.

- b. Local Revenue Bonds are distinguished by their guarantee of repayment solely from revenues generated by a specified revenue generating entity associated with the purpose of the bonds, rather than from a tax.

HEAF bonds are issued pursuant to Article VII, Section 17 of the State Constitution, TSTC is eligible to receive an annual allocation from amounts constitutionally appropriated to institutions of higher education to acquire land, construct, equip, repair, or rehabilitate buildings or other permanent improvements, acquire capital equipment, library books and materials, and refund previously issued HEAF debt. HEAF debt will not be used for maintenance, minor repairs, operating expenses, or auxiliary enterprises. TSTC may secure up to 50% of the funds allocated to secure the payment of the principal and interest for related bonds or notes. The appropriation cannot be reduced below the bonded debt. HEAF bonds must be sold on a competitive basis and are limited to a maximum maturity of 10 years.

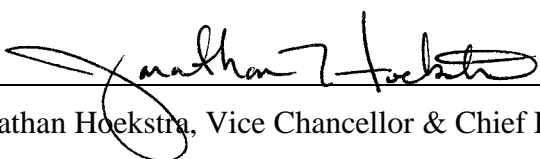
Fiscal Implications: As of August 31, 2016, TSTC had approximately \$123 million of outstanding bonds, leases, and loans payable. In addition, TSTC owed nearly \$7 million related to leases payable under the Texas Public Finance Authority's Master Lease Purchase Program that are not reflected on TSTC's balance sheet (required as an inter-agency financial transaction).

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): None

Recommended Minute Order: "It is the policy of Texas State Technical College to use debt to finance capital projects needed to achieve its strategic objectives. The TSTC Board of Regents acts as a fiduciary in the management of indebtedness for the College. The College will ensure that prudent practices are in place to maintain financial stability, minimize interest costs, and preserve future financial flexibility."

Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer



Resolution Amending Authorized Representatives

Please use this form to amend or designate Authorized Representatives.

This document supersedes all prior Authorized Representative forms.

*** Required Fields**

1. Resolution

WHEREAS,

Texas State Technical College System

Participant Name*

7 | 8 | 7 | 6 | 7 |

Location Number*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool/ Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Jonathan Hoekstra

Name

Vice Chancellor for Finance

Title

Phone: 254/867-4892 Fax: 254/867-3979 Email: jahoekstra@tstc.edu

Phone/Fax/Email

Signature

2. Chad Wooten

Name

Vice President - Accounting & Reporting

Title

Phone: 254/867-3934 Fax: 254/867-4888 Email: chad.wooten@tstc.edu

Phone/Fax/Email

Signature

1. Resolution (continued)

3.
Name

Title

Phone/Fax/Email

Signature

4.
Name

Title

Phone/Fax/Email

Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name
In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name

Title

Phone/Fax/Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the ____ day _____, 20 ____.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

Name of Participant*

SIGNED

Signature*

Printed Name*

Title*

ATTEST

Signature*

Printed Name*

Title*

2. Mailing Instructions

The completed Resolution Amending Authorized Representatives can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:
TexPool Participant Services
1001 Texas Avenue, Suite 1400
Houston, TX 77002

ORIGINAL SIGNATURE AND DOCUMENT REQUIRED

TEX-REP

2 OF 2

TexPool Participant Services
1001 Texas Avenue, Suite 1400 • Houston, TX 77002
Phone: 1-866-TEXPOOL (839-7665) • Fax: 1-866-839-3291 • www.texpool.com

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G45340-17 (12/15)



Board Meeting Date: November 17, 2016

Proposed Minute Order #: 63-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Signature Authorizations

Background: The State Comptroller's Office maintains a list of authorized signatures for vouchers, checks, drafts, orders, and other instruments. Any changes to this list must be approved by the Board of Regents and submitted in writing to the State Comptroller's Office.

Personnel changes within the division of Accounting & Reporting necessitate the revision to the list of authorized signatories. Where names were added, the name(s) appears in **bold** font. Removed names are indicated by crossed-out text.

Justification: The State Comptroller's Office's list of authorized signatures must be updated as additions, deletions, and other changes are made.

Additional Information: The proposed Minute Order includes a column that lists the employees who are authorized to conduct electronic outgoing banking transactions, which are required for payroll and other purposes.

Fiscal Implications: Not applicable

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): None

**Recommended
Minute Order:**

“The Board of Regents approves the following signature authorizations for all documents (checks, vouchers, drafts, orders, and other instruments); approves signature authorizations for vouchers only; and approves the following electronic outgoing banking transaction authorizations:

Authorizations for All Documents (Two Signatures)	Authorizations for Vouchers Only (One Signature)	Authorizations for Electronic Outgoing Banking Transactions
<i>(All Campuses)</i>	<i>(All Campuses)</i>	<i>(All Campuses)</i>
Michael L. Reeser	Carla Dodge	Carla Dodge
Jonathan Hoekstra	Karen Hykel	Karen Hykel
Albert Srubar	Susan Stone	Susan Stone
Adam Hutchison	Carolina Duran	Carolina Duran
Bart Day	Elizabeth Medrano	
Peggy Adams	Stephanie Bennett	
Stella Garcia	Angelica Holland	
Gisela Figueroa	Christopher Greenwood	
Ruth Garcia		
Eliska Smith		
Kevin Shipp		
Jan Harvey		
Jan Dudik		
Karen Dobson		
Marjorie Vrbas		
Chad Wooten		

In addition, the Board of Regents approves the use of facsimile signatures of both of the following employees for checks in the amount of \$25,000 or less: Michael L. Reeser and Jonathan Hoekstra. In the absence of either Michael L. Reeser or Jonathan Hoekstra, the Board of Regents approves the use of the facsimile signature of Albert Srubar.”

Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Board Meeting Date: November 17, 2016

Proposed Minute Order #: 64-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Lease of Storage Space to the Texas Parks and Wildlife Department at Texas State Technical College in Brownwood

Background: The lease agreement with the Texas Parks and Wildlife Department (TPWD) for approximately 1,800 SF of office space in the facility located at 301 Main, Brownwood at Texas State Technical College in Brownwood. The lease relationship dates back to 2010, with the space being used primarily to store trapping equipment and small boats.

Justification: TSTC in West Texas administration recommends the lease agreement to the TPWD, a State agency, who will continue to use the space to meet storage needs.

Additional Information: The noted space at TSTC in Brownwood is not needed for instruction or training. Additionally, TPWD has been a good tenant and provides a law enforcement presence at the campus.

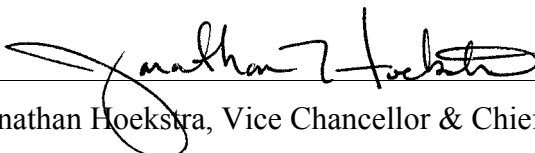
Fiscal Implications: The lease is for 24 months, expiring the end of September 2018, with the College receiving \$180 of monthly rental income.

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): Letter from General Counsel and building map

Recommended Minute Order: “The Board of Regents approves the lease agreement for 1,800 square feet of storage space to the Texas Parks and Wildlife Department at Texas State Technical College in Brownwood and authorizes the Chancellor or his designee to execute the lease agreement with the Texas Parks and Wildlife Department.”

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

October 27, 2016

Mr. Michael Reeser
Chancellor
Texas State Technical College System
3801 Campus Drive
Waco, Texas 76705

RE: The lease of space to the Texas Parks and Wildlife Department on the Texas State Technical College Brownwood Campus.

Dear Chancellor Reeser:

As requested, I have considered the legal ramifications of the renewal of the lease agreement between TSTC and the Texas Parks and Wildlife Department, an agency of the State of Texas. The space to be leased is approximately 1,800 square feet of office space in the facility located at 301 Main Street, Brownwood, Texas 76801, on the Texas State Technical College Brownwood Campus.

The aforementioned building has a space surplus, and the 1,800 SF office space is not needed nor anticipated to be needed in the foreseeable future by TSTC. The term of the lease is for 24 months and will expire at the end of September of 2018.

Having reviewed the lease renewal, it is my opinion that the terms and conditions comport with state law and TSTC policy, and that allowing the Texas Parks and Wildlife Department to use the space in the contemplated manner is in the best interest of TSTC students as well as the State of Texas. Because the Texas Parks and Wildlife Department is an agency of the State of Texas, the indemnities and insurance requirements that we would ordinarily put in place are not applicable, and are not included within the Memorandum.

If you have any questions or need additional information, please advise.

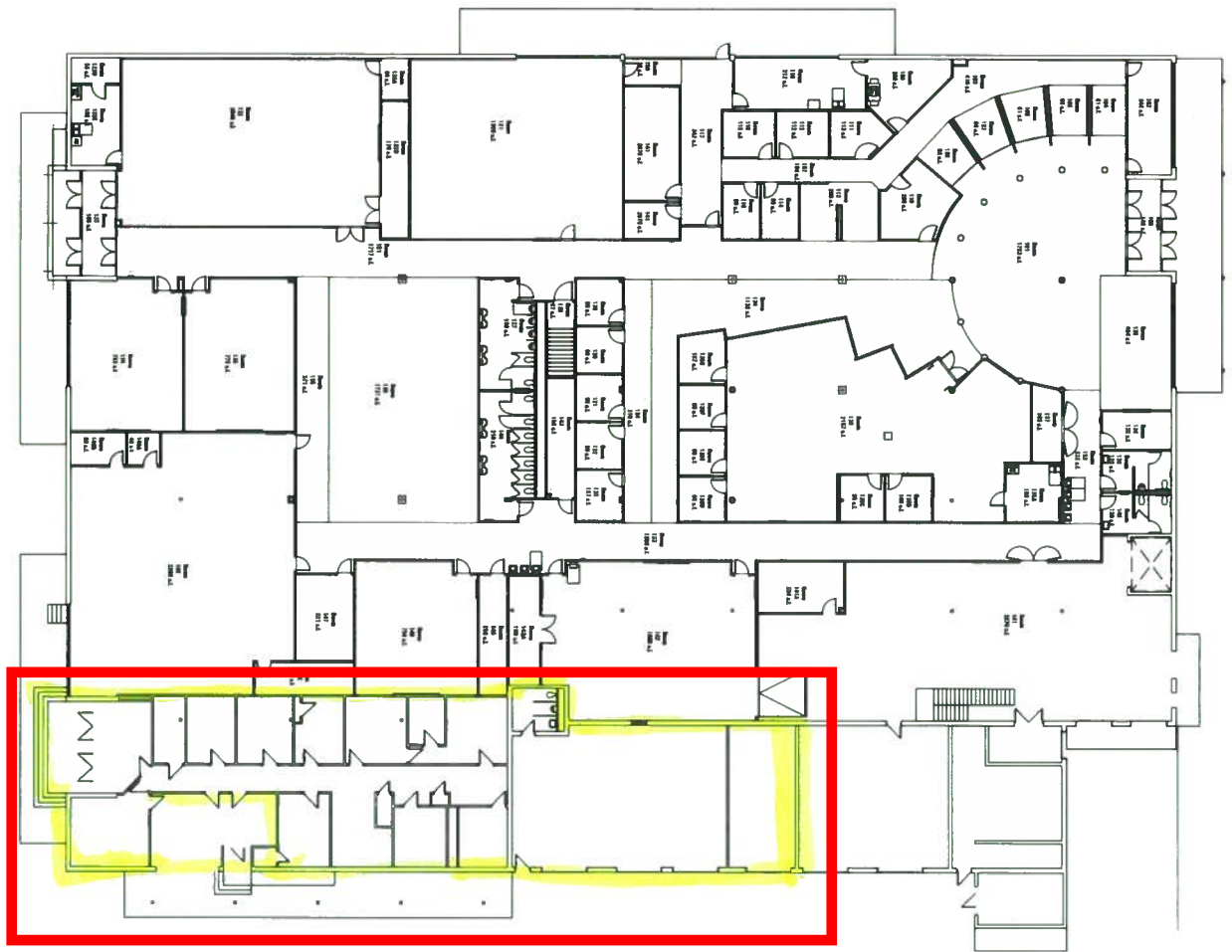
Respectfully submitted,



Susan Shafer, J.D.
Associate General Counsel

cc: Ray Rushing, J.D.
General Counsel of TSTC and Secretary, TSTC Board of Regents

Jonathan Hoekstra
Chief Financial Officer, TSTC



Board Meeting Date: November 17, 2016

Proposed Minute Order #: 65-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Lease of Office Space to the North Central Texas Council of Governments at Texas State Technical College in North Texas

Background: The lease agreement with the North Central Texas Council of Governments is for 112 square feet (Room #226) in the Industrial Technology Center through September 30, 2017, with unlimited one-year extensions and with either party being able to terminate with thirty days written notice. The noted room is presently not in use and is not anticipated to be needed by the College in the near future.

Justification: The Texas State Technical College (TSTC) in North Texas administration recommends the lease agreement to the North Central Texas Council of Governments, based in Arlington, TX, who will use the facility to provide area citizens, including TSTC graduates, with programs and resources related to educational and career opportunities. The relationship will also assist in matching technical training needs for area employers to training providers in the North Texas area.

Additional Information: Room #226 in the Industrial Technology Center is not currently needed for instruction or training because TSTC built the space to accommodate future growth.

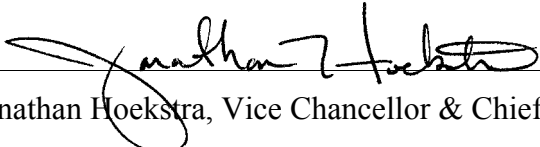
Fiscal Implications: None

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): Letter from General Counsel and floor plan of Industrial Technology Center

Recommended Minute Order: "The Board of Regents approves the lease agreement for 112 square feet of office located in the Industrial Technology Center, at Texas State Technical College in North Texas, and authorizes the Chancellor or his designee to execute the lease agreement with the North Central Texas Council of Governments."

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

October 11, 2016

254-867-3972

Mr. Michael Reeser
Chancellor
Texas State Technical College System
3801 Campus Drive
Waco, Texas 76705

RE: Lease of space to the North Central Texas Council of Governments

Dear Chancellor Reeser:

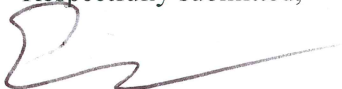
As requested, I have considered the legal ramifications of the Memorandum of Understanding and effective facility lease between TSTC and the North Central Texas Council of Governments, a political subdivision of the State of Texas. The leased space is approximately 112 square feet of office space in the Industrial Technology Center building on the Texas State Technical College North Texas Campus.

The Industrial Technology Center building has a space surplus and the 112 SF office (room # 226) is not needed nor anticipated to be needed in the foreseeable future by TSTC. The term of the lease is open unless amended by either party with thirty (30) days written notice.

Having reviewed the Memorandum of Understanding, it is my opinion that the terms and conditions comport with state law and TSTC policy, and that allowing the North Central Texas Council of Governments to use the space in the contemplated manner is in the best interest of TSTC students as well as the State of Texas. The North Central Texas Council of Governments is a political subdivision of the State of Texas and a non-profit. Further, the indemnities and insurance requirements that we would ordinarily put in place are not applicable, and are not included within the Memorandum.

If you have any questions or need additional information, please advise.

Respectfully submitted,



Edward C. Vallejo, J.D.
Associate General Counsel

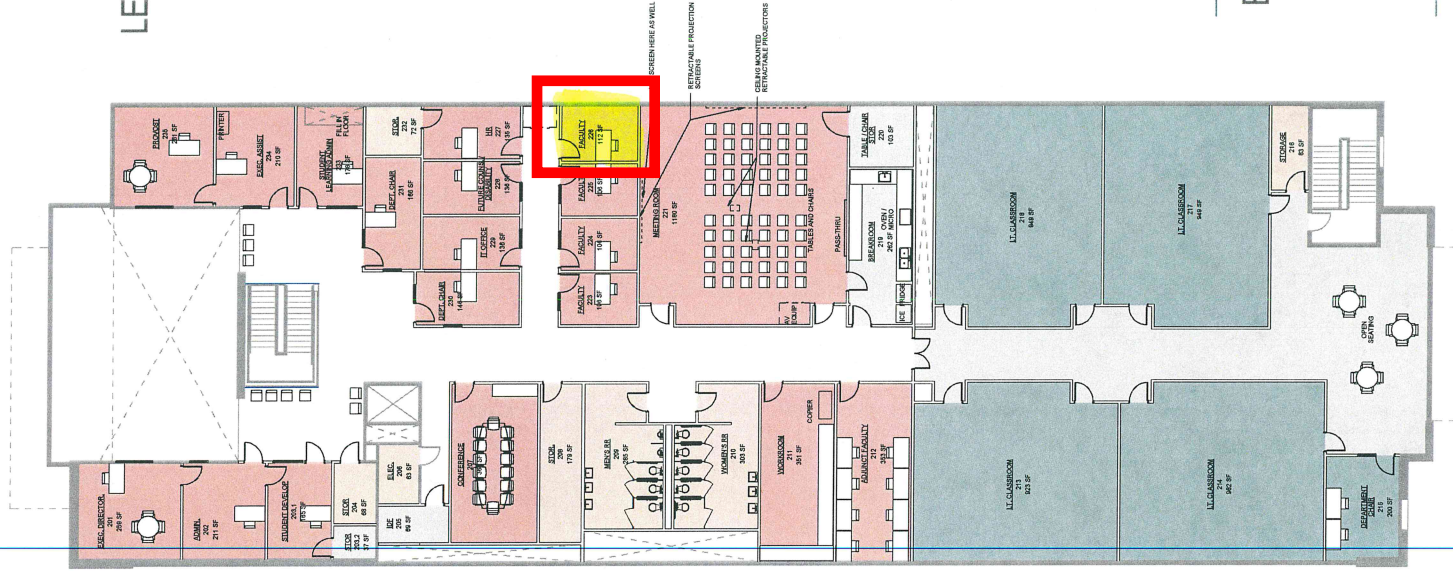
cc: Ray Rushing, J.D.
General Counsel of TSTC and Secretary, TSTC Board of Regents

Jonathan Hoekstra
Chief Financial Officer, TSTC

LEVEL 1



LEVEL 2



SCALE: 1/8" = 1'-0"

ENLARGED FLOOR PLANS
TSTC RED OAK FINISH-OUT
11 DECEMBER 2016



Board Meeting Date: November 17, 2016

Proposed Minute Order #: 66-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Budget Change for Fiscal Year 2017

Background: Construction on the Statewide Collaboration Center began in Fiscal Year 2016 with the objectives to provide capacity for larger statewide divisions to meet and to relocate certain administrative offices from facilities that were reaching end of life state. During pre-construction, the project team split the project into phases in the event funding wasn't available to achieve the entire project scope. The three phases include statewide meeting space, administrative office space, and future space. The project proceeded with funding to complete phase one.

As the college closed out Fiscal Year 2016, it realized a windfall of approximately \$800 thousand and carried forward unspent Higher Education Assistance Funds reserves sufficient to cover the second phase of the project. Directing the windfall funds towards capital expenditures mitigates imbalance in TSTC's operating margins for Fiscal Year 2017.

Justification: System Operating Standard FA 1.4, Preparation and Processing Budget Changes, requires Board of Regents approval of certain levels of Requests for Budget Changes.

Additional Information: The Statewide Collaboration Center anticipated to complete in the first calendar quarter of 2017 and will be available for meetings beginning in March. In addition to being the designated facility for statewide gatherings for various functional meetings, confabs, advisory committees, and projects for the college, this facility will host future Board of Regents meetings.

Fiscal Implications: This request of \$813,835 will not require an increase of existing appropriations. Funding is available via a refund of overpayments of Employee Group Insurance that was received in FY 2016 and FY 2016 HEAF Appropriations that were not spent in the same year as a result of bond debt service savings.

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

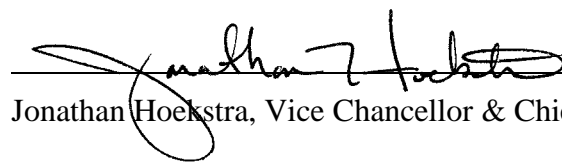
Attachment(s): None

Recommended Minute Order: "The Board of Regents approves the following Request for Budget Change for Fiscal Year 2017:

TSTC Waco

\$813,835."

Recommended By:

A handwritten signature in black ink, appearing to read 'Jonathan Hoekstra', is written over a horizontal line.

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Board Meeting Date: November 17, 2016

Proposed Minute Order #: 67-16(c)

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: Financing of the Initial Furnishings and Equipment for the Brazos Center at Texas State Technical College in Fort Bend County, the Industrial Technology Center at Texas State Technical College in Abilene and the Engineering Center at Texas State Technical College in Harlingen

Background: The Master Lease Purchase Program (MLPP) is a lease-financing program to finance capital equipment acquisitions by state agencies. Under the program, the Texas Public Financing Authority (TPFA) borrows money to pay for an agency's equipment by issuing tax-exempt revenue commercial paper notes. The agency and the TPFA enter into a lease agreement whereby the lease payments repay the principal and interest on the commercial paper notes. MLPP carries ratings from Standard & Poor's of A-1+, Moody's of P-1, and Fitch's of F-1+.

State agencies may utilize financing from the Master Lease Purchasing Program to finance equipment when the life and benefit of the asset extends over multiple years. This arrangement levels out cash flow requirements associated with capital costs and matches the expense to the associated revenue stream over time. In this specific case, available HEAF appropriations and transition funding are specifically available to cover related debt service.

Justification: Construction of three buildings on various TSTC campuses is progressing and classes are scheduled to begin the Fall 2017 Semester.

Initializing the procurement for equipment at the new location is urgent due to the lead-time needed to specify, seek and award bids, await delivery, and install equipment. Estimated costs for furnishings and equipment are: 1) \$3,000,000 for The Brazos Center at TSTC Fort Bend; and 2) \$3,600,000 for a variety of instructional equipment at TSTC Abilene; and 3) \$612,000 for furniture and IT equipment for Phase II of the Engineering Center at TSTC Harlingen.

The life of the furniture and equipment is expected to equal or exceed the life of the lease required to finance the projects under the Master Lease Purchase Program.

Additional Information: A lease for an amount of \$250,000 or more or for a term of 5 years or more requires Bond Review Board approval.

Fiscal Implications: Start-up funding and HEAF appropriations will fund the debt service payment will be budgeted for fiscal year 2018 through fiscal year 2022, for a term of five years.

Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): Approved Equipment Lease Financing Resolution adopted April 18, 2013

Recommended Minute Order: “The Board of Regents authorizes the financing of equipment and furnishings in the amount not-to-exceed \$7,500,000 to furnish and equip the Brazos Center at Texas State Technical College in Fort Bend County, the Industrial Technology Center at Texas State Technical College in Abilene, and Phase II of the Engineering Center at Texas State Technical College in Harlingen, and authorizes the Chancellor or his designee to submit an application for approval to the Texas Bond Review Board and an application for financing to the Texas Public Finance Authority, as required.”

Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer



TEXAS STATE TECHNICAL COLLEGE
BOARD OF REGENTS
EQUIPMENT LEASE FINANCING RESOLUTION

WHEREAS, pursuant to Chapter 1232, Texas Government Code, the Texas Public Finance Authority ("Authority") is authorized to issue revenue bonds or other obligations to finance the acquisition of equipment for state agencies and institutions of higher education;

WHEREAS, Texas State Technical College ("Agency") intends to request the Authority from time to time to issue revenue bonds or other obligations to finance or refinance equipment in an aggregate amount not exceeding the amount authorized by the Legislature in the General Appropriations Act or other act of appropriation;

WHEREAS, the Agency now desires to approve and authorize requests for financing or refinancing of equipment and to authorize the Chancellor or their designee to submit requests for financing or refinancing from time to time and to take such other actions as may be necessary with respect thereto; and

WHEREAS, the Agency desires and intends that this Resolution and the authorizations it embodies remain in effect until rescinded, withdrawn, or amended by action of the Board of Regents of the Texas State Technical College System.

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE TEXAS STATE TECHNICAL COLLEGE SYSTEM THAT:

1. The acquisition of equipment has been duly authorized by law and is required or suitable for public purposes mandated by law and the financing or refinancing of the equipment is appropriate.
2. Michael L. Reeser, Chancellor, or his designee, is hereby authorized and directed to submit requests from time to time to the Authority to issue bonds or other obligations, in an aggregate amount not exceeding the Agency's appropriation authority for the equipment.
3. The Chancellor or designee is further authorized to approve, execute and deliver the Master Lease Agreement Requests for Financing, and such other instruments, including but not limited to the financing documents required by the Authority's rules, and to take such other actions as are necessary and appropriate in connection with the issuance, sale or delivery of the bonds or other obligations.
4. This Resolution and the authorizations embodied herein shall continue in effect until rescinded, withdrawn, or amended by action of the Board of Regents of the Texas State Technical College System.
5. Due notice of this meeting and the subject matter of this Resolution was given as required by law and a quorum of the Board of Regents of the Texas State Technical College System was present at the meeting at which this Resolution was considered.

Adopted and effective as of April 18, 2013.

Original Signed by Ellis M. Skinner, II

Chairman of the Board

Original Signed by Michael L. Reeser

Chancellor

Original Signed by Lillian Macik

Secretary to the Board

Texas State Technical College
Auxiliary Reports - Bookstore
Fiscal Years 2012-2016

	2012		2013		2014		2015		2016	
Revenue	5,832,586		5,055,191		3,927,859		4,781,441		4,483,150	
Expenditures										
Cost of Goods Sold	4,091,944	70%	3,743,295	74%	2,891,553	74%	3,354,260	70%	3,204,894	71%
Salaries & Benefits	633,266	11%	659,214	13%	638,750	16%	650,518	14%	657,235	15%
Freight	108,042	2%	105,476	2%	103,883	3%	92,929	2%	72,293	2%
Utilities	37,750	1%	30,290	1%	34,941	1%	33,436	1%	28,583	1%
Fees & Other Charges	27,209	0%	27,922	1%	45,065	1%	30,145	1%	26,538	1%
Other	59,651	1%	30,221	1%	85,639	2%	63,971	1%	66,596	1%
Maintenance	26,580	0%	16,763	0%	20,184	1%	26,295	1%	15,984	0%
Rental of Space	24,000	0%	24,000	0%	24,000	1%	24,000	1%	24,000	1%
Total Expenditures	5,008,442		4,637,181		3,844,015		4,275,554		4,096,123	
Net Revenues	<u>824,144</u>	14%	<u>418,010</u>	8%	<u>83,844</u>	2%	<u>505,887</u>	11%	<u>387,027</u>	9%

Texas State Technical College
Auxiliary Reports - Food Service
Fiscal Years 2012-2016

		2012		2013		2014		2015		2016	
Revenue		1,985,183		1,997,380		2,009,473		2,113,870		1,941,643	
Expenditures	Cost of Goods Sold	924,796	47%	903,196	45%	879,322	44%	960,738	45%	958,282	49%
	Salaries & Benefits	724,997	37%	677,080	34%	775,343	39%	845,570	40%	850,822	44%
	Utilities	52,476	3%	54,562	3%	53,832	3%	49,305	2%	57,593	3%
	Maintenance	39,052	2%	43,603	2%	42,009	2%	61,348	3%	46,849	2%
	Other	38,007	2%	33,462	2%	45,438	2%	45,639	2%	51,638	3%
Total Expenditures		1,779,328		1,711,903		1,795,944		1,962,600		1,965,184	
Net Revenues		205,855		285,477		213,529		151,270		(23,541)	
Capital											
	Capital Revenue	-		-		-		-			
	Capital Expenditures	-		(7,936)		(10,150)		(5,929)		-	
Net Capital Investments		-		(7,936)		(10,150)		(5,929)		-	
Net Revenues		205,855		277,541		203,379		145,341		(23,541)	

Texas State Technical College
Auxiliary Reports - Housing
Fiscal Years 2012-2016

			2012		2013		2014		2015		2016
Revenue			4,773,055		4,812,264		5,032,567		5,118,863		4,959,189
Expenditures	Salaries & Benefits	1,828,190	38%	1,900,008	39%	2,010,304	40%	2,074,777	41%	1,927,264	39%
	Maintenance	539,016	11%	583,253	12%	755,688	15%	752,578	15%	602,709	12%
	Utilities	1,017,774	21%	913,640	19%	986,987	20%	875,926	17%	1,001,773	20%
	Hi-Ed Taxes Property	51,887	1%	64,366	1%	141,249	3%	126,220	2%	138,019	3%
	Other	225,085	5%	281,707	6%	281,235	6%	287,041	6%	269,169	5%
	Debt Service*	451,708	9%	441,048	9%	420,777	8%	364,663	7%	373,801	8%
Total Expenditures		4,113,660		4,184,022		4,596,240		4,481,207		4,312,734	
Net Operating Revenues		659,395	14%	628,242	13%	436,327	9%	637,657	12%	646,455	13%
Capital	Bond Proceeds Revenue	3,397,255		1,344,429		385,232		125,046			
	Capital Expenditures	(3,620,011)		(1,397,322)		(267,023)		(146,150)		(308,211)	
Net Capital Investments		(222,756)		(52,893)		118,209		(21,104)		(308,211)	
Net Revenues		436,639	9%	575,349	12%	554,536	11%	616,553	12%	338,244	7%

*Debt Service does not include the Principal portion of the Bond Payment

**Texas State Technical College
Statement of Changes in Fund Balances
Through Fiscal Year Ending August 31, 2016**

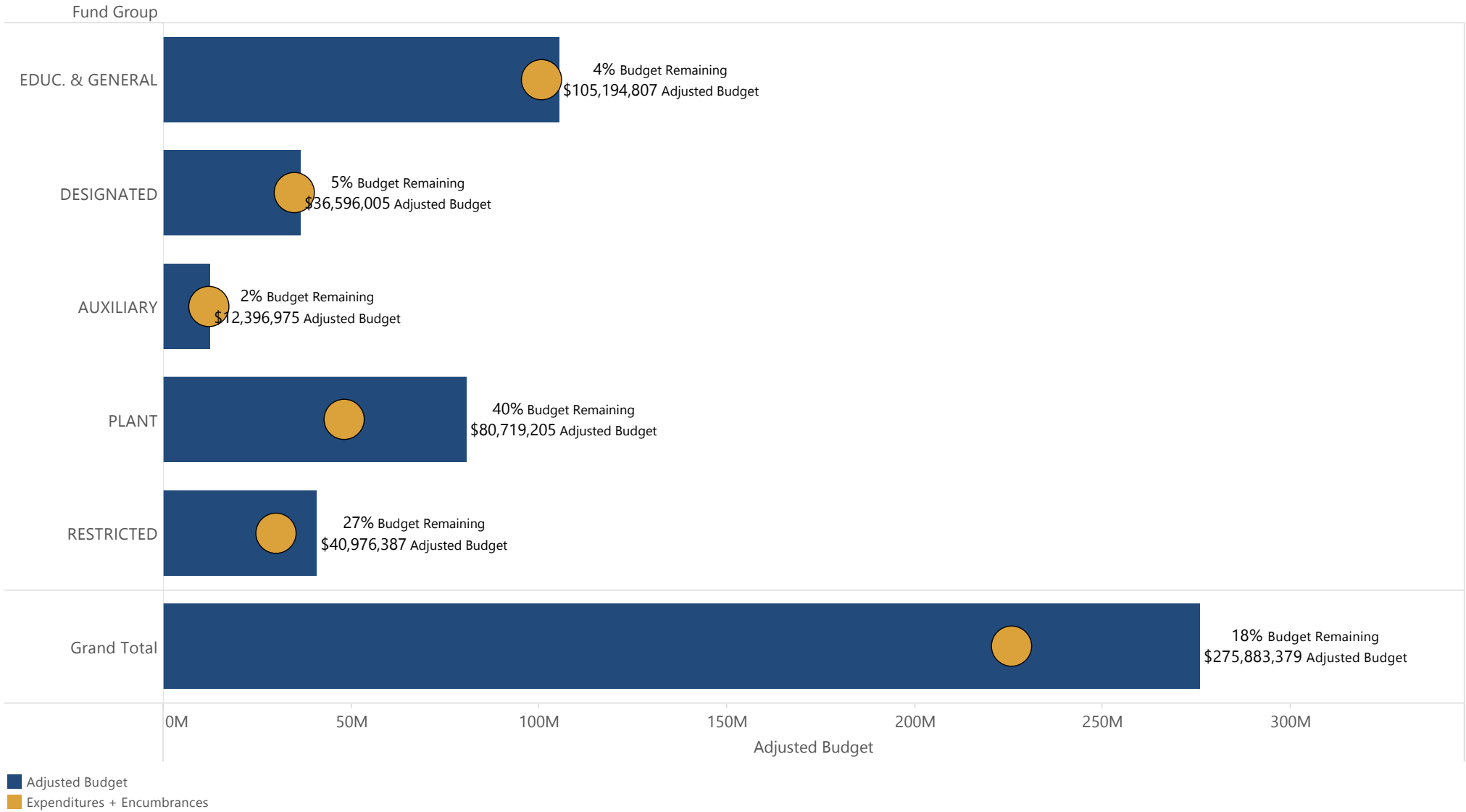
	Opening Balance	Income	Expenditures	Net Transfers	Closing Balance
E&G	18,736,737	121,047,671	111,426,271	(6,887,901)	21,470,236
DT/ Local	8,991,391	24,732,657	28,950,406	3,583,975	8,357,617
Auxiliary	535,579	12,953,641	11,776,226	(1,155,087)	557,907
Restricted	1,320,933	30,278,556	30,309,644	(409,855)	879,990
Plant	5,479,639	95,263,305	47,728,466	4,500,316	57,514,795
Grand Total	35,064,279	284,275,830	230,191,012	(368,552)	88,780,544

E&G fund totals include Tuition Surplus and HEAF Appropriation funds.

Designated fund totals originate from Designated Tuition, TPEG, surplus property, student deposit reserves, and continuing education.

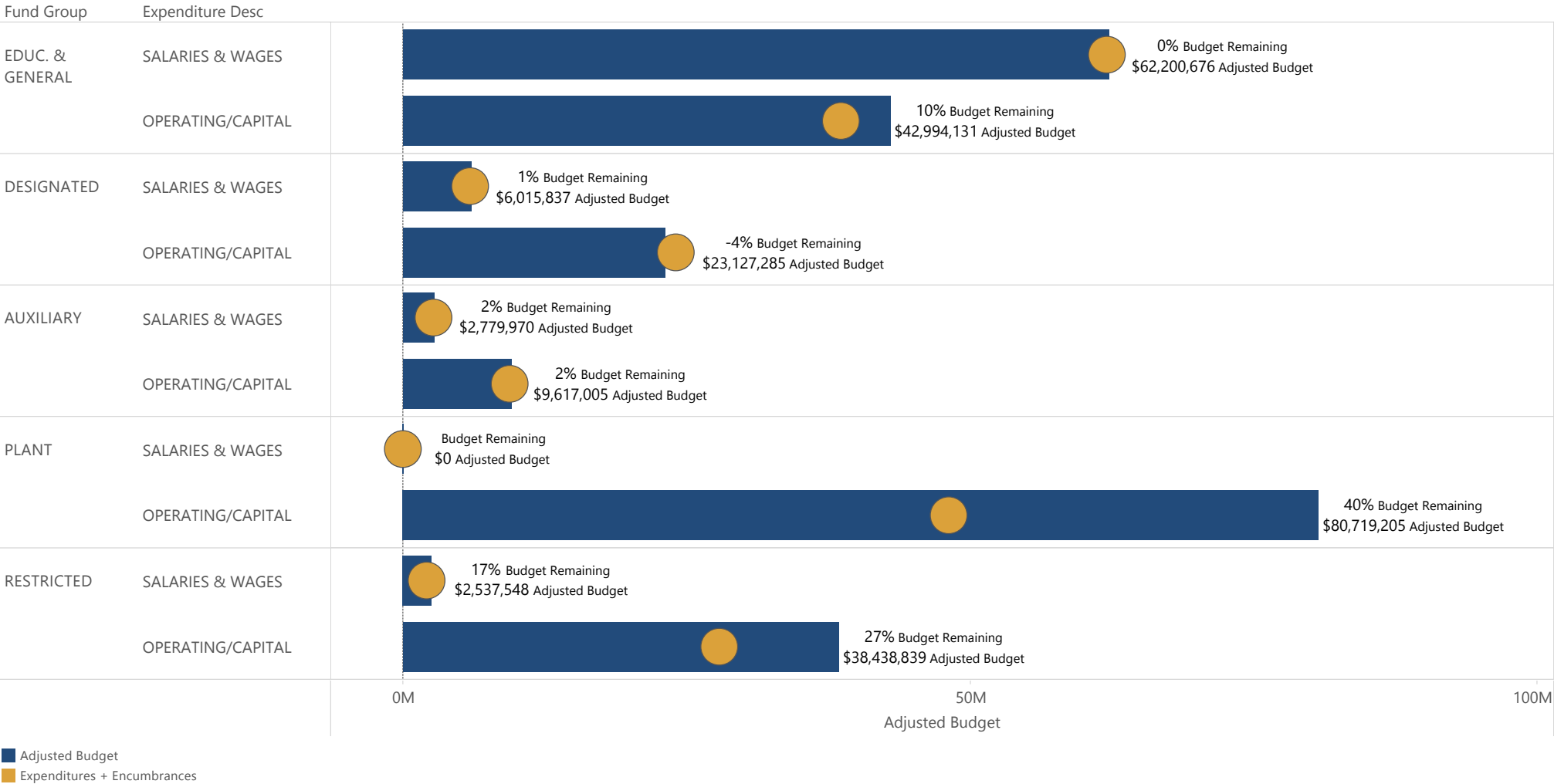
Auxiliary fund totals originate from Food Service, Bookstore, Housing, Administration, and other Enterprises to include industrial income, airport, and golf course.

Texas State Technical College System
Comparison of Budget to Expenditures and Encumbrances
September 1, 2015 - August 31, 2016

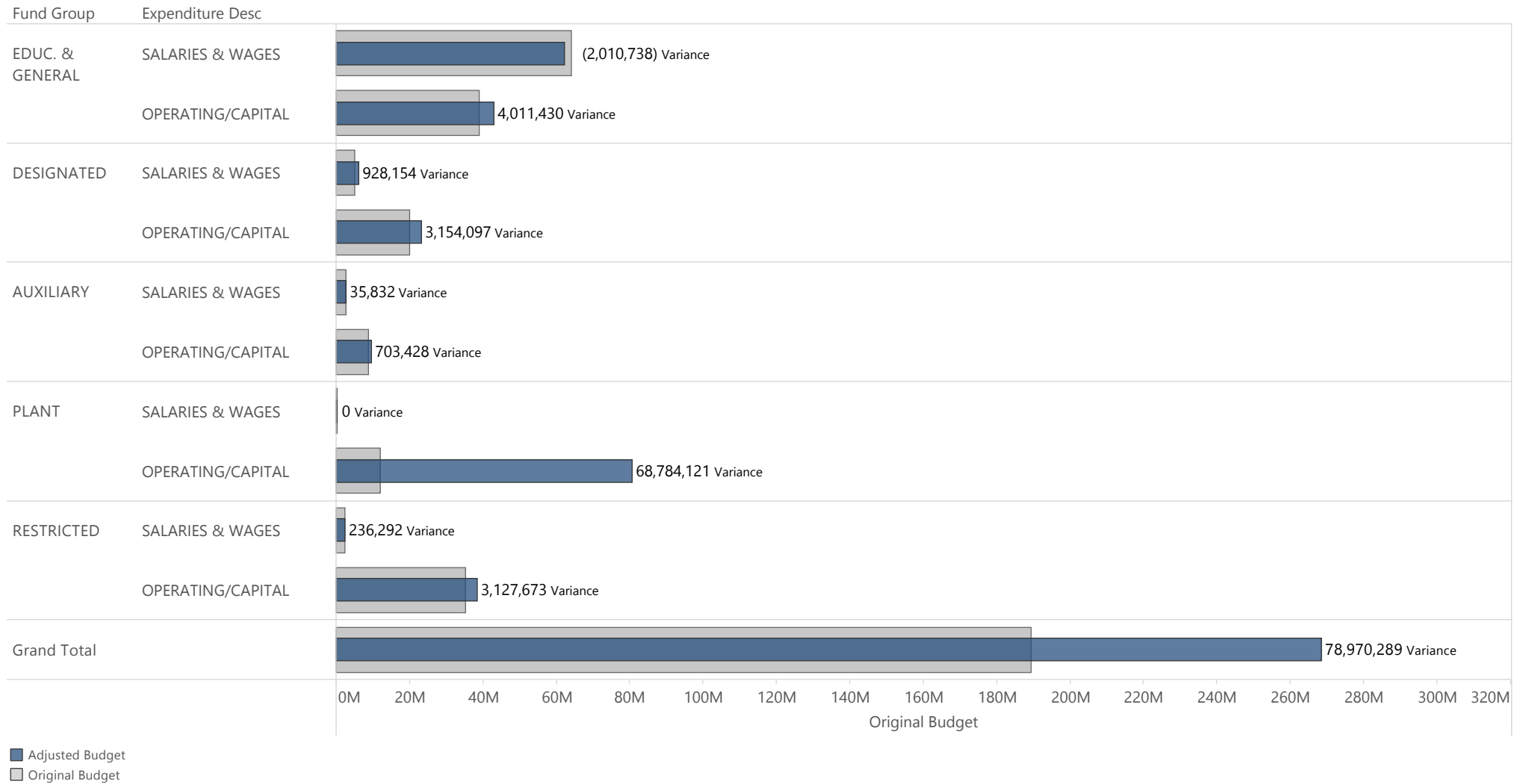


Texas State Technical College System
Comparison of Budget to Expenditures and Encumbrances by Subclass

September 1, 2015 - August 31, 2016

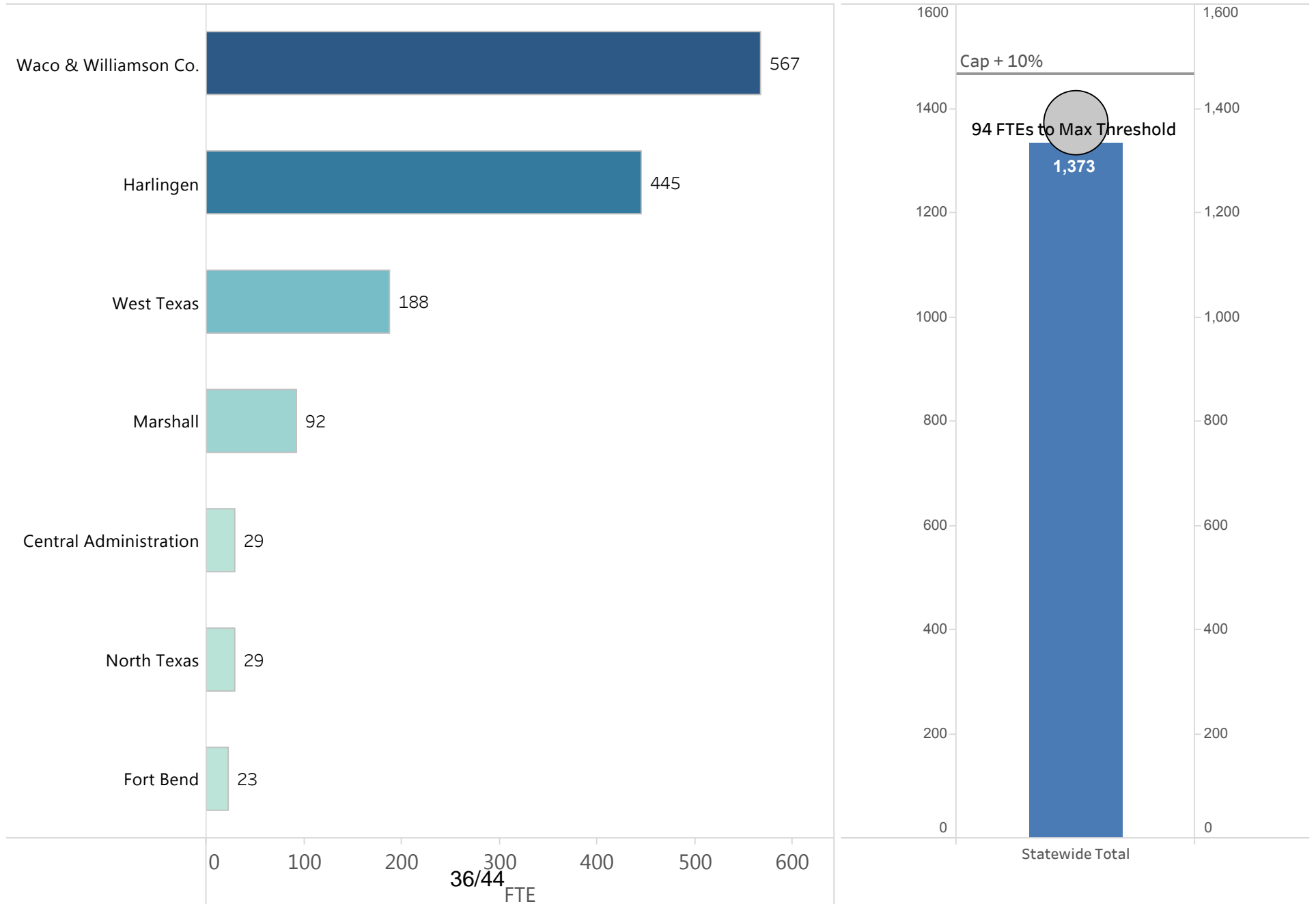


Texas State Technical College System
Variance of Adjusted Budget to Original Budget
September 1, 2015 - August 31, 2016

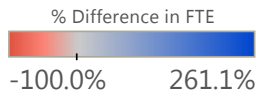
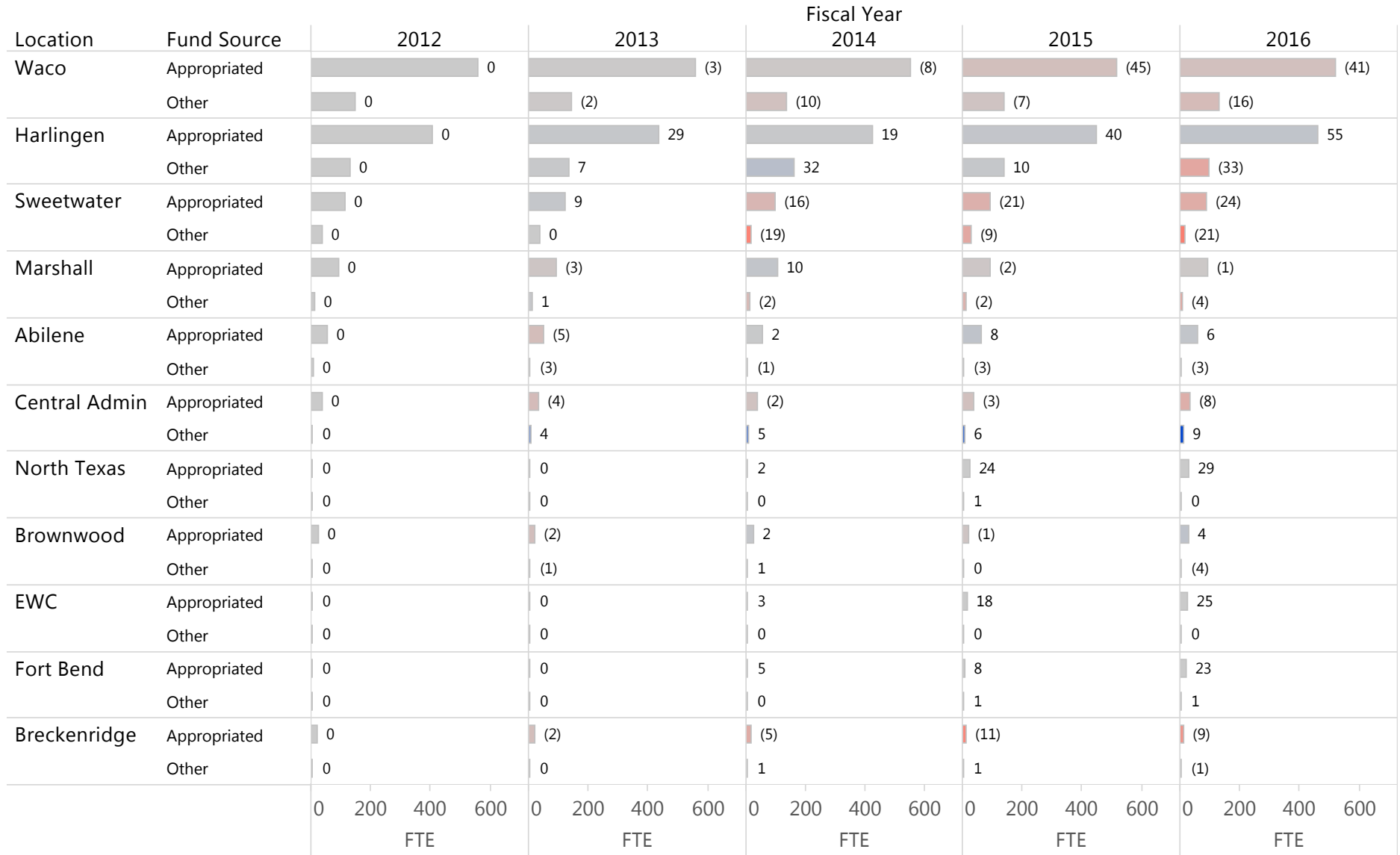


Texas State Technical College

Appropriated FTEs by Location
For the Year Ended 08/31/2016



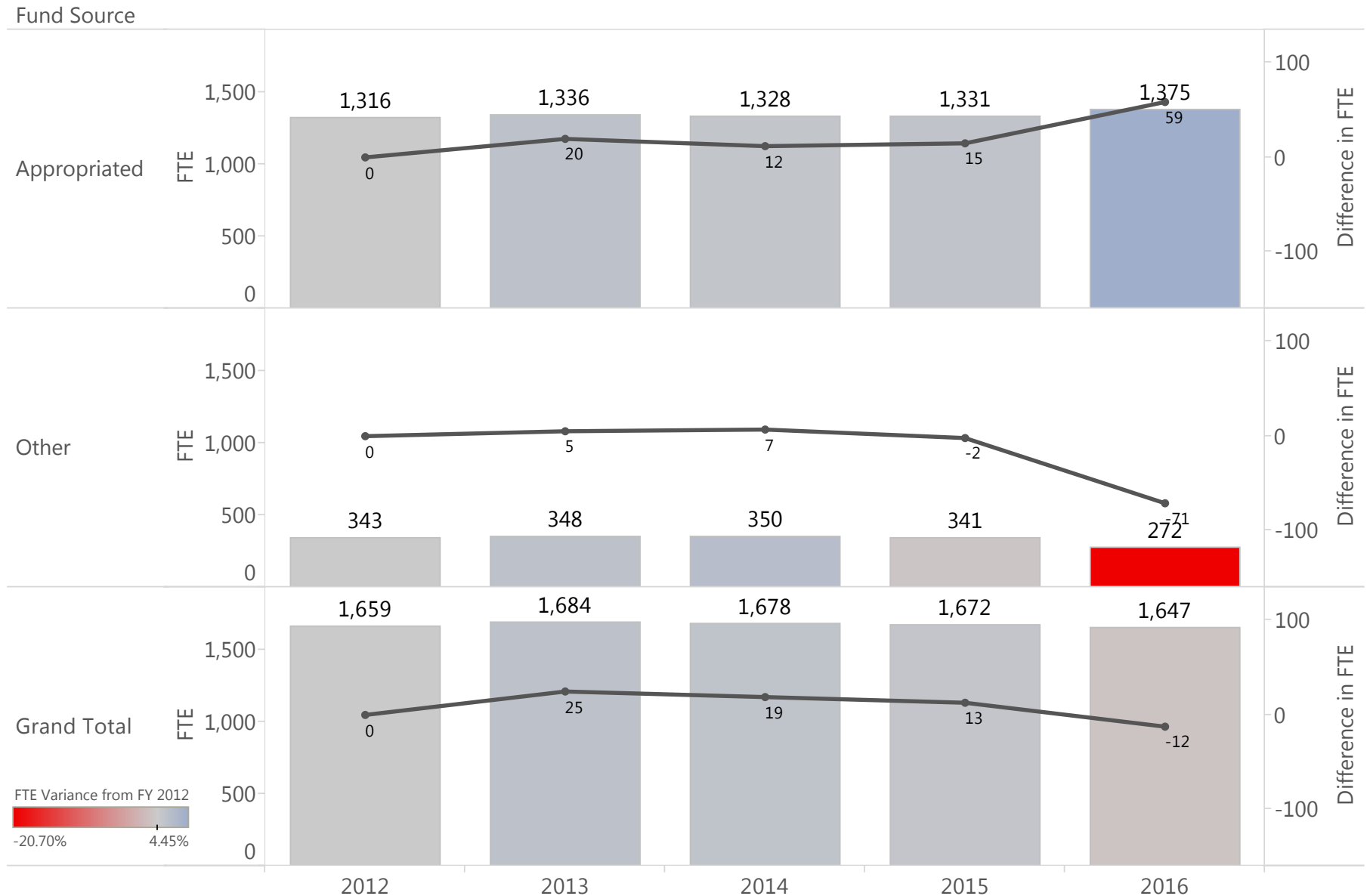
Texas State Technical College
Variance of FTEs by Location by Fund Source from FY 2012
As of 08/31/2016



Texas State Technical College

Variance of FTEs by Funding Source from FY 2012

As of 8/31/2016

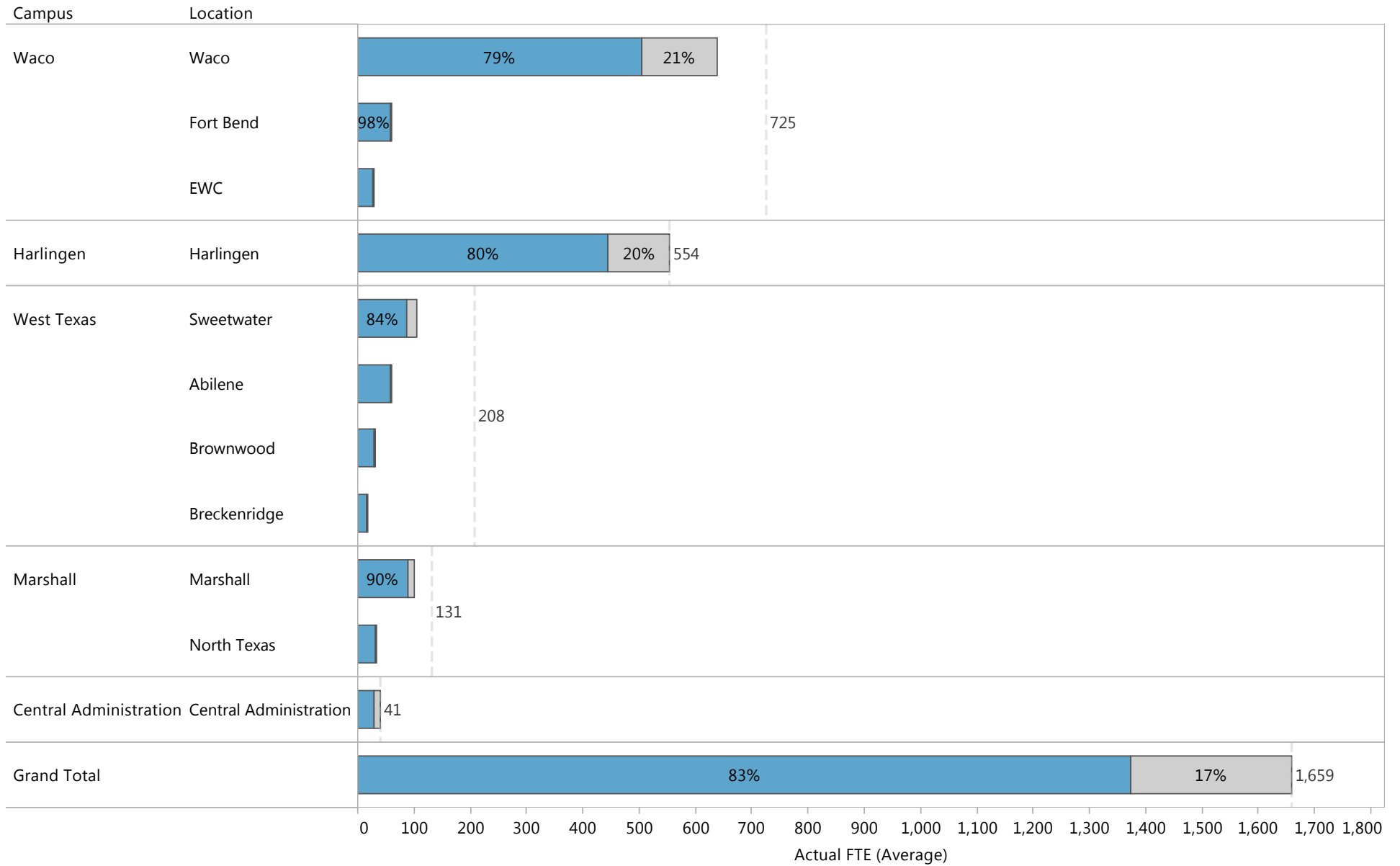


This illustration demonstrates the total FTEs in each funding source by fiscal year. The line graph (and labels) represent the FTE variance from FY 2012.

Texas State Technical College

FTEs by Location and Fund Source Percentage

As of 8/31/2016



Fund Source
■ Appropriated ■ Other

Texas State Technical College

FTEs by Location by Fund Source

As of 08/31/2016

Campus	Location	Appropriated	Other	Grand Total
Waco	EWC	27	0	27
	Fort Bend	59	1	60
	Waco	504	134	638
Harlingen	Harlingen	445	109	554
West Texas	Abilene	58	3	61
	Breckenridge	15	0	15
	Brownwood	28	0	28
	Sweetwater	87	17	104
Marshall	Marshall	90	10	100
	North Texas	31	0	31
Central Administration	Central Administration	29	12	41
Grand Total		1,373	286	1,659

TEXAS STATE TECHNICAL COLLEGE

PLEDGED COLLATERAL REPORT

August 31, 2016

	A	B	C	D	E	F	G	H	I
	PORTFOLIO				SECURITY ON DEPOSITS				
DEPOSITORY-LOCATION	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS AND INVESTMENTS	SIPC/FDIC** COVERAGE	REQUIRED COLLATERAL	COLLATERAL AT MARKET VALUE August	SUFFICIENT (INSUFFICIENT)	
1 BANK OF AMERICA - WACO	-	-	10,000	10,000	10,000	-	-	-	
2 BRECKENRIDGE INTERBANK	-	223,455	-	223,455	223,455	-	-	-	
3 CAPITAL ONE BANK - MARSHALL	-	-	2,104	2,104	2,104	-	-	-	
4 CITIZENS NATIONAL BANK - RED OAK	-	59,296	-	59,296	59,296	-	-	-	
5 COMPASS BANK - WACO	-	-	596,513	596,513	250,000	346,513	1,250,000	903,487	
6 ELSA STATE BANK & TRUST COMPANY	-	-	131,239	131,239	131,239	-	-	-	
7 EXTRACO BANKS N. A.	-	-	245,000	245,000	245,000	-	-	-	
8 FIRST COMMUNITY BANK - SAN BENITO	-	-	40,121	40,121	40,121	-	55,789	55,789	
9 FIRST NATIONAL BANK ALBANY / BRECKENRIDGE	-	-	199,215	199,215	199,215	-	-	-	
10 FIRST NATIONAL BANK OF CENTRAL TX- WACO	10	9,540,202	4,180,714	13,720,926	500,000	13,220,926	13,387,529	166,603	
11 FROST NATIONAL BANK	145,294	2,647,302	-	2,792,596	250,000	2,542,596	4,789,364	2,246,768	
12 GUARANTY BANK & TRUST (FORMERLY GUARANTY BOND BK	-	-	2,208	2,208	2,208	-	-	-	
13 LIBERTY BANK - FORT WORTH	-	-	10,000	10,000	10,000	-	-	-	
14 MILLS COUNTY STATE BANK	-	-	200,000	200,000	200,000	-	-	-	
15 PROSPERITY BANK (Formerly American State Bank)	-	1,501,594	-	1,501,594	250,000	1,251,594	2,173,079	921,485	
16 TEXAS BANK - BROWNWOOD	-	160,270	-	160,270	160,270	-	143,606	143,606	
17 TEXAS BANK & TRUST - LONGVIEW	5,304	724,627	157,137	887,068	407,137	479,931	1,733,129	1,253,198	
18 TEXAS FIRST STATE BANK - WACO	-	-	445,553	445,553	250,000	195,553	3,237,021	3,041,468	
19 TEXAS NATIONAL BANK - SWEETWATER	1	2,236,030	-	2,236,031	250,000	1,986,031	3,460,799	1,474,768	
20	150,609	17,092,776	6,219,804	23,463,189	3,440,045	20,023,144	30,230,316	10,207,172	
21 TEXASTERM - TRB Bonds*			9,004,716	9,004,716	N/A	N/A	N/A	N/A	
22 TEXASTERM - HEAF Bonds*			9,504,978	9,504,978	N/A	N/A	N/A	N/A	
23 TEXPOOL - TOTAL* (Other & TRB Bonds)			20,661,192	20,661,192	N/A	N/A	N/A	N/A	
24 TEXPOOL - OTHER *			1	1	N/A	N/A	N/A	N/A	
25 TEXPOOL - LOCAL REV BOND PROCEEDS SER 11A *			1	1	N/A	N/A	N/A	N/A	
26 TEXPOOL - TOTAL* (Other & HEAF Bonds)			16,335,984	16,335,984	N/A	N/A	N/A	N/A	
27			55,506,872	55,506,872					
28 TOTAL	150,609	17,092,776	61,726,676	78,970,061	3,440,045	20,023,144	30,230,316	10,207,172	

* No collateral required.

** Securities Investment Protection Corp/Federal Deposit Insurance Corp. The current FDIC coverage for demand deposit accounts is \$250,000 per owner and is \$250,000 for time and savings accounts per owner.

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
August 31, 2016

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS & INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
1 Bank of America - Waco Total	*			10,000	10,000	08/10/17	0.05%		Waco	5	365
2 Breckenridge InterBank Total			223,455		223,455		0.25%	Operating	Breck		
3 Capital One Bank - Marshall Total				2,104	2,104	02/08/17	0.05%		Marshall	5	366
4 Citizens National Bank - Red Oak			59,296		59,296		0.10%		Marshall	5	
5 Compass Bank - Waco				338,892	338,892	MMKT	0.25%		Harl	3	
6	*			257,621	257,621	MMKT	0.25%		Harl	8	
7 Compass Bank - Waco Total		0	0	596,513	596,513						
8 Elsa State Bank & Trust Co.				131,239	131,239	10/05/16	0.60%		Harl	6	366
9 Extraco Banks N. A.	*			245,000	245,000	06/02/17	1.00%		Waco	4	365
10 First Community Bank- San Benito	*			40,121	40,121	06/18/17	0.50%		Harl	6	365
11 First National Bank, Albany/Breckenridge				65,000	65,000	04/06/17	0.75%		Breck	5	365
12				100,000	100,000	04/14/17	0.75%		Swee	4	365
13				34,215	34,215	04/14/17	0.75%		Abilene	5	365
14 First National Bank, Albany/Breck Total		0	0	199,215	199,215						
15 First National Bank of Central TX, Waco		10	4,490,052		4,490,052		0.25%	Operating	Waco		
16			950,086		950,086		0.25%	Bookstore	Waco		
17					10		0.00%	Fed Funds	Waco		
18			205,417		205,417		0.25%	Café	Waco		
19			517,884		517,884		0.25%	Operating	System Op		
20			770,894		770,894		0.25%	HEAF	System Op		
21							0.25%	Bond Proceeds	System Op		
22			1,026,706		1,026,706		0.25%	TRB	System Op		
23			1,573,332		1,573,332		0.25%	Bond Proceeds	System Op		
24			5,831		5,831		0.25%	Payroll	System Op		
25				884,000	884,000	04/05/17	0.85%	Corp Col On-Line	System Op	8	365
26	*			250,000	250,000	06/17/17	0.85%		Waco	4	365
27	*			250,000	250,000	07/05/17	0.85%		Waco	3	365
28	*			250,000	250,000	08/03/17	0.85%		Waco	3	365
29	*			1,602,278	1,602,278	MMKT	0.60%		Waco	4	
30				87,668	87,668	MMKT	0.60%		System Op	8	
31 FNB of Central TX Total		10	9,540,202	4,180,714	13,720,926	MMKT	0.60%		Waco	3	
32 Frost Bank		145,244			145,244		0.00%	Operating	Fort Bend	3	
33			2,647,302		2,647,302		0.01%	Operating	Harl		
34		50			50		0.00%	Financial Aid	Harl		
35 Frost Bank Total		145,294	2,647,302	0	2,792,596						
36 Guaranty Bank & Trust (Formerly Guaranty Bond Bank)				2,208	2,208	02/13/17	0.65%		Marshall	5	366
37 Liberty Bank-N. Richland Hills Total				10,000	10,000	09/07/16	0.75%		Waco	5	731
38 Mills County State Bank				200,000	200,000	01/17/17	0.47%		Swee	4	366
39 Prosperity Bank (Formerly American State Bank-Abilene)			1,501,594		1,501,594		0.20%	Operating	Abilene		
40 Texas Bank- Brownwood Total			160,270		160,270		0.02%	Operating	Swee		

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DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
41 Texas Bank and Trust - Longview		5,304	724,627		724,627		0.10%	Operating	Marshall		
42					5,304		0.00%	Fed Funds	Marshall		
43 *				36,607	36,607	06/06/17	0.75%		Marshall	5	365
44				55,636	55,636	01/25/17	0.80%		Marshall	5	366
45 *				15,686	15,686	03/06/17	0.75%		Marshall	5	365
46				5,798	5,798	06/28/17	0.75%		Marshall	5	365
47				43,410	43,410	10/29/16	0.50%		Marshall	5	366
48 Texas Bank and Trust Total		5,304	724,627	157,137	887,068						
49 Texas First State Bank- Waco				195,553	195,553	11/21/16	0.50%		Waco	5	366
50				250,000	250,000	10/16/16	0.50%		Waco	4	335
51 Texas First State Bank Total		0	0	445,553	445,553						
52 Texas National Bank- Sweetwater			1,499,493		1,499,493		0.18%	Operating	Swee		
53			736,537		736,537		0.18%	BkStore Cr Crd	Swee		
54		1			1		0.00%	Financial Aid	Swee		
55 Texas National Bank Total		1	2,236,030	0	2,236,031						
56 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	4,002,096	4,002,096		0.47%		Waco	8	
57 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	1,000,524	1,000,524		0.47%		Harlingen	8	
58 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	4,002,096	4,002,096		0.47%		Abilene	8	
59 TexasTerm TRB Bonds - Total		0	0	9,004,716	9,004,716						
60 TexasTerm - Ser 2016 HEAF Bond Proceeds	*	0	0	5,502,882	5,502,882		0.47%		Waco	8	
61 TexasTerm - Ser 2016 HEAF Bond Proceeds	*	0	0	4,002,096	4,002,096		0.47%		Harlingen	8	
62 TexasTerm HEAF Bonds - Total		0	0	9,504,978	9,504,978						
63 TexPool - Other Total		0	0	1	1		0.37%		System Op	8	
64 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	10,097,125	10,097,125		0.37%		Waco	8	
65 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	2,635,206	2,635,206		0.37%		Harlingen	8	
66 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	7,833,942	7,833,942		0.37%		Abilene	8	
67 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	94,918	94,918		0.37%		Marshall	8	
68 TexPool - Total		0	0	20,661,192	20,661,192						
69 TexPool - Other Total		0	0	1	1		0.37%		Waco	8	
70 TexPool Loc Rev Bd Proceeds Ser 11A Total		0	0	1	1		0.37%		Harl	8	
71 TexPool - Other Total		0	0	1	1		0.37%		System Op	4	
72 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	8,508,659	8,508,659		0.37%		Waco	8	
73 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	4,353,538	4,353,538		0.37%		Harlingen	8	
74 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	2,276,807	2,276,807		0.37%		Swee	8	
75 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	1,196,979	1,196,979		0.37%		Marshall	8	
76 TexPool - Total		0	0	16,335,984	16,335,984						
77 TOTAL ALL INVESTMENTS		150,609	17,092,776	61,726,676	78,970,061						
78 TIME DEPOSITS BY FUND:	FUND NO.										
79 DESIGNATED FUNDS	3			1,695,660							
80 AUXILIARY ENTERPRISES FUNDS	4			2,647,279							
81 ENDOWMENT FUNDS	5			476,217							
82 RESTRICTED FUNDS	6			171,360							
83 UNEXPENDED PLANT FUNDS	8			56,736,160							
84				61,726,676							
85 TIME DEPOSITS BY LOCATION:											
86 SYSTEM OPERATIONS				971,670							
87 WACO				32,030,362							
88 HARLINGEN				12,759,238							

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			REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
89	DEPOSITORY-LOCATION				14,512,060							
90	WEST TEXAS				1,453,346							
91	MARSHALL				61,726,676							
92	WEIGHTED AVERAGE RATE OF INTEREST				0.43%							
93	BENCHMARK - TREASURY BOND YIELDS AS OF											
94	8-31-16											
	1-YEAR				0.61%							
95	WEIGHTED AVERAGE MATURITY (CD'S)				396							
96	INTEREST RECEIVED AND ACCRUED ON											
	CASH IN BANK AND INVESTMENTS FY 16				149,952							
97	INVESTMENT ACTIVITY FY16											
98	Balance May 31, 2016				66,967,871							
99	Interest Added to Investments				60,370							
100	Time Deposits Increase (Decrease)				-368,037							
101	TexPool Funds-Other ncrease (Decrease)											
102	TexPool Funds-TRB Increase (Decrease)				-11,000,000							
103	TexPool Funds-HEAF Bonds Increase (Decrease)				-11,200,000							
104	TexasTerm Funds-TRB Increase (Decrease)				9,000,000							
105	TexasTerm Funds-HEAF Bonds Increase (Decrease)				9,500,000							
106	Money Market-Loc Rev Bonds Increase (Decrease)				-733,528							
107	Money Market Funds-Other Increase (Decrease)				-500,000							
108	Balance August 31, 2016				61,726,676							

* Investment Changes June 2016 - August 2016

ALL INVESTMENTS ARE SHOWN AT COST. MARKET VALUE EQUALS COST DUE TO THE TYPE OF INVESTMENT.

I CERTIFY THAT THIS INVESTMENT PORTFOLIO IS IN COMPLIANCE WITH TEXAS STATE TECHNICAL COLLEGE'S POLICY
ON INVESTMENTS AND THE PUBLIC FUNDS INVESTMENT ACT (TEXAS GOVERNMENT CODE, SECTION 2256).


Albert Srubar, Comptroller

10/31/16
Date


Jonathan Hoekstra, Vice Chancellor for Finance

10/31/16
Date