

Meeting of the Board of Regents

August 15, 2019
Waco, Texas



OFFICE OF THE CHANCELLOR

3801 Campus Drive
Waco, Texas 76705

254-867-4891
254-867-3960

August 1, 2019

Mr. John Hatchel, Chair
Members of the Board of Regents
Texas State Technical College
Waco, Texas 76705

RE: Action Items for the Meetings of the Board of Regents on August 14-15, 2019

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the August 14-15, 2019 meetings. These materials have been reviewed and approved by the appropriate staff members as indicated.

As Chancellor of the College, I have also reviewed and approved the recommendations and submit them for whatever action the Board of Regents deems proper.

Sincerely,



Michael L. Reeser
Chancellor & CEO

Attachments

August 1, 2019

Mr. John Hatchel, Chair
Members of the Board of Regents
Texas State Technical College System
Waco, Texas 76705

SUBJECT: Quarterly Control & Compliance Attestation

Regents:

I am providing this letter in connection with the College's preparation of quarterly Board reporting. I understand that you and the Board of Regents will rely on these reports to assist with your governance responsibilities, specifically including, but not limited to, your responsibilities to the Governor's Office, Legislative Budget Board, and the Texas Higher Education Coordinating Board.

I have reviewed sections of the Board reports relevant to my operating responsibilities and believe the disclosures are informative and reasonably reflect the underlying events and the inclusion of other information necessary to give you a materially complete picture of our operations. I hereby certify, to the best of my knowledge and belief, that the reports do not contain any untrue statement of a material fact or omit any material fact(s) necessary to make the report misleading.

I confirm that I am responsible within areas of my operating responsibility for:

- a. The design and implementation of programs and controls to prevent and detect fraud;
- b. Establishing and maintaining effective internal control over financial reporting, effective and efficient operations, and regulatory compliance;
- c. Maintaining appropriate documentation of such internal control; and
- d. Financial reports, records and supporting documentation that were properly reviewed and to my knowledge, do not contain any untrue statement of material fact or omit material facts that would result in making the information and/or documentation misleading.

I confirm, to the best of my knowledge and belief, the following representations:

1. I have no knowledge of any regulatory violations, occurrences of misstatement, fraud or suspected fraud affecting the College during the period being reviewed that has not been reported to you, our General Counsel, the Internal Audit Director, or the Audit Committee;

2. There are no contingent claims that have not been reported to our Chief Financial Officer or General Counsel; and
3. I have maintained adequate internal control over financial reporting, effective and efficient operations, and regulatory compliance within my areas of operating responsibility as of June 30, 2019, based on criteria established by prudent risk management practices.
4. There have been no changes in internal control that might negatively affect the effectiveness of such controls, including any corrective actions taken with regard to related deficiencies and weaknesses previously identified. I have resolved, or am currently in the process of resolving, all such issues identified and communicated to me during previous audits (internal or external).
5. All material transactions have been communicated to the Chief Financial Officer for recording and disclosure in the financial statements and/or Board reports.
6. The following, to the extent applicable, have been appropriately identified and communicated for proper recording and disclosure:
 - a. Related-party transactions associated with vendor relationships; and
 - b. Significant contractual obligations, or other contingent liabilities.
7. Violations or possible violations of laws or regulations whose effects should be considered for disclosure due to their level of impact have been communicated to you, our General Counsel, the Internal Audit Director, or the Audit Committee.
8. The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
9. Other than those previously disclosed, no events have occurred subsequent to June 30, 2019, that should be disclosed due to their impact on the financial statements, effectiveness of existing systems of control, or regulatory compliance.

Please note, no qualifying matters occurred during the period covered by this correspondence. So, this two-page letter makes up the entirety of this installment of the periodic disclosures.

Sincerely,



Michael L. Reeser
Chancellor & CEO



TSTC Board of Regents Meeting(s) Connally Meeting & Conference Center (CM&CC)

Wednesday, August 14, 2019

| When | What | Where | Dress | Who |
|------------|---|-----------------|--------------|---|
| 12:00 p.m. | Lunch | Houston Room | Smart Casual | Regents |
| 1:00 p.m. | Special Meeting of the Board of Regents (Annual Budget Meeting) | Austin Room | Smart Casual | Regents, Leadership Team, Guest(s) & public citizens |
| 4:00 p.m. | Hotel Check-In | The Hilton Waco | Smart Casual | Regents & Spouses |
| 6:00 p.m. | Reception & Dinner* | Houston Room | Smart Casual | Regents & Spouses, Leadership Team & Spouses & invited guest(s) |

Thursday, August 15, 2019

| When | What | Where | Dress | Who |
|-------------------------|--|--|--------------|--|
| 7:45 a.m. | Travel to Campus* | The Hilton Waco to TSTC | Smart Casual | Regents |
| 8:00 a.m. - 9:00 a.m. | Breakfast | Houston Room | Smart Casual | Regents, Leadership Team & invited guest(s) |
| 9:00 a.m. - 10:00 a.m. | Student Learning & Student Development Working Group | The Bowie Room | Smart Casual | Regent Abad (Chair), Regent Tremont, Jeff Kilgore, Rick Herrera & invited guest(s) |
| | General Administration Working Group | Gail Lawrence's Conference Room | Smart Casual | Regent Cleveland (Chair), Regent McDonald, Ray Rushing, Gail Lawrence, Roger Miller, Michael Bettersworth & invited guest(s) |
| | Audit Working Group | The Gonzales Room | Smart Casual | Regent Andarza (Chair), Regent Tremont, Jason Mallory & invited guest(s) |
| | Facilities and Fiscal Affairs Working Groups | The Goliad Room | Smart Casual | Regent Skinner (Facilities Chair), Regent Cleveland, Regent Honey (Fiscal Affairs Chair - absent), Regent Meade (absent) Jonathan Hoekstra, Rick Herrera, Ray Fried & invited guest(s) |
| 10:00 a.m. - 10:30 a.m. | Ad Hoc Committee Meeting | Crockett Room | Smart Casual | Chairman Hatchel, Regents Honey, Skinner, Andarza; Mike Reeser, Michael Bettersworth & Jonathan Hoekstra |
| 10:30 a.m. | Audit Committee Meeting | Austin Room | Smart Casual | Regents, Leadership Team, Guest(s) & public citizens |
| 11:30 a.m. | Lunch | Houston Room | Smart Casual | Regents, Leadership Team & invited guest(s) |
| 12:30 p.m. | The Board of Regents Meeting | Austin Room (Live Broadcast & Closed Caption) | Smart Casual | Regents, Leadership Team, Guest(s) & public citizens |

*Transportation that is provided by TSTC is an opt-in service. Regents are free to self-drive to and from campus as they see fit. Please notify the Chancellor's office if you opt-out of TSTC transportation.

Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of preceding meetings. The estimated times are approximate and may be adjusted as required with no prior notice.

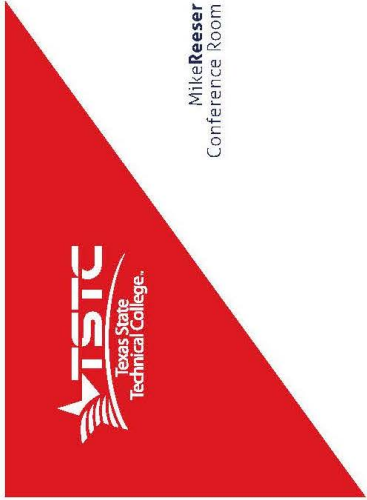


JOHN B. CONNALLY TECHNOLOGY CENTER

* Yellow box indicates reserved parking area for Regents.

The John B. Connally Technology Center is located off of I-35 at the entrance of our Waco campus.

When driving on I-35, take exit 342-A about 5 miles north of Waco. After exiting, go east on Crest Drive. The main entrance is on your right. The John B. Connally Technology Center is on the corner of Crest and Campus Drive.



TEXAS STATE TECHNICAL COLLEGE

**Meeting of the
Board of Regents**

**Texas State Technical College
Connally Meeting & Conference Center
1651 E. Crest Drive
Waco, TX 76705**

**Thursday, August 15, 2019
12:30 p.m.**

AGENDA

- I. MEETING CALLED TO ORDER**
- II. INVOCATION**
- III. DETERMINATION OF QUORUM**
- IV. ADOPTION OF AGENDA**
- V. APPROVAL OF MINUTES OF MAY 15 AND 16, 2019 MEETINGS**
- VI. APPROVAL OF MINUTES OF JULY 16, 2019 EXECUTIVE COMMITTEE MEETING**
- VII. RECOGNITION OF GUESTS**
- VIII. CHANCELLOR COMMENTS**

IX. COMMITTEE REPORTS & MINUTE ORDERS

- a. **Committee for Student Learning and Student Development**
Tony Abad, Chair; Tiffany Tremont, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

34-19(c) Approve New Statewide Operating Standard (SOS) ES 3.12
Transfer and Substitution of Credit..... 27
Jeff Kilgore

Reports:

None.

- b. **Committee for General Administration**
Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

35-19(c) Approve the Designation and Creation of C4EO as a Center for
Technology Commercialization Under Sections 153.001 – 153.007 of the Texas
Education Code 34
Ray Rushing

Reports:

Legislative Review and Report..... Oral
Roger Miller

- c. **Committee for Facilities**
Ellis Skinner, Chair; Curtis Cleveland, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

36-19(c) Delegate the Authority to the Chancellor to Extend an Interagency
Cooperation Contract for Natural Gas with the General Land Office in Excess of One
Million Dollars (\$1,000,000) 37
Ray Fried

37-19(c) Approve the Project and Budget to Construct a New Shade Structure and Associated Infrastructure as the Texas State Technical College Waco Airport 40
Ray Fried

38-19(c) Approve the Project and Budget for the Abatement and Demolition Project at Texas State Technical College in Waco..... 42
Ray Fried

Reports:

Major Facility Projects Status Update..... 44
Ray Fried

Capital Expenditure Plan (MP1) Summary Report..... 45
Ray Fried

- d. **Committee for Fiscal Affairs**
Keith Honey, Chair; Alex Meade, Member

Committee Chair Comments

Minute Orders:
Proposed MO#

39-19(c) Approve Schedule of Tuition and Fees Effective Fall 2020 Semester 51
Jonathan Hoekstra

40-19(c) Authorize the Chancellor to Enter into and Execute an Agreement with Battlespace, Inc. to Lease Hangar Space, Campus Land, and Ramp Space at the Texas State Technical College Waco Airport 55
Jonathan Hoekstra

41-19(c) Approve the Multi-Year, Multi-Phase Statewide College Business Process Transformation Project and Delegate Related Contract Authority..... 59
Jonathan Hoekstra

42-19(c) Approve the Concept to Lease Land and Improvements to The TSTC Foundation at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Professional Services Contracts Required for Due Diligence of the Concept..... 62
Jonathan Hoekstra

Reports:

| | |
|---|----|
| 1. Budget Performance Report..... | 65 |
| <i>Jonathan Hoekstra</i> | |
| 2. TSTC Full Time Equivalent (FTE) Reports..... | 67 |
| <i>Jonathan Hoekstra</i> | |
| 3. Pledged Collateral Report..... | 70 |
| <i>Jonathan Hoekstra</i> | |
| 4. Quarterly Investment Report..... | 71 |
| <i>Jonathan Hoekstra</i> | |

X. CONSENT AGENDA ITEMS

33-19(c) Approve Proposed Audit Plan for Fiscal Year 2020

34-19(c) Approve New Statewide Operating Standard (SOS) ES 3.12 Transfer and Substitution of Credit

35-19(c) Approve the Designation and Creation of C4EO as a Center for Technology Commercialization Under Sections 153.001 – 153.007 of the Texas Education Code

36-19(c) Delegate the Authority to the Chancellor to Extend an Interagency Cooperation Contract for Natural Gas with the General Land Office in Excess of One Million Dollars (\$1,000,000)

37-19(c) Approve the Project and Budget to Construct a New Shade Structure and Associated Infrastructure as the Texas State Technical College Waco Airport

38-19(c) Approve the Project and Budget for the Abatement and Demolition Project at Texas State Technical College in Waco

39-19(c) Approve Schedule of Tuition and Fees Effective Fall 2020 Semester

40-19(c) Authorize the Chancellor to Enter into and Execute an Agreement with Battlespace, Inc. to Lease Hangar Space, Campus Land, and Ramp Space at the Texas State Technical College Waco Airport

41-19(c) Approve the Multi-Year, Multi-Phase Statewide College Business Process Transformation Project and Delegate Related Contract Authority

42-19(c) Approve the Concept to Lease Land and Improvements to The TSTC Foundation at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Professional Services Contracts Required for Due Diligence of the Concept

XI. UNFINISHED BUSINESS

30-19(c) Approve Operating Budget for Fiscal Year 2020

31-19(c) Approve Appropriation Transfers for Fiscal Year 2020

32-19(c) Approve Allocation of Higher Education Assistance Funds for Fiscal Year 2020

XII. NEW BUSINESS

XIII. PUBLIC COMMENTS

XIV. RECESS OPEN MEETING

- a. The Open Meeting is recessed and the Regents retire to the Crockett Room to conduct the Closed Meeting.

XV. CLOSED MEETING

- a. The Closed Meeting is called to Order and a Quorum is determined.
- b. Consultation with Attorney (Texas Government Code, Section 551.071)
Texas Government Code, Section 551.071: "A governmental body may not conduct a private consultation with its attorney except:
 - (1) *When the governmental body seeks the advice of its attorney about:*
 - (A) *pending or contemplated litigation; or*
 - (B) *a settlement offer; or*
 - (2) *On a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter."*
 1. Ted Donovan v. TSTC
 2. John Clark Owen v. TSTC
- c. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
Texas Government Code, Section 551.072: "A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person."
 1. Discuss Leasehold interest in real estate property

d. Personnel Matters (Texas Government Code, Section 551.074)

Texas Government Code, Section 551.074

“(a) This chapter does not require a governmental body to conduct an open meeting:

(1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or

(2) to hear a complaint or charge against an officer or employee.

(b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing.”

e. Adjourn

f. Regents return to Austin Room at conclusion of Closed Meeting.

XVI. OPEN MEETING RECONVENES

XVII. ACTION

Possible Action from Closed Meeting

XVIII. CHANCELLOR COMMENTS

XIX. BOARD COMMENTS

XX. ADJOURN

Texas State Technical College
Minutes of the
Special Meeting of the Board of Regents

Wednesday, May 15, 2019
Texas State Technical College

Connally Meeting & Conference Center
1651 E. Crest Drive
Waco, TX 76705

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents was called to order at 7:55 p.m., May 15, 2019, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Ellis Skinner, Curtis Cleveland, Pat McDonald, Tiffany Tremont and Ivan Andarza

Members Absent: Keith Honey, Tony Abad and Alex Meade

A quorum was present and the notice of the meeting had been published.

AGENDA ITEM

Upon a motion by Regent Skinner and second by Regent McDonald, the Agenda Item was approved unanimously.

22-19 Resolution Appointing Dr. Elton E. Stuckly Jr. as President Emeritus

ADJOURN

The meeting adjourned at 8:15 p.m.



Ray Rushing
Secretary to the Board of Regents

TEXAS STATE TECHNICAL COLLEGE

**Minutes of the Meeting of the
Audit Committee
of the Board of Regents**

**Texas State Technical College
Connally Meeting & Conference Center
1651 E. Crest Drive
Waco, TX 76705**

Thursday, May 16, 2019

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at 10:48 a.m., May 16, 2019, by Chair Andarza.

Members Present: John Hatchel, Ivan Andarza, Pat McDonald, Tiffany Tremont,
Curtis Cleveland, Alex Meade and Ellis Skinner

Members Absent: Tony Abad and Keith Honey

A quorum was present.

MINUTE ORDERS

None.

REPORTS

The following reports were presented to the Committee:

- | | |
|---|------------------|
| 1. Status of Fiscal Year 2019 Audit Schedule & Other Projects | Jason D. Mallory |
| 2. Summary of Audit Reports | Jason D. Mallory |
| 3. Follow-up Schedule & Status | Jason D. Mallory |
| 4. Internal Network Penetration Test – North Texas (19-011A) | Jason D. Mallory |
| 5. Audit of the Maxient Application (19-003A) | |

- | | |
|--|------------------------|
| | Jason D. Mallory |
| 6. Internal Network Penetration Test – Ft. Bend (19-015A) | Jason D. Mallory |
| 7. Graduation Process Audit (19-008A) | Jason D. Mallory |
| 8. TAC 202 Compliance – Quarterly Update (19-012A) | Jason D. Mallory |
| 9. Audit of Police Evidence Room – Waco Campus (19-013A) | Jason D. Mallory |
| 10. Single Audit – FY 2018 Financial Statements & Federal Compliance | BKD |
| 11. Federal Portion of the Statewide Audit Report for the Year Ended August 31, 2018 | State Auditor's Office |
| 12. Attestation Disclosures | Jason D. Mallory |

CHANCELLOR COMMENTS


Commended Jason Mallory on protecting the integrity and independence of the audit function while building rapport with management.

BOARD COMMENTS

None.

ADJOURN

The meeting adjourned at 11:12 a.m.



Ray Rushing
Secretary to the Board of Regents

Texas State Technical College

**Minutes of the
Meeting of the Board of Regents**

**Thursday, May 16, 2019
Texas State Technical College**

**Connally Meeting & Conference Center
1651 E. Crest Drive
Waco, TX 76705**

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents was called to order at 11:19 a.m., May 16, 2019, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Ellis Skinner, Ivan Andarza, Curtis Cleveland, Pat McDonald, Tiffany Tremont and Alex Meade

Members Absent: Keith Honey and Tony Abad

A quorum was present and the notice of the meeting had been published.

ADOPTION OF AGENDA

Upon a motion by Regent Andarza and second by Regent Cleveland, the Amended Agenda was adopted unanimously.

APPROVAL OF MINUTES

Upon a motion by Regent Cleveland and second by Regent Meade, the Minutes of the January 30 and 31, 2019 Meetings of the Audit Committee and the Board of Regents were approved unanimously.

RECOGNITION OF GUESTS

None.

CHANCELLOR COMMENTS

PowerPoint status update on the affairs of the College.

COMMITTEE REPORTS & MINUTE ORDERS

a. **Committee for Facilities**

Ellis Skinner, Chair; Curtis Cleveland, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 14-19(c) Approve the Concept for the Abatement and Demolition of Buildings at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Contracts for the Concept
- 15-19(c) Approve the Project and Budget to Replace the Fire Hydrant Loop at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project
- 16-19(c) Delegate the Authority to the Chancellor to Enter into and Execute a Grounds Service Contract Agreement Greater than One Million Dollars (\$1,000,000)
- 17-19(c) Approve the Project and Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for the Project
- 18-19(c) Approve the Project and Budget to Rehabilitate the Loop Road Paving at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project

Reports:

1. Major Facility Projects Status Update

Ray Fried

RECESS FOR LUNCH

The meeting of the TSTC Board of Regents recessed for lunch at 12:30p.m. by Chair Hatchel.

DETERMINATION OF QUORUM (1:10 p.m.)

Members Present: John Hatchel, Ivan Andarza, Curtis Cleveland, Pat McDonald and Tiffany Tremont

Members Absent: Keith Honey, Tony Abad, Ellis Skinner and Alex Meade

A quorum was still present after two Regents left due to conflicting commitments.

b. **Committee for Fiscal Affairs**

Keith Honey, Chair; Alex Meade, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

19-19(c) Authorize the Ground Lease Agreement with Abilene Independent School District to Provide the Site for a Career and Technical Education High School

20-19(c) Authorize the Reimbursement Resolution Associated with Acquisition of Full Ownership in the University Articulation and Career Center at Texas State Technical College in Harlingen

21-19(c) Approve the Reallocation of Higher Education Assistance Funds for Fiscal Year 2019

Reports:

1. Budget Performance Report

Jonathan Hoekstra

2. TSTC Full Time Equivalent (FTE) Reports

Jonathan Hoekstra

3. Pledged Collateral Report

Jonathan Hoekstra

4. Quarterly Investment Report

Jonathan Hoekstra

5. Semi-Annual Letter & Report Certifying Debt Management Policy Compliance

Jonathan Hoekstra

6. Annual Financial Reports (AFR) Summary

Jonathan Hoekstra

7. Human Resources Update

Pamela Mayfield

c. **Committee for General Administration**

Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 13-19(c) Approve the Addition of Board Self Evaluation and Regent Dismissal to the Texas State Technical College Board of Regents Bylaws

Reports:

1. TSTC Foundation Mid-Year Update

Beth Wooten

2. Marketing Update

Nick Alvarado

d. **Committee for Student Learning and Student Development**

Tony Abad, Chair; Tiffany Tremont, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

None.

Reports:

None.

CONSENT AGENDA ITEMS

Chair Hatchel requested that Consent Agenda Item 13-19(c) be removed for further research. Upon a motion by Regent McDonald and second by Regent Cleveland, the remaining Consent Agenda Items were approved unanimously.

- 14-19(c) Approve the Concept for the Abatement and Demolition of Buildings at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Contracts for the Concept

“The Board of Regents approves the concept for the abatement and demolition of buildings on the Waco campus, contingent on the legislative appropriation of funds, and authorizes the Chancellor or his designee to proceed with contracts for pre-construction services up to ten percent of the aggregate cost of the project.”

- 15-19(c) Approve the Project and Budget to Replace the Fire Hydrant Loop at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project

“The Texas State Technical College Board of Regents approves the project and budget for the construction of a new fire loop system on the Sweetwater Campus and authorizes the Chancellor or his designee to enter into contracts for the construction of the fire loop system.”

- 16-19(c) Delegate the Authority to the Chancellor to Enter into and Execute a Grounds Service Contract Agreement Greater than One Million Dollars (\$1,000,000)

“The Texas State Technical College Board of Regents delegates authority to the Chancellor or his designee to enter into and execute the Grounds Service Contract in excess of One Million Dollars for the grounds maintenance at Texas State Technical College in Waco.”

- 17-19(c) Approve the Project and Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for the Project

“The Texas State Technical College Board of Regents approves the project and budget to renovate the Heating Ventilation and Air-conditioning Program laboratory in Building 20HI on the Harlingen campus and authorizes the Chancellor or his designee to enter into contracts for the design and construction of the renovation.”

- 18-19(c) Approve the Project and Budget to Rehabilitate the Loop Road Paving at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project

“The Texas State Technical College Board of Regents approves the project and budget for the construction of the rehabilitation of the loop road paving on the Sweetwater campus and authorizes the Chancellor or his designee to enter into contracts for the construction of the project.”

- 19-19(c) Authorize the Ground Lease Agreement with Abilene Independent School District to Provide the Site for a Career and Technical Education High School

- 20-19(c) Authorize the Reimbursement Resolution Associated with Acquisition of Full Ownership in the University Articulation and Career Center at Texas State Technical College in Harlingen

- 21-19(c) Approve the Reallocation of Higher Education Assistance Funds for Fiscal Year 2019

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

PUBLIC COMMENTS

None.

CLOSED MEETING

Chairman Hatchel announced: The meeting of the TSTC Board of Regents held at the Connally Meeting & Conference Center in Waco, Texas on Thursday, May 16, 2019, after proper posting and in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in sections 551.071, 551.072, and 551.074, will recess from open meeting into closed meeting at 1:32 p.m.

- e. The Closed Meeting is called to Order and a Quorum is determined at 1:35 p.m.

f. Consultation with Attorney (Texas Government Code, Section 551.071)

Texas Government Code, Section 551.071: "A governmental body may not conduct a private consultation with its attorney except:

- (1) When the governmental body seeks the advice of its attorney about:
 - (A) pending or contemplated litigation; or*
 - (B) a settlement offer; or**
- (2) On a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter."*

1. Ted Donovan v. TSTC.

Discussion of the Ted Donovan v. TSTC case took place.

2. John Clark Owen v. TSTC.

Discussion of the John Clark Owen v. TSTC case took place.

g. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)

Texas Government Code, Section 551.072: "A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person."

1. Potential Real Estate Acquisition.

Discussion of a potential real estate acquisition took place.

h. Personnel Matters (Texas Government Code, Section 551.074)

Texas Government Code, Section 551.074

"(a) This chapter does not require a governmental body to conduct an open meeting:

- (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or*
 - (2) to hear a complaint or charge against an officer or employee.*
- (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing."*

i. No action was taken in the Closed Meeting.

j. Adjourn

The May 16, 2019 Closed Session of the Texas State Technical College Board of Regents adjourned at 2:03 p.m.

k. Regents return to the Austin Room at conclusion of the Closed Meeting.

OPEN MEETING RECONVENES

The May 16, 2019 Open Meeting of the Texas State Technical College Board of Regents reconvened at 2:05 p.m.

ACTION ON CLOSED MEETING

Upon a motion by Regent Andarza and second by Regent Cleveland, the Action on Closed Meeting, Minute Order 23-19, was approved unanimously.

Minute Order:

- 23-19 Approve the Purchase of 1.65 Acres of Real Estate Near Texas State Technical College in Waco

“The Board of Regents approves the purchase of 1.65 acres of real estate near the campus at Texas State Technical College in Waco at the intersection of IH 35 N frontage road and Craven Avenue and authorizes the Chancellor, or his designee, to negotiate the purchase agreement with the existing property owner.”

CHANCELLOR COMMENTS

None.

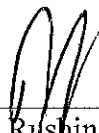
BOARD COMMENTS

None.

ADJOURN

Chair Hatchel announced that the next Meetings of the Board of Regents are scheduled for August 14 and 15, 2019 at TSTC in Waco.

The meeting adjourned at 2:09 p.m.



Ray Rushing
Secretary to the Board of Regents

TEXAS STATE TECHNICAL COLLEGE

**Meeting of the Board of Regents Executive Committee
Teleconference Meeting Minutes**

**Texas State Technical College
Connally Meeting and Conference Center
1651 E. Crest Drive
Waco, TX 76705**

Tuesday, July 16, 2019

2:00pm

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Executive Committee Teleconference was called to order at 2:01 p.m., July 16, 2019, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Keith Honey, Ivan Andarza, Ellis Skinner, Curtis Cleveland

CHANCELLOR COMMENTS

Chancellor provided a brief statement as to why the proposed Executive Action Items are being brought to the Committee today.

EXECUTIVE ACTION ITEMS

Proposed EA #

EA 13-19 Approve the Addition of Board Self Evaluation and Regent Dismissal to the Texas State Technical College Board of Regents Bylaws

Upon a motion by Ivan Andarza and a second by Curtis Cleveland, the proposed Executive Action # EA 13-19 was unanimously approved.

EA 24-19 Approve the Purchase of 0.847 Acre Lot of Real Estate Near Texas State Technical College in Waco

Upon a motion by Keith Honey and a second by Curtis Cleveland, the proposed Executive Action # EA 24-19 was unanimously approved.



EA 25-19 Approve Purchase of 0.29 Acre Lot of Real Estate Near Texas State Technical College in Waco

Chair Hatchel tabled the proposed Executive Action # EA 25-19 until additional information on the appraised value is reviewed and accepted.

EA 26-19 Authorize the Chancellor to Enter into and Execute an Agreement with Red Oak ISD to Release Texas State Technical College's Interest in Tract III in Return for an Additional 20 Year Commencement Deadline for Tract II

Upon a motion by Curtis Cleveland and a second by Ellis Skinner, the proposed Executive Action # EA 26-19 was unanimously approved.

EA 27-19 Approve the Project and Budget to Install New Roofs at Texas State Technical College in Waco

Upon a motion by Ellis Skinner and a second by Curtis Cleveland, the proposed Executive Action # EA 27-19 was unanimously approved.

EA 28-19 Delegate the Authority to the Chancellor to Enter into and Execute a Roofing Contract in Excess of One Million Dollars (\$1,000,000)

Upon a motion by Curtis Cleveland and a second by Ivan Andarza, the proposed Executive Action # EA 28-19 was unanimously approved.

EA 29-19 Delegate the Authority to the Chancellor to Enter into and Execute an Architectural and Engineering Services Contract in Excess of One Million Dollars (\$1,000,000)

Upon a motion by Ellis Skinner and a second by Keith Honey, the proposed Executive Action # EA 29-19 was unanimously approved.

ADJOURN

The meeting of the Texas State Technical College Board of Regents Executive Committee was adjourned at 2:26 p.m.



Ray Rushing
Secretary to the Board of Regents



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Committee for Student Learning and Student Development

Tony Abad, Chair; Tiffany Tremont, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

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| 34-19(c) | Approve New Statewide Operating Standard (SOS) ES 3.12 Transfer and Substitution of Credit | 27 |
| | | <i>Jeff Kilgore</i> |

Reports:

None.



Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 34-19(c)

Proposed By: Christine Stuart-Carruthers, Associate Vice Chancellor of Enrollment Management

Subject: **Approve New Statewide Operating Standard (SOS) ES 3.12 Transfer and Substitution of Credit**

Background: Texas State Technical College (TSTC) has historically utilized Statewide Operating Standard (SOS) ES 2.10 Credit Award for Assessments and Training to specify how to evaluate all forms of credit coming into the institution. Due to the policy language being broad, the evaluation of academic credit earned at other institutions was not as specific as it should be.

Justification: Due to the broad nature of SOS ES 2.10, it was determined that a new policy specific to transfer of credit from other institutions was needed. This new SOS ES 3.12 outlines how students can transfer in-course work from an institution, either accredited or unaccredited, as well as how to request a substitution of credit. The decision on the acceptance or the equivalence of the course to the specific program is ultimately delegated to the subject matter expert within our faculty.

Additional Information: TSTC regularly evaluates academic credit earned at other institutions. As more unaccredited options for students to earn academic credit expand, it is important for our policies to keep pace with the changing higher education landscape.

Fiscal Implications: None.

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

Attachment(s): Statewide Operating Standard ES 3.12 Transfer and Substitution of Credit

Recommended Minute Order: "It is the policy of Texas State Technical College (TSTC) that the College review all proposed transfer coursework in accordance with applicable regulations, standards, and best educational practices."

Recommended By:


Jeff Kilgore, Vice Chancellor & Chief Academic Officer

TEXAS STATE TECHNICAL COLLEGE
STATEWIDE OPERATING STANDARD

| | | |
|------------------------|---|------------------------|
| | | |
| No. ES 3.12 | Page 1 of 5 | Effective Date: |
| DIVISION: | Educational Services | |
| SUBJECT: | Transfer and Substitution of Credit | |
| AUTHORITY: | Minute Order # TBD | |
| | | |
| PROPOSED BY: | Christine Stuart-Carruthers | |
| TITLE: | Associate Vice Chancellor of Enrollment Management | Date: 08/15/19 |
| | | |
| RECOMMENDED BY: | Jeff Kilgore | |
| TITLE: | Vice Chancellor & Chief Academic Officer | Date: 08/15/19 |
| | | |
| APPROVED BY: | Mike Reeser | |
| TITLE: | Chancellor | Date: 08/15/19 |

STATUS: Pending BOR approval

HISTORICAL STATUS: Updated May 2019
 Approved by LT 02/07/2019
 NEW - Proposed July 05, 2018

I. STATEWIDE STANDARD

POLICY: It is the policy of Texas State Technical College (TSTC) that the College review all proposed transfer coursework in accordance with applicable regulations, standards, and best educational practices.

II. PERTINENT INFORMATION

The procedures outlined in this Statewide Operating Standard (SOS) regarding the assignment of transfer and substitution credit shall conform to the [Texas Administrative Code, Title 19. Part 1, Chapter 4, Subchapter B, Rule 4.25](#) regulations and the [Texas Higher Education Coordinating Board](#) (THECB) policies regarding transfer credit policies and procedures.

III. GENERAL GUIDELINES

TSTC shall award transfer credit to students who demonstrate subject content mastery in an equivalent TSTC course regardless of format, mode, or delivery through either:

1. Transfer of an equivalent course from a regionally accredited college or university;
2. Substitution credit awarded for a similar or equivalent course within the TSTC inventory of courses; or
3. Transfer of an equivalent course completed from an institution undergoing regional accreditation or a non-accredited institution under at least one of the following conditions:
 - A. An articulation agreement has been approved between the non-accredited college or university and TSTC, or
 - B. A regionally accredited institution has previously awarded credit for the student's course from the non-accredited institution. Documentation on equivalency and review by the faculty subject-matter expert shall be required, or
 - C. Source documents demonstrate that the completed course is comparable in level and content to a TSTC course, or
 - D. The specific coursework has been recognized as comparable to the same level and content as courses from regionally accredited institutions by other national, professional, or specialized accrediting agencies, as recognized by the U.S. Secretary of Education. Additional documentation and review by the faculty subject-matter expert shall be required.

As a condition of admission, all students must submit official transcripts from all previously attended collegiate-level institutions regardless of whether or not transfer credit is assigned or desired. Evaluation of all previously completed post-secondary education shall be completed during the student's first term of enrollment or after an eligible transfer course has been completed. Courses that do not match TSTC credit courses may be considered for credit based on THECB transfer guidelines, standards of accreditation, and best educational practices.

Courses completed at foreign institutions may be considered under the following conditions:

1. Students must submit their education documents through a foreign credential evaluation service that is currently recognized by the National Association of Credential Evaluation Services (NACES).
2. Based upon the NACES recommendation/evaluation, only equivalent coursework credit shall be accepted as transfer credit.
3. Where necessary for highly specialized courses, the appropriate academic subject-matter expert shall be consulted for recommendations as to level, content, and appropriateness to the specific program.

IV. DEFINITIONS

Regionally Accredited Institutions: College-level institutions identified by the Council for Higher Education Accreditation as meeting minimum qualifications for membership.

Substitution Credit: Previously earned transfer or TSTC credit which may be used to satisfy current TSTC curricular requirements.

Transfer Credit: Previously earned college-level credit courses which correspond to current TSTC credit courses and which may be used to satisfy current TSTC curricular requirements.

Transfer Student: A student who has received credit from another regionally accredited institution of higher learning prior to, concurrent with, or subsequent to initial attendance at TSTC.

V. DELEGATION OF AUTHORITY

The Chancellor, or his/her designee, has the authority to assign appropriate staff to ensure TSTC credit is awarded in accordance with established policies and procedures and in compliance with state law and regulations dictated by the THECB and the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

VI. PERFORMANCE STANDARDS

1. Standard forms for requesting, evaluating, and approving credit awards are developed and used by all TSTC campuses in accordance with this SOS.
2. Transfer credit is awarded in accordance with this SOS and is posted to the student's official TSTC transcript.
3. The Office of the Registrar maintains custody of all forms, evaluations, and/or any other documentation related course credit, including transfer and substitution credit, in accordance with the College's [SOS GA 1.5.2 Student Records](#).

APPENDIX

VII. RELATED STATEWIDE STANDARDS. LEGAL CITATIONS, OR SUPPORTING DOCUMENTS

[Texas Administrative Code, Title 19. Part1, Chapter 4, Subchapter B, Rule 4.25](#)
[Texas Higher Education Coordinating Board Transfer Resources](#)
[Request for Substitution of Credit](#)
[Request for Transfer Credit](#)
[GA 1.5.2 Student Records](#)

VIII. OPERATING REQUIREMENTS:

To Receive Transfer Credit:

1. Official transcripts must be submitted for credit evaluation from all previously attended institutions. Submission is preferred prior to enrollment, but must be completed no later than the first term of enrollment at TSTC or after an eligible transfer course has been completed.
2. The student's transfer course work must have been earned at a regionally accredited, college-level institution; must correspond with current TSTC courses required in the student's program of study; and must have been assigned a grade of "D" or better from the originating institution. (Grades lower than a "C" shall not be accepted for transfer toward major or major-related courses in the student's program of study.) Transfer credit shall be processed by the Registrar Processing Center using the Texas Common Course Numbering System (TCCNS) Transfer Guide for courses offered at state institutions. A [Request for Transfer Credit](#) form is not required for courses meeting the TCCNS guidelines.
3. Courses that are not listed in the TCCNS, that are from an out-of-state institution, or that are from a foreign institution shall be forwarded to the appropriate department/subject-matter experts for further review and approval. Students shall be responsible for providing the necessary documentation about the transfer course(s). The program coordinator or subject-matter expert must submit a [Request for Transfer Credit](#) form to the Office of the Registrar for processing.
4. Although no specific limit is placed upon the number of transfer/substitution credits that may be accepted, all transfer students must complete the required 25 percent of total hours at TSTC before they are eligible to graduate.
5. All transferred courses shall be posted in the College's Student Information System and on the student's permanent academic transcript, but they shall not be included in the student's cumulative grade point average calculation.

SOS ES 3.12 Transfer and Substitution of Credit

6. Students may appeal the initial transfer credit decision through their local Office of Student Learning. The Senior Vice President of Student Learning (SVPSL) or designee who oversees the department in which the course is taught shall have final authority for awarding transfer credit.

To Receive Substitution of Credit:

1. Adequate documentation about the course to be used as a substitute shall be presented by the student requesting the substitution of credit. This documentation shall be reviewed by the program coordinator or subject-matter expert to ensure course equivalence.
2. If approving the course substitution, the program coordinator or subject-matter expert shall submit a [Request for Substitution of Credit](#) form to the Department Chair/Lead for review and approval.
3. The SVPSL or designee over the department in which the course in question is taught shall have final authority for awarding substitution of credit.

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Committee for General Administration Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

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| | | <i>Ray Rushing</i> |

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|------------------------------------|---------------------|
| Legislative Review and Report..... | Oral Report |
| | <i>Roger Miller</i> |



Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 35-19(c)

Proposed By: Ray Rushing, Vice Chancellor & Chief Legal Officer and General Counsel

Subject: Approve the Designation and Creation of C4EO as a Center for Technology Commercialization Under Sections 153.001 – 153.007 of the Texas Education Code

Background: The Center for Employability Outcomes (C4EO) at Texas State Technical College (TSTC) is an existing research, development, and commercialization division focused on optimizing student employability. C4EO develops solutions to capture skill requirements of industry and to align them with educational offerings. The result is a more qualified workforce for industry and better job placement outcomes for graduates.

Justification: TSTC leadership sees the opportunity to enhance its technology commercialization efforts in line with its mission and the aspirations of the Board of Regents. C4EO has already served as a viable platform for Skills Engine. By officially designating C4EO as a Center for Technology Commercialization under Section 153.001 et. seq. of the Texas Education Code, it can serve as that platform for other technologies generated by TSTC faculty and staff. TSTC will have increased and express authority and commercialize technologies within its mission.

Additional Information: The Texas legislature has already found that:

- it is essential to the continued economic growth and diversification of this state that technology development and transfer be promoted and expanded;
- the students, scientists, researchers, faculty, and staff of the institutions of higher education of this state have developed and, in all likelihood, will continue to develop technology that will contribute to the continued growth and diversification of the states' economy;
- the electorate of this state authorized the legislature to allow for the programs created [under the Texas Education Code]; and
- an institution of higher education is authorized to engage in technology development and transfer activities under the authority provided to its governing board and other state and federal law.

Fiscal Implications: None.

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

Attachment(s):

None.

**Recommended
Minute Order:**

“The Texas State Technical College Board of Regents approves the designation and creation of C4EO as a Center for Technology Commercialization Under Sections 153.001 – 153.007 of the Texas Education Code. Specifically, and without limitation, the Board hereby authorizes C4EO to manage, transfer, market or otherwise commercialize technology owned by TSTC or in which TSTC owns an interest. C4EO shall be administered fully within, and as a unit of, TSTC. C4EO is expressly authorized to engage in any and all activities listed in Sections 153.004 and 153.005 of the Texas Education Code.”

Recommended By:



Ray Rushing, Vice Chancellor & Chief Legal Officer and General Counsel

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Committee for Facilities

Ellis Skinner, Chair; Curtis Cleveland, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

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| | <i>Ray Fried</i> | |
| 37-19(c) | Approve the Project and Budget to Construct a New Shade Structure and Associated Infrastructure as the Texas State Technical College Waco Airport ... | 40 |
| | <i>Ray Fried</i> | |
| 38-19(c) | Approve the Project and Budget for the Abatement and Demolition Project at Texas State Technical College in Waco | 42 |
| | <i>Ray Fried</i> | |

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| | <i>Ray Fried</i> | |
| 2. | Capital Expenditure Plan (MP1) Summary Report | 45 |
| | <i>Ray Fried</i> | |



Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 36-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Delegate the Authority to the Chancellor to Extend an Interagency Cooperation Contract for Natural Gas with the General Land Office in Excess of One Million Dollars (\$1,000,000)**

Background: During the 84th Legislative Session, the passage of Senate Bill 20 amended the Government Code to make comprehensive changes to state agency contracting, purchasing, and accounting procedures. This Bill establishes requirements applicable to contracts with a total value in excess of one million dollars. One of these requirements is that the Texas State Technical College (TSTC) Board of Regents must approve contracts with a total value over one million dollars or delegate the authority to exceed that amount to the Chancellor or his designee.

Texas State Technical College (TSTC) in Waco and the General Land Office (GLO) entered into an Interagency Cooperation Contract as authorized by Chapter 71 of the Texas Government Code with an initial term of September 1, 2009 to August 31, 2011. The contract may be extended for each subsequent biennium if the requisite funding is appropriated by the Texas Legislature for the GLO and TSTC. The Contract has been extended four times with Amendment No. 4 expiring on August 31, 2019.

Justification: The cumulative cost incurred since the effective date of Senate Bill 20 will exceed One Million Dollars. Provisions in the contract allow for term extensions.

Additional Information: None.

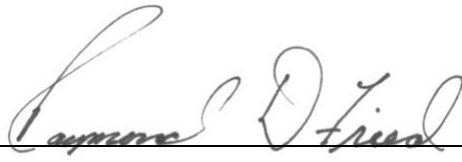
Fiscal Implications: Funds are available as currently budgeted.

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

Recommended Minute Order: "The Texas State Technical College Board of Regents delegates authority to the Chancellor, or his designee, to enter into and execute an amendment to extend the term of the Interagency Cooperation Contract for natural gas at Texas State Technical College in Waco with the General Land Office which has a total value in excess of One Million Dollars (\$1,000,000)."

Recommended By:

A handwritten signature in cursive script, reading "Raymond D. Fried", positioned above a horizontal line.

Raymond D. Fried, Associate Vice Chancellor Facilities Planning
Construction and Maintenance

July 29, 2019

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

Re: Delegate the Authority to the Chancellor to Extend an Interagency Cooperation Contract for Natural Gas with the General Land Office in Excess One Million Dollars (\$1,000,000).

As requested, I have reviewed and considered the legal ramifications of the delegation of authority from the Board of Regents to the Chancellor, or his designee, to Extend an Interagency Cooperation Contract for Natural Gas with the General Land Office (GLO) in Excess One Million Dollars (\$1,000,000).

During the 84th Legislative Session comprehensive changes were made to the Government Code. Generally, the TSTC Board of Regents (BOR) alone has authority to approve and sign contracts on behalf of TSTC with a value exceeding One Million Dollars (\$1,000,000.00). However, among the changes made to the Government Code is a provision that allows the TSTC Board of Regents to delegate this authority to the Chancellor or his designee.

TSTC and the GLO entered into an Interagency Cooperation Contract (ICC) as authorized by the Texas Government Code, Chapter 71, with an initial term of September 1, 2009 to August 31, 2011. The Contract has been extended four times and will expire on August 31, 2019. Since the passage of the comprehensive changes to the Government Code outlined above, the cumulative value of the ICC will exceed One Million Dollars which will necessitate the requested delegation.

Having reviewed the changes to the Government Code, after the passage of Senate Bill 20 during the 84th Legislative Session, it is my opinion that the delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and execute an amendment to extend the term of the Interagency Cooperation Contract for natural gas at Texas State Technical College in Waco with the General Land Office which has a total value in excess of One Million Dollars (\$1,000,000), comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Associate General Counsel

cc: Raymond D. Fried
Associate Vice Chancellor—Facilities, Planning, Construction and Maintenance

Rick Herrera
Vice Chancellor & Chief Student Services Officer



Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 37-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Approve the Project and Budget to Construct a New Shade Structure and Associated Infrastructure at the Texas State Technical College Waco Airport**

Background: Battlespace, Inc. currently leases half of the 24,242 square foot hanger located at 801 Airline Drive at the Texas State Technical College (TSTC) Waco Airport. Battlespace proposes to move to a larger hanger at 301 Airline Drive known as the ACTI hanger and lease adjacent campus land and ramp space to expand its training operations.

Justification: The construction improvements and additions will add value to the TSTC Airport facilities. The expanded lease will provide additional lease income for the Airport.

Additional Information: Battlespace, Inc. will make approximately \$3 to \$3.5 million of improvements on the property, \$750,000 of this amount paid for by TSTC to be recovered through additional rent. The improvements include two new canvas hangers and a shade structure, plus renovations to the ACTI Hanger. TSTC will build a shade structure and infrastructure improvements for the project.

Action Schedule:

| | |
|----------------------------|-------------|
| Approve Lease Agreement | MO 40-19(c) |
| Approve Project and Budget | MO 37-19(c) |
| Accept Project | Spring 2020 |

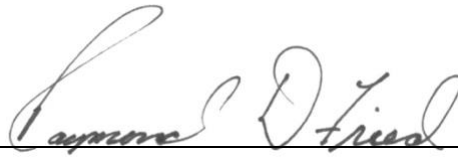
Fiscal Implications: TSTC will pay for \$750,000 of the estimated \$3M of tenant improvements.

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

Attachment(s): None.

Recommended Executive Action: "The Texas State Technical College Board of Regents approves the project and budget to construct a new shade structure and associated infrastructure at the Texas State Technical College Waco Airport and authorizes the Chancellor, or his designee, to enter into and execute contracts for the construction of this project."

Recommended By:

A handwritten signature in cursive script, reading "Raymond D. Fried". The signature is written in black ink and is positioned above a horizontal line.

Raymond D. Fried, Associate Vice Chancellor Facilities Planning
Construction and Maintenance



Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 38-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Approve the Project and Budget for the Abatement and Demolition Project at Texas State Technical College in Waco**

Background: By MO 14-19 the Texas State Technical College Board of Regents approved the concept for the Abatement and Demolition of Buildings at Texas State Technical College (TSTC) in the Waco and authorized the Chancellor or his designee to proceed with contracts for pre-construction services up to ten percent of the aggregate cost of the project.

Justification: TSTC Administration has selected an Architectural firm and is prepared to move forward on the multi-phase project which includes master planning, demolition, abatement, site reclamation, and relocation of operations displaced by the demolition of buildings.

Additional Information: The total project budget is Twenty-Nine Million, Six Hundred Forty-Four Thousand, Six Hundred Forty Dollars (\$29,644,640)

Action Schedule:

| | |
|--------------------------------------|-----------------|
| Approve Concept | MO 14-19 |
| Delegate Authority for Contract \$1M | EA 29-19 |
| Approve Project and Budget | MO 38-19 |
| Accept Project | Spring 2021 |

Fiscal Implications: Funds have been appropriated for this project.

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

Recommended Executive Action: "The Texas State Technical College Board of Regents approves the project and budget for the abatement and demolition project at Texas State Technical College in Waco and authorizes the Chancellor, or his designee, to enter into and execute contracts for the construction of this project."

Recommended By:

A handwritten signature in black ink, appearing to read "Raymond D. Fried", is written over a horizontal line.

Raymond D. Fried, Associate Vice Chancellor Facilities Planning
Construction and Maintenance

July 29, 2019

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

Re: Approve the Project and Budget for the Waco Abatement and Demolition Project.

As requested, I have reviewed and considered the legal ramifications of the requested approval for the Project and Budget for the Waco Abatement and Demolition Project.

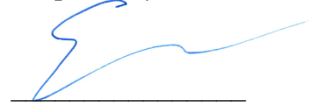
During the 84th Legislative Session comprehensive changes were made to the Government Code. Generally, the TSTC Board of Regents (BOR) alone has authority to approve and sign contracts on behalf of TSTC with a value exceeding One Million Dollars (\$1,000,000.00). However, among the changes made to the Government Code is a provision that allows the BOR to delegate this authority to the Chancellor or his designee. Future minute orders will be needed in the event that TSTC seeks to enter into contracts with a value exceeding One Million Dollars (\$1,000,000.00) for this Project.

By Minute Order 14-19(c), the BOR approved the concept for the abatement and demolition of buildings on the TSTC Waco campus contingent on the legislative appropriation of funds. By Senate Bill 500, the 86th Texas Legislature approved TSTC's one-time appropriation request in the amount of \$29,644,640 for abatement and demolition of said buildings. The TSTC Administration has selected an Architectural firm and is prepared to move forward on this multi-phase project.

Having reviewed minute order and prior documents, it is my opinion that the Board of Regents approval of the project and budget for the Abatement and Demolition project on the Texas State Technical College Waco Campus and the Board of Regents authorization of the Chancellor, or his designee, to enter into contracts for the construction of this project, comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Associate General Counsel

cc: Raymond D. Fried
Associate Vice Chancellor—Facilities, Planning, Construction and Maintenance

Rick Herrera
Vice Chancellor & Chief Student Services Officer

Texas State Technical College
Major Facility Projects-Status Update August 2019

| # | Project Name | Campus | Managing Campus | Delivery Method | Fund Source | Cost Allocation | Required Approvals | % Complete |
|---|---|------------|-----------------|------------------------------|---|---|--|------------|
| 1 | TSTC Monument and Wayfinding Project | Statewide | Statewide | Construction Manager at Risk | HEAF Bond \$ 780,000 Total Funds \$ 780,000 | Owners reserve \$ 311,741 Abilene - Complete \$ 46,321 Waco - Complete \$ 73,790 Marshall - Complete \$ 49,885 Harlingen - Complete \$ 119,000 Sweetwater - Complete \$ 91,928 Breckenridge - Complete \$ 51,544 Brownwood -Complete \$ 31,791 Abilene - estimate \$ 4,000 Total Budget \$ 780,000 | Approve Project and Budget MO 03-17(c) | 49% |
| 2 | Rework and Replace Paving on Sweetwater Campus | Sweetwater | Sweetwater | RFQ/ RFP | HEAF Bond \$ 40,000 HEAF Bond \$ 460,000 Total Funds \$ 500,000 | Engineering / Design \$ 40,000 Construction Cost \$ 460,000 Total Budget \$ 500,000 | Approve Concept MO 07-17(c) Approve Project and Budget MO 18-19(c) | 10% |
| 3 | Sweetwater Housing Study and Renovation Project | Sweetwater | Sweetwater | RFQ | Insurance Proceeds \$ 70,000 Total Budget \$ 70,000 | Study, Design, and opinion of cost \$ 70,000 Total Budget \$ 70,000 | Approve Concept MO 06-18(c) | 100% |
| 4 | Sweetwater Fire Loop Replacement | Sweetwater | Sweetwater | RFQ/ RFP | Local Funds \$ 788,000 Total Funds \$ 788,000 | Engineer Design \$ 103,000 Construction Cost \$ 685,000 Total Budget \$ 788,000 | Approve Concept MO 05-19(c) Approve Project and Budget MO 15-19(c) | 6% |
| 5 | Abate and Demo Airbase Buildings on Waco Campus | Waco | Waco | RFQ/ RFP | Appropriations \$ 29,644,640 Total Funds \$ 29,644,640 | A/E Including Master Plan, Demo Plan, Site Reclamation \$ 2,900,000 Construction Cost \$ 26,744,640 Total Budget \$ 29,644,640 | Approve Concept MO 14-19(c) Approve A/E Contract < \$1M EA 29-19 Approve Project and Budget MO 38 -19(c) | 0% |
| 6 | Renovate Building 20HI HVAC Lab in Harlingen | Harlingen | Harlingen | IDIQ/ RFP | Local Funds \$ 580,000 Total Funds \$ 580,000 | A/E Design \$ 57,000 Construction Cost \$ 523,000 Total Budget \$ 580,000 | Approve Project and Budget MO 17-19(c) | 0% |
| 7 | Install New Roofs @ TSTC Waco Campus | Waco | Waco | TIPS Purchasing Agreement | Insurance Proceeds \$ 1,305,242 Local Funds \$ 100,000 Total Funds \$ 1,405,242 | Roof Replacement Contract \$ 1,140,442 Solar Panel Remove and Install \$ 264,800 Total Budget \$ 1,405,242 | Approve Project and Budget EA 27-19 Approve Contract < \$1 M EA 28-19 | 23% |
| 8 | Infrastructure additions and Shade Structure Construction | Waco | Waco | Competitive Sealed Proposal | Auxiliary Funds \$ 750,000 Total \$ 750,000 | Construction Costs \$ 750,000 \$ 750,000 | Approve Lease Agreement MO 40-19(c) Approve Project and Budget MO 37-19(c) Accept Project January 2020 | 0% |

Texas Higher Education Coordinating Board
Capital Expenditure Plan (MP1) Summary Report for Texas State Technical College
Fiscal Year 2020 as Reported in 2019

| Building | WACO & EWCHEC Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|---|----------|---------------|
| NA | Waco Campus Demolition and Abatement | 1 | \$29,644,640 |
| 1RRA | Waco Red River Housing Renovation | 2 | \$3,000,000 |
| TBD | Waco Computer Technology Center * | 3 | \$16,710,000 |
| 1JBC | Waco John B. Connally Building Renovation * | 4 | \$6,770,000 |
| TBD | Waco Electric Vehicle Training Center | 5 | \$4,294,000 |
| TBD | Waco Welding Technology | 6 | \$16,362,000 |
| TBD | Waco Engineering Center | 7 | \$19,656,000 |
| TBD | EWCHEC Welding Technology * | 8 | \$13,090,000 |
| TBD | EWCHEC Physical Plant | 9 | \$2,560,000 |
| TBD | EWCHEC Industrial Technology Center * | 10 | \$10,100,000 |
| | Total | | \$122,186,640 |

| Building | NORTH TEXAS Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|---|----------|--------------|
| TBD | North Texas Technology Center Building #2 * | 1 | \$14,800,000 |
| TBD | North Texas Physical Plant * | 2 | \$2,560,000 |
| | Total | | \$17,360,000 |

| Building | HARLINGEN Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|---|----------|--------------|
| 20PM | Harlingen Engineering Center Phase III | 1 | \$6,600,000 |
| NA | Harlingen Landscaping & Walkway | 2 | \$6,250,000 |
| TBD | Harlingen Student Housing | 3 | \$6,000,000 |
| TBD | Harlingen Industrial Technology Center * | 4 | \$20,200,000 |
| 200J | Harlingen Building J Renovation EMS | 5 | \$3,990,000 |
| 200D | Harlingen Building D Renovation | 6 | \$4,097,000 |
| 200S | Harlingen Building S Renovation | 7 | \$6,162,000 |
| | Total | | \$53,299,000 |

| Building | FT. BEND Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|--|----------|--------------|
| TBD | Ft. Bend Physical Plant * | 1 | \$2,560,000 |
| TBD | Ft. Bend Lineworker Technology | 2 | \$1,630,000 |
| TBD | Ft. Bend Administration and Student Services | 3 | \$17,100,000 |
| TBD | Ft. Bend Welding Technology * | 4 | \$13,090,000 |
| TBD | Ft. Bend Expansion * | 5 | \$19,750,000 |
| | Total | | \$54,130,000 |

| Building | MARSHALL Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|--|----------|--------------|
| 5S01 | Marshall Renovate and Repurpose ITC * | 1 | \$3,250,000 |
| TBD | Marshall Diesel Equipment Technology | 2 | \$7,427,000 |
| 5S03 | Marshall Welding Technology Renovation * | 3 | \$2,890,000 |
| TBD | Marshall Electrical Lineworker Technology Facility * | 4 | \$1,630,000 |
| 5S0A | Marshall Housing Renovation | 5 | \$2,524,000 |
| | Total | | \$17,721,000 |

| Building | WEST TEXAS Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|--|----------|--------------|
| TBD | Abilene Aerospace Center * | 1 | \$6,445,000 |
| TBD | Abilene Physical Plant * | 2 | \$2,560,000 |
| TBD | Abilene Administration and Expansion * | 3 | \$7,556,000 |
| TBD | Abilene Diesel Equipment Technology * | 4 | \$8,600,000 |
| TBD | Sweetwater Housing Renovation | 5 | \$5,200,000 |
| 4BKT | Breckenridge LVN Renovation | 6 | \$1,121,000 |
| 4BW1 | Brownwood Welding Expansion and Renovation | 7 | \$1,940,000 |
| | Total | | \$33,422,000 |

| Building | SYSTEMS Capital Expenditure Plan (MP1) Project Name | Priority | Project Cost |
|----------|---|----------|--------------|
| | Network Infrastructure | 1 | \$1,132,340 |
| BRIC | Workforce Training Center | 2 | \$6,500,000 |
| | Total | | \$7,632,340 |

* Tuition Revenue Bond funding requests were submitted during the 86th Legislative Session

Texas Higher Education Coordinating Board
Capital Expenditure Plan (MP1) Summary Report for Texas State Technical College
Fiscal Year 2020 as Reported in 2019

| Project name | WACO Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|---------------------------------------|---|---------------|
| Waco Demo & Abatement | TSTC requested and received a one-time appropriation from the 86th Legislature for the abatement and demolition costs related to over 450 structures on the Waco campus, mostly former military housing units. This project will also include site reclamation to include green spaces and the realignment of the Northeast and West entrances of the campus. | \$ 29,644,640 |
| Waco Red River Housing Renovation | TSTC is seeking methods to perform renovations to the Red River Apartments. This project will address the seven Red River Apartment units with 32 beds per unit for a total of 224 beds. Raising the campus housing community quality to a level that meets TSTC expectations will result in increased enrollment and more efficient operating costs. | \$ 3,000,000 |
| Waco Computer Technology Center | This project will move all computer related programs into one building designed to provide the necessary equipment and foundation to allow these programs to expand and grow. The projected growth of these programs warrants this building being built. | \$ 16,710,000 |
| Waco JB Connally Renovation | This project will renovate and repurpose the first and second floors of the John B. Connally Building for expansion of the statewide mission and administration functions. Statewide instructional, student services, and other staff will be housed in this facility to free up space in the existing buildings for program expansion. | \$ 6,770,000 |
| Waco Electric Vehicle Training Center | The number of electric vehicles continues to increase and consumer interest is rising as more compelling models hit the market. The need for certified electric vehicle trained technicians will increase likewise. The training center will include a 5,000 SF open lab, four classrooms, four faculty offices and two mentor/coaches offices. | \$ 4,294,000 |
| Waco Welding Technology | The welding program is currently housed in the ITC building and renovation of this facility is not feasible to expand the welding program and fully implement performance based education (PBE). Constructing a new facility will allow for increased enrollment and program expansion by increasing the number of welding booths from 178 to 200, and include a metallurgy lab, faculty offices, coach/mentor offices and covered storage. | \$ 16,362,000 |
| Waco Engineering Center | A new building constructed with open labs and sufficient adjoining faculty and coach/mentor offices will enhance the implementation of the PBE learning environment. Programs to be housed in this building include Robotics, Instrumentation, Electrical Power and Controls and Electrical Support technologies. The current facilities do not have adequate space to support the open lab concept and 90/10 flipped classrooms. | \$ 19,656,000 |

| Project name | EWCHEC Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|--------------------------------|--|---------------|
| EWCHEC Welding Technology | The welding program PBE implementation is scheduled for Fall 2022. With the demand for welders in the state of Texas, additional capacity is needed. The new building will increase the present capacity from 80 to 120 welding booths in an open lab concept; and include classrooms, and faculty and staff offices. Moving the program to a newly constructed welding technology building will create available space in the East Williamson County Higher Education Center. This available space will be repurposed to expand and improve the PBE learning lab delivery for the Industrial Maintenance Technology and HVAC Technology programs. | \$ 13,090,000 |
| EWCHEC Physical Plant | As the campus continues to grow and expand, a physical plant is necessary to support the operations and maintenance of the campus. The physical plant will house the physical plant personnel and include storage for maintenance supplies, tools, and equipment. The facility will also house the security department, central shipping and receiving, vehicle fleet and a chiller plant for future expansion. | \$ 2,560,000 |
| EWCHEC Industrial Tech. Center | TSTC will fulfill our founding legislative purpose by targeting the highest yielding, most valuable, high demand and high-tech industry jobs in Texas. In developing and offering highly specialized technical programs, primary consideration shall be placed on industrial and technological manpower needs of the state. | \$ 10,100,000 |

| Project name | NORTH TEXAS Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|--|--|---------------|
| North Texas Technology Center Bldg. #2 | The building will address the need for additional computer related programs with an open lab, classrooms, faculty offices, and coach/mentor offices. Additional needs are a one-stop shop enrollment center, bookstore, administrative offices, multi-purpose meeting room, and travelers' offices. A right sized Learning Resource Center and a Makers Lab with 3D printers and high tech equipment will be shared. | \$ 14,800,000 |
| North Texas Physical Plant | As the campus continues to grow and expand, a physical plant is necessary to support the operations and maintenance of the campus. The physical plant will house the physical plant personnel and include storage for maintenance supplies, tools, and equipment. The facility will also house the security department, central shipping and receiving, vehicle fleet and a chiller plant for future campus expansion. | \$ 2,560,000 |

| Project Name | HARLINGEN Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|--|---|--------------|
| Harlingen Engineering Center Phase III | This project is the anticipated follow-up to the current Engineering Center Renovation Phase II. The over-arching concept is to aggregate all engineering-related programs into one facility. Phase III will simulate the manufacturing process and shop floor. Anticipated programs include Architectural Design and Engineering Graphics, Mechatronics, Robotics, Industrial Maintenance, and Industrial Systems Technology. Programs will have open labs, adjacent faculty offices, classrooms, computer labs, and coaches/mentor offices. | \$6,600,000 |
| Harlingen Landscaping & Walkway | The Harlingen Campus is a pedestrian friendly campus. The sidewalks, mall walk and pathways will be renovated and repaired. Included in the project is the design and installation of a drainage system which will eliminate localized flooding on the walkways that is experienced during heavy rains. This project will beautify the campus and improve TSTC's branding. | \$6,250,000 |
| Harlingen Student Housing | TSTC Auxiliary Services is exploring options to use Private Public Partnerships to build a modern housing community to service TSTC students. The housing consists of 297 beds. The MEP systems and finishes are in need of replacement or repair. A renovation project to raise the campus housing community to a level that meets TSTC expectations would result in an increase in enrollment and more efficient operating costs. | \$6,000,000 |
| Harlingen Industrial Technology Center | The Harlingen Campus needs an industrial building specifically for heavy industrial type programs to include Diesel Technology, Commercial Driver's License (CDL), and a CDL driving course. Diesel Technology will be expanded to a full credit program. The facility will consist of CDL offices, a fenced area for truck storage, and a driving area. All programs will be designed with an open lab concept with adjacent faculty offices, classrooms, computer lab, and coach/mentor offices. | \$20,200,000 |
| Harlingen Building J Renovation | This is an aged building that is in need of renovation and is currently unoccupied. Structural issues of a non-threatening but aesthetically displeasing nature have begun to manifest themselves that require remediation. The EMS program is currently located in 200D and is in need of more space to expand the program. This project would be a total renovation of the building. | \$3,990,000 |
| Harlingen Building D Renovation | Renovate Building D in order to move the Culinary Arts Program from Building 200U which will place it closer to the center of the campus where it can more easily serve its clientele and increase TSTC's brand. The Culinary Arts Program is currently housed in 200U along with medically related programs. The space vacated in Building 200U will enable expansion of the fast-growing allied health programs already housed there. | \$4,097,000 |
| Harlingen Building S Renovation | Building S is located close to the heart of the campus and is in relatively poor condition, especially in the faculty office areas. It currently houses several programs that are to be relocated to the new Engineering Center, but programs such as Cyber Security and other computer-related courses will remain and thereby have room for expansion. The project will address the need for renovations for the computer related programs with open labs, classrooms, computer classrooms, faculty offices, and coach/mentor offices. | \$6,162,000 |

| Project name | FORT BEND Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|---|---|---------------|
| Ft. Bend Physical Plant | As the campus continues to grow and expand, a physical plant is necessary to support the operations and maintenance of the campus. The physical plant will house the physical plant personnel and include storage for maintenance supplies, tools, and equipment. The facility will also house the security department, central shipping and receiving, vehicle fleet, and a chiller plant for future campus expansion. | \$ 2,560,000 |
| Ft. Bend Electrical Lineworker Technology | The Electrical Lineworker program PBE implementation is scheduled for Fall 2021. The expanded facility will accommodate a total of 80 students, and include four classrooms, on-demand computer access, five faculty offices, two offices for the Coach/Mentor/Adviser, and restrooms. The project will also include an attached sheltered structure for assembly and demonstration, a lockable storage cage for valuable climbing materials and supplies, site work, paving, parking for lineman trucks, and an access drive. | \$ 1,630,000 |
| Ft. Bend Admn. & Student Svcs. | As the campus grows, the need for additional facilities and student services increases. This building will include space for student recruiters, human resources, security staff, other administrative functions, and a large conference room for 150-200 people. Student needs include a recreational area, meeting rooms and café. | \$ 17,100,000 |
| Ft. Bend Welding Technology | The welding program PBE implementation is scheduled for Fall 2022. It is currently housed in the Industrial Technology Center (ITC) and includes 12,600 SF with 80 booths, automated welding and a small metallurgy lab. There is approximately 6,700 SF of covered storage. Phase I - Construct a new 53,400 SF facility with 160 booths, metallurgy lab, faculty offices and coach/mentor offices, and triple the size of the welding covered storage to allow enrollment growth to 240 students. Phase II- Repurpose 12,600 SF of existing space in ITC vacated by the welding program into an Automotive Technology Center. The existing covered storage will be converted with minimal cost. Automotive Technology is a program that is supported by industry need and student interest. | \$ 13,090,000 |
| Ft. Bend Expansion | This building will contain instructional programmatic spaces for industry-driven technology. Included will be classrooms and open labs for Performance-Based Education of our technology core programs. | \$ 19,750,000 |

| Project name | MARSHALL Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|---|---|--------------|
| Marshall Renovate & Repurpose ITC | There is a need for more instructional space and the Learning Resource Center is larger than needed, underutilized, and can be relocated within the building to free up space for open labs, classrooms, and faculty offices. This project will include renovation and repurposing of space to support the performance based education (PBE) learning environment in both Industrial Maintenance Technology, Precision Machining Technology, and Automation and Controls. In addition the project will add a new enrollment center. | \$ 3,250,000 |
| Marshall Diesel Equipment Technology | In order to properly serve our students, the diesel program needs to be relocated from its current location to one that is designed specifically for both over the road and off road heavy equipment diesel technology allowing for expansion of program offerings. Vacating it's current location will allow for expansion for the welding program. | \$ 7,427,000 |
| Marshall Welding Technology Renovation | The Welding program PBE implementation is scheduled for Fall 2022. The renovation project will allow for increased enrollment, program expansion, and implementation of performance-based education. The project includes an additional 40 welding booths, a metallurgy lab, faculty offices, and coach/mentor offices. In addition automated and advanced welding will be added allowing for the award of an A.A.S. in Welding. | \$ 2,890,000 |
| Marshall Electrical Lineworker Technology | The Electrical Lineworker program PBE implementation is scheduled for Fall 2021. The expanded facility will accommodate a total of 80 students, and include four classrooms, on-demand computer access, five faculty offices, two offices for the Coach/Mentor/Adviser and restrooms. The project will also include an attached sheltered structure for assembly and demonstration, lockable storage cage for climbing materials and supplies, site work, paving, parking for lineman trucks, and an access drive. | \$ 1,630,000 |
| Marshall Housing Renovation | The housing on the Marshall Campus consists of eight dormitory units with 202 single occupant rooms. The MEP systems and finishes are in need of replacement or repair. A renovation project to raise the campus housing to a level that meets TSTC expectations would result in an increase in enrollment and more efficient operating costs. Likewise, the activity center was created by enclosing a pre-engineered shade structure which needs improved finishes and restroom facilities. | \$ 2,524,000 |

| Project name | WEST TEXAS Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|----------------------------------|--|--------------|
| Abilene Aerospace Center | Due to the close proximity to the Abilene Regional Airport, TSTC has the unique opportunity to help meet the growing demand for aviation jobs in the state. The new building will allow TSTC to move its Aircraft Airframe Technology and Aircraft Powerplant Technology programs from the current location and expand aircraft related program offerings. Construction of this facility will allow TSTC to relocate into a TSTC owned building which will improve both the lab conditions and insure longevity of the programs. | \$ 6,445,000 |
| Abilene Physical Plant | As the campus continues to grow and expand, a physical plant is necessary to support the operations and maintenance of the campus. The physical plant will house the physical plant personnel and include storage for maintenance supplies, tools, and equipment. The facility will also house the security department, central shipping and receiving, the TSTC fleet of vehicles, and a chiller plant for future campus expansion. | \$ 2,560,000 |
| Abilene Admin & Expansion | This project will allow TSTC to move all functions presently in the 4ABC Abilene Center to the Abilene East Campus, expand programs offerings, and add additional student services to include a Learning Resource Center, testing area, large conference center, and support function offices. Moving all operations to the new campus will result in more efficient operations and allow TSTC to dispose of the 4ABC building. | \$ 7,556,000 |
| Abilene Diesel Equip. Technology | Abilene has been identified as an area for growth in the West Texas Region. Diesel Technology, both off road and over the road have been identified as high demand programs for this area. The facility will be designed specifically for both over the road and off road heavy diesel equipment. | \$ 8,600,000 |
| Sweetwater Housing Renovation | The housing on the Sweetwater Campus consists of four lodges with 18 single occupant rooms for a total of 72 beds and three apartments with 32 beds each for a total of 96 beds. The MEP systems and finishes are in need of replacement or repair. A renovation project to raise the campus housing community to a level that meets TSTC expectations would result in an increase in enrollment and more efficient operating costs. | \$ 5,200,000 |
| Breckenridge LVN Expansion | The renovation project expands the LVN program by utilizing space currently occupied by the Environmental Technology program and conference room. Additional space is needed for SIM labs and state-of-the-art virtual labs. With an increasing emphasis on the importance of simulation in nursing education, TSTC is looking for ways to substitute clinical time with virtual clinicals. | \$ 1,121,000 |
| Brownwood Welding Renovation | The welding program PBE implementation is scheduled for Fall 2022. The renovation project will allow for increased enrollment, program expansion, and implementation of performance-based education. The project will include additional welding booths, a metallurgy lab, faculty offices, and coach/mentor offices. | \$ 1,940,000 |

| Project name | SYSTEMS Capital Expenditure Plan (MP1) Summary Report Project Description | Project Cost |
|----------------------------|--|--------------|
| Network Infrastructure | The information technology needs software, networking equipment, audio/visual, data replication, and information security in order to continue to provide as stable an environment as possible. TSTC network infrastructure is aging and the replacement cost of the unserviceable equipment equates to \$2.7 million. The plan is to implement phase one over the next three years. | \$ 1,132,340 |
| BRIC Workforce Development | TSTC is a lease tenant of approximately 45,000 SF of shell space in the building identified as the Baylor Research and Innovation Collaboration (BRIC). In an effort to attract workforce development, TSTC will convert the shell space into instructional labs and classrooms. | \$ 6,500,000 |

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Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 39-19(c)

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

Subject: **Approve Schedule of Tuition and Fees Effective Fall 2020 Semester**

Background: The Texas State Technical College (TSTC) Board of Regents (Board) is authorized to set tuition and fees in accordance with statutory provisions. Beginning in August 2018, the Board began approving tuition rates a full year in advance of the effective term to inform the anticipated sales and capacity management cycles. Consequently, administration will continue proposing tuition rates for Board approval at the regularly scheduled August Board of Regents meeting.

During fiscal year 2015, the Board approved the shift in pricing structure for semester credit hour programs from a conventional, cost-recovery model to a market-driven model in support of a comprehensive enrollment management strategy. This included a new, tiered pricing framework that segregated programs into different pricing tiers. Factors such as student demand, demand and wage trends for graduates, and program costs are considerations for program placement within the pricing tiers. TSTC's program vitality process also guides the determination of pricing tiers for programs. Pricing tier determinations occur annually.

Two statewide instructional programs, HVAC Technology and Cloud Computing, will launch in a Performance-Based Education (PBE) modality effective Fall 2020. The following year several additional programs (Computer Networking and Systems Administration, Drafting and Design, Electrical Lineworker Technology, among others) will launch in a PBE modality as well. An integral feature of PBE is subscription-based tuition pricing.

Subscription-based tuition pricing represents a singular fee paid by students, per term (based on the specific program's degree plan) that allows the student the opportunity to accelerate through the degree plan by taking additional courses (as compared to the program's degree plan) at no incremental cost to the student. Subscription-based tuition pricing will be aligned with PBE programs only.

Justification: TSTC administration recommends the attached Schedule of Tuition and Fees Effective Fall 2020 Semester. The schedule includes the following recommended changes:

- A general increase across the designated tuition tiers, ranging from 2% to 9% with an average overall tuition increase of 5%, to cover the increasing cost of instruction, including wage rates to faculty and increasing costs of other educational expenditures.
- Adjustment of the rates to reflect the differentiation of offerings including the following program characteristics: consumer demand, employer demand, available capacity and program direct costs.
- Adoption of subscription-based tuition pricing for implementation of PBE modality.

Additional Information:

None.

Fiscal Implications:

TSTC anticipates revenue will increase as a result of the tuition rate proposal.

Attestation:

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

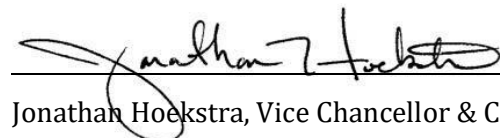
Attachment(s):

Schedule of Tuition and Fees Effective Fall 2020 Semester

Recommended Minute Order:

"The Texas State Technical College Board of Regents approves the Schedule of Tuition and Fees Effective Fall 2020 Semester."

Recommended By:



 Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Schedule of Tuition and Fees Effective Fall 2020 Semester

| State Tuition/semester credit hour | | Fall 2019 | Proposed Fall 2020 | Remarks |
|------------------------------------|---|---|---|--|
| Texas Resident | * | \$25/sem credit hour (\$50 min-no max) | \$25/sem credit hour (\$50 min-no max) | State Tuition will be a fixed rate of \$25/semester credit hour for Texas resident students; tiered pricing applies to Designated Tuition. |
| Non-Resident - All Courses | * | \$ 170 | \$ 170 | Non-Resident tuition is assessed to students that are not State of Texas Residents. |

*Does not apply to Continuing Education Courses

| Designated Tuition/semester credit hour | | Fall 2019 | Proposed Fall 2020 | Remarks |
|---|---|-----------|--------------------|--|
| Texas Resident/Non-Resident - Tier 1 | * | \$ 244 | \$ 251 | Courses are priced within tiers based on student demand for courses, industry demand for skills, available capacity to offer programs, regional competition and demand, among other factors. |
| Texas Resident/Non-Resident - Tier 2 | * | \$ 200 | \$ 220 | |
| Texas Resident/Non-Resident - Tier 3 | * | \$ 180 | \$ 191 | |
| Texas Resident/Non-Resident - Tier 4 | * | \$ 157 | \$ 160 | |
| Texas Resident/Non-Resident - Tier 5 | * | \$ 125 | \$ 125 | |

*Does not apply to Continuing Education Courses

| State Tuition/Subscription Pricing /Semester | | Fall 2019 | Proposed Fall 2020 | Remarks |
|--|----|-----------|--------------------|--|
| Texas Resident - Full Time | ** | - | \$ 300 | Subscription-based tuition pricing represents a singular fee paid by full-time students, per term (based on the specific program's degree plan) that allows the student the opportunity to accelerate through the degree plan, taking additional courses at no incremental cost. This represents the state subscription tuition for Texas residents and the higher non-resident subscription tuition for students that are not state of Texas residents. |
| Non-Resident - Full Time | ** | - | \$ 2,040 | |

**Students enrolled in Part Time PBE (6 hours) will pay at half the rate listed above. Additional semester credit hours (up to 12 hours) will be charged at the appropriate semester credit hour pricing rate.

| Designated Subscription Pricing /Tier/Semester | | Fall 2019 | Proposed Fall 2020 | Remarks |
|--|----|-----------|--------------------|--|
| Tier 1 - Texas Resident/Non-Resident - Full Time | ** | - | \$ 3,012 | Subscription-based tuition pricing represents a singular fee paid by full-time students, per term (based on the specific program's degree plan) that allows the student the opportunity to accelerate through the degree plan, taking additional courses at no incremental cost. |
| Tier 2 - Texas Resident/Non-Resident - Full Time | ** | - | \$ 2,640 | |
| Tier 3 - Texas Resident/Non-Resident - Full Time | ** | - | \$ 2,292 | |
| Tier 4 - Texas Resident/Non-Resident - Full Time | ** | - | \$ 1,920 | |
| Tier 5 - Texas Resident/Non-Resident - Full Time | | - | \$ 1,500 | |

**Students enrolled in Part Time PBE (6 hours) will pay at half the rate listed above. Additional semester credit hours (up to 12 hours) will be charged at the appropriate semester credit hour pricing rate.

| Continuing Ed (CE) | | Fall 2019 | Proposed Fall 2020 | Remarks |
|------------------------------------|-----|---|--------------------|---------|
| Texas Resident | *** | \$.50-\$16 per contact hour | No change. | |
| Non-Resident & Out-of-State Worker | *** | At least twice the CE tuition rate for the associated cross-listed course section | No change. | |
| Continuing Education Surcharge | | Varies by course or course section | No change. | |

***Pertains to non-credit courses that are eligible for state reporting according to Texas Higher Education Coordinating Board Rules and Regulations.

Tuition of \$0 per contact hour tuition may be charged for a course if at least 15% of the institution's direct costs of delivery, including facility costs, instructor salaries, equipment costs and other expenses, are provided directly or through in-kind contributions by industry or other local public or private clients.

| Student Fees (collected at registration) | | Fall 2019 | Proposed Fall 2020 | Remarks |
|--|--|---|-----------------------|--|
| Allied Health Insurance | | Cost of Insurance | No change | Required for certain Allied Health programs. Includes malpractice insurance and/or needlestick insurance. |
| Audit Fee | | Applicable tuition plus \$25 per semester credit hour | No change | |
| Background Security Check | | Cost | No change | |
| Challenge Exam Fee | | Not Applicable | \$150 per exam | Fee charged per exam validate prior learning and accelerate through course. |
| Credit Award Evaluation Fee | | \$25 per eval. | No change | |
| Dental Hygiene Clinical Fee | | \$100 per clinical course | No change | Applies to Preclinical Dental Hygiene, Clinical Dental Hygiene I, Clinical Dental Hygiene II, and Clinical Dental Hygiene III. |
| Digital Materials Fee | | Varies. Cost plus admn fee | No change | |
| Non-Resident E-Learning Fee | | \$300 per semester credit hour | No change | |
| Required Vaccines | | No change | Eliminate | |
| Student Medical Health and/or Accident Insurance | | Cost of Insurance | No change | Optional coverage. |

| Other Student Charges | | Fall 2019 | Proposed Fall 2020 | Remarks |
|-------------------------------------|--|---|--------------------|---|
| Application Fee | | No change | Eliminate | |
| Diploma Reprint Fee | | \$ 50 | Eliminate | Per reprint. |
| External Certification of Specialty | | Cost or Market Price | No change | |
| Fines | | Handicap parking violation - \$100 Moving violation - \$40 Other offenses: 1st Offense - \$25 2nd Offense - \$50 3rd Offense - \$100 | No change | Other offenses include, but are not limited to: housing violations, code-of-conduct violations, smoking in a non-designated area, and other parking violations. |
| Installment Plan Fee | | \$25 per semester | No change | |
| Installment Plan Late Fee | | \$25 after 7 business days | No change | |
| Library Fines | | Books & magazines - \$0.10/day, Videos/DVDs - \$1/day, Lost items - replacement cost + 10% processing fee | No change | |
| Locker Rental Fee | | \$25 per semester | No change | Voluntary fee to reserve a locker for a semester. |
| Returned Check Charge | | \$50 per check | No change | |
| Student ID Card Replacement Fee | | \$10 per card | No change | |
| Testing Center Exam Fee | | Cost of Exam & Admn fee | No change | |



Board Meeting Date: August 15, 2019 **Proposed Minute Order #:** 40-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Authorize the Chancellor to Enter into and Execute an Agreement with Battlespace, Inc. to Lease Hangar Space, Campus Land, and Ramp Space at the Texas State Technical College Waco Airport**

Background: Battlespace, Inc., a military contractor headquartered in Arlington, Virginia, currently leases half of the 24,242 square foot hangar located at 801 Airline Drive at the Texas State Technical College Waco Airport. Battlespace proposes to move to a larger hangar at 301 Airline Drive known as the ACTI hangar and lease adjacent campus land and ramp space to expand its drone training operations for the U.S. military. College administration does not anticipate a need for the campus land for instruction or training.

Justification: The expanded lease will increase lease income for the Airport and produce revenue on a parcel of surplus campus land.

Additional Information: Battlespace, Inc. will make approximately \$3 to \$3.5 million of improvements on the property, \$750,000 of this amount paid for by TSTC to be recovered through additional rent. Lease rates and terms are comparable to Texas Department of Transportation (TxDOT) market studies and other current airport leases, and will pay back TSTC's initial investment within one year. The lease will be on a one-year term, with the option to extend for additional one-year terms up to 20 years. Battlespace is making a significant investment based on planned multiple phases of contracts with the U.S. military, which provides assurance that the lease will continue for an indefinite number of years.

Fiscal Implications: TSTC will pay for \$750,000 of the estimated \$3M of tenant improvements, and will receive net rent of \$65,000 per month over the next year, with rates anticipated to decrease to \$18,000 per month beginning in year two, assuming the annual extension is exercised. The College is responsible for the structural integrity of the ACTI hangar roof and doors.


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

Attachment(s): Site Plan for Proposed Lease and Improvements
Letter from General Counsel

**Recommended
Minute Order:**

"The Texas State Technical College Board of Regents authorizes the Chancellor, or his designee, to enter into and execute the Lease Agreement with Battlespace, Inc. for the lease of the ACTI hangar and adjacent campus land and ramp space at TSTC Waco Airport."

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Map of TSTC Waco Airport with location of hanger space, campus land, and ramp space to be leased to Battlespace, Inc.



OFFICE OF GENERAL COUNSEL

3801 Campus Drive
Waco, Texas 76705

254-867-3972

July 25, 2019

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

Re: Authorize the Chancellor to Enter Into and Execute an Agreement with Battlespace, Inc. to Lease Hanger Space, Campus Land, and Ramp Space at the Texas State Technical College Waco Airport

As requested, I have reviewed and considered the legal ramifications of the lease of hanger space, campus land, and ramp space at the TSTC Airport to Battlespace, Inc.

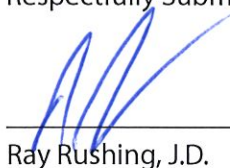
This lease relationship will allow TSTC to collect revenue on a nonearning asset (the hanger space), increase sales of fuel, and promote additional marketing opportunities for the airport. Lease rates and terms were drawn from the use of recent market data and current TSTC Waco Airport leases. Lastly, the lease of hanger space to Battlespace will not conflict with current operations at the TSTC Waco Airport.

The noted space to be leased at the TSTC Waco Airport is surplus and not needed, nor anticipated to be needed in the foreseeable future, by TSTC for instruction or training.

The applicable indemnities and insurance requirements are in place.

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

Respectfully Submitted,



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

cc: Rick Herrera
Vice Chancellor & Chief Student Services Officer



Board Meeting Date: August 15, 2019

Proposed Minute Order #: 41-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Approve the Multi-Year, Multi-Phase Statewide College Business Process Transformation Project and Delegate Related Contract Authority**

Background: The processes and technology that support today's many business processes of Texas State Technical College (TSTC or the College) were developed in a bygone era of technology. To remain relevant in today's disruptive, exponentially changing environment, the College must reimagine and reengineer virtually all of its business processes. Legacy functions and related workflows must be streamlined to ensure a new standard for a high quality yet affordable education for its students. Similarly, the many legacy processes that currently shape the work experiences of TSTC's workforce constrain the College's ability to make TSTC a great place to work. To remain relevant and a market leader in technical education, the College must be able to attract and retain the highest quality faculty and staff to provide that education. TSTC's current workflows and legacy technology are decades old and hamper the College's ability to support these reimagined work flows as well as plan, execute on that plan, and then analyze the results.

In the fall of 2018, leadership assembled a multi-functional task force to evaluate enterprise resource planning software partners that could support this type of business process transformation. Several vendors submitted proposals and two finalists demonstrated specific business workflows (selected by the steering committee) within each of the primary modules (Human Capital Management, Financial Management, and Student Information Systems). The larger end-user group (approximately 40 users from core operational groups) evaluated capabilities and end user experience opportunities during the assessment of the proposals.

As a result of the evaluation process, the task force proposed a multi-year, multi-phase business process transformation project that will deliver a single, cloud-based system for finance, human resources, and student data, so all users can quickly access the information they need whenever they need it. The system will include powerful analytical capabilities to deliver timely insights needed to boost student success through completion and placement, and information will be accessible through a mobile-friendly, intuitive interface that will make it easy for every student to succeed.

Justification: An investment in business process transformation and future-proofed technology is needed to replace the outdated technology that hinders process improvement and superior customer experience.

Additional Information: The project includes three key components of a cloud-delivered enterprise resource planning solution, implementation services to optimize business processes, and thorough user training to achieve full functionality. The system will be implemented over many years in three phases:

| | | |
|---------|----------------------------|-------------------------|
| Phase 1 | Human Capital Management | Fall 2019 - Spring 2021 |
| Phase 2 | Financial Management | Spring 2021 - Fall 2022 |
| Phase 3 | Student Information System | Fall 2022 - Spring 2025 |

Fiscal Implications: The cost for the project is estimated at approximately \$3 million per year for the first five years (approximately \$15 million during the implementation phase), including costs of software implementation and training services. The investment in technology, process improvement and training are projected to realize a potential return within the period of implementation through recurring annual cost savings and mitigation of data security risk.

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

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the Multi-year, Multi-phase, Statewide College Business Process Transformation project for Texas State Technical College.

In connection with the Business Process Transformation Project, the Texas State Technical College Board of Regents delegates authority to the Chancellor, or his designee, to enter into and execute a software application contract in excess of One Million Dollars (\$1,000,000).

The Texas State Technical College Board of Regents also delegates authority to the Chancellor, or his designee, to enter into and execute a professional services contract for deployment and ongoing adoption of related technology in excess of One Million Dollars (\$1,000,000)."

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

July 29, 2019

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

Re: Approve the Multi-Year, Multi-Phase Statewide College Business Process Transformation Project and Delegate Related Contract Authority.

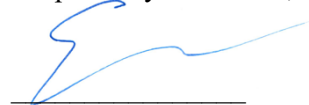
As requested, I have reviewed and considered the legal ramifications of (1) the requested approval of the Multi-year, Multi-phase, Statewide College Business Process Transformation project for Texas State Technical College, (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and sign contracts in excess of One Million Dollars (\$1,000,000.00) for a software application contract, and (3) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and sign contracts in excess of One Million Dollars (\$1,000,000.00) for a professional services contract for deployment and ongoing adoption of related technology.

During the 84th Legislative Session comprehensive changes were made to the Government Code. Generally, the TSTC Board of Regents (BOR) alone has authority to approve and sign contracts on behalf of TSTC with a value exceeding One Million Dollars (\$1,000,000.00). However, among the changes made to the Government Code is a provision that allows the TSTC Board of Regents to delegate this authority to the Chancellor or his designee.

Having reviewed the changes to the Government Code, after the passage of Senate Bill 20 during the 84th Legislative Session, it is my opinion that (1) the requested approval of the Multi-year, Multi-phase, Statewide College Business Process Transformation project for Texas State Technical College, (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and sign contracts in excess of One Million Dollars (\$1,000,000.00) for a software application contract, and (3) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and sign contracts in excess of One Million Dollars (\$1,000,000.00) for a professional services contract for deployment and ongoing adoption of related technology, comport with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Associate General Counsel

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer

Rick Herrera
Vice Chancellor & Chief Student Services Officer



Board Meeting Date: August 15, 2019

Proposed Minute Order #: 42-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Approve the Concept to Lease Land and Improvements to The TSTC Foundation at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Professional Services Contracts Required for Due Diligence of the Concept**

Background: On-campus student housing is critical to the majority of students that enroll at Texas State Technical College (TSTC) in Waco. Recent market, financial feasibility, and design studies explored students' needs and perceptions of on-campus housing. These studies validated management's recommendation to renovate, modernize, or replace the housing facilities. Such a renovation or replacement is likely to have an impact on student success and improve the campus experience at TSTC in Waco.

Additionally, the studies evaluated different approaches to operating and maintaining the related housing portfolio. Long term, TSTC plans to pursue alternative structures for operating and maintaining TSTC housing. However, current market conditions and campus situations make this option unlikely at this time. Securing a ground lease with The TSTC Foundation for immediate financing and construction of new housing is an available structure that achieves short term housing objectives while allowing for a more ideal structure long term.

Studies revealed the magnitude of deferred maintenance and hazardous material abatement for the legacy base housing and utility infrastructure. These facilities also carry a high maintenance cost for the expansive housing area, showing that the costs outweigh the benefits of renovating existing aged and inefficient structures.

To address the liability, TSTC requested and received a one-time appropriation from the 86th Legislature for abatement and demolition of the obsolete base housing. By Minute Order 14-19(c), the Board approved the concept for the abatement and demolition of structures in Waco, which will result in a shortage of available housing unless new housing is built before the project is completed.

The project timeline is shaped by the timing of the appropriation, which requires project completion within six years. Prior to the demolition of obsolete base housing, new housing will be constructed for single students. TSTC will renovate existing select salvageable housing to improve marketability, extend its useful life, and increase efficiency.

Justification: The market and financial feasibility studies justify the construction of 250 beds for single students and the modernization of 56 apartments known as the Red River apartments, to be leased at current market rates. The design of the new and renovated units is expected to augment but not compete with existing housing offered by Campus Living Villages at the Village Oaks apartments on the Waco campus. Further studies and market sounding indicate a feasible financing structure is for The TSTC Foundation to finance the project, construct the new student housing, and renovate the Red River units on the Waco campus. Management will continue to seek other development and financing structures, including a management services contract for maintenance and operation of student housing.

The proposed course of action:

- Ensures a timeline that guarantees available housing to all students throughout the project life;
- Positions the housing portfolio for competitive procurement of statewide maintenance and operations; and
- Provides a financially feasible investment to ensure affordable housing for decades to come.

Additional Information: None.

Action Schedule: **Approve Concept** **MO 42-19(c)**
Approve Ground Lease to The TSTC Foundation November 2019

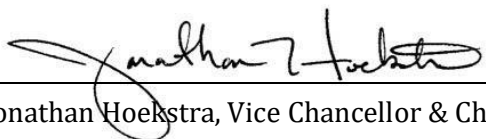
Fiscal Implications: Based on demand studies, the revenues from the newly constructed and renovated units will generate a cash flow that exceeds industry standard debt service coverage requirements. At the end of the lease, ownership of the housing facilities will vest in full to TSTC.

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 Texas State Technical College Board of Regents approves the concept to lease land and improvements to The TSTC Foundation at Texas State Technical College in Waco and authorize the Chancellor to proceed with professional services contracts required for due diligence of the concept."

Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

July 29, 2019

254-867-3972

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

Re: Approve the Concept to Lease Land and Improvements to the TSTC Foundation at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Professional Services Contracts Required for Due Diligence of the Concept.

As requested, I have reviewed and considered the legal ramifications of the requested approval for the concept to lease land and improvements to the TSTC Foundation, and the legal ramifications of the requested authorization of the Chancellor to proceed with the professional services contracts required for due diligence of the concept.


During the 84th Legislative Session comprehensive changes were made to the Government Code. Generally, the TSTC Board of Regents (BOR) alone has authority to approve and sign contracts on behalf of TSTC with a value exceeding One Million Dollars (\$1,000,000.00). However, among the changes made to the Government Code is a provision that allows the BOR to delegate this authority to the Chancellor or his designee. Future minute orders will be needed in the event that TSTC seeks to enter into contracts with a value exceeding One Million Dollars (\$1,000,000.00) for this Concept.

On-campus student housing is critical to the success of TSTC in carrying out its mission under Chapter 135 of the Texas Education Code. The imminent abatement and demolition of obsolete base housing on the TSTC Waco campus will result in a shortage of available student housing. In order to guarantee available housing to TSTC students on the Waco campus, Management believes a feasible financing structure is for the TSTC Foundation to finance the project, construct the new student housing, and renovate the remaining housing where needed. Further, Management believes that the land lease to the TSTC Foundation not only ensures the short term housing objective, but also best positions the TSTC housing portfolio for future competitive procurement of statewide maintenance and operations. Concurrently, management will continue to seek other development and financing structures, including a management services contract for maintenance and operation of student housing.

Having reviewed minute order, it is my opinion that the Board of Regents approval of the concept to lease land and improvements to the TSTC Foundation at Texas State Technical College in Waco and to authorize the Chancellor to proceed with professional services contracts required for due diligence of the concept, comports with state law and TSTC policy.

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

Respectfully Submitted,



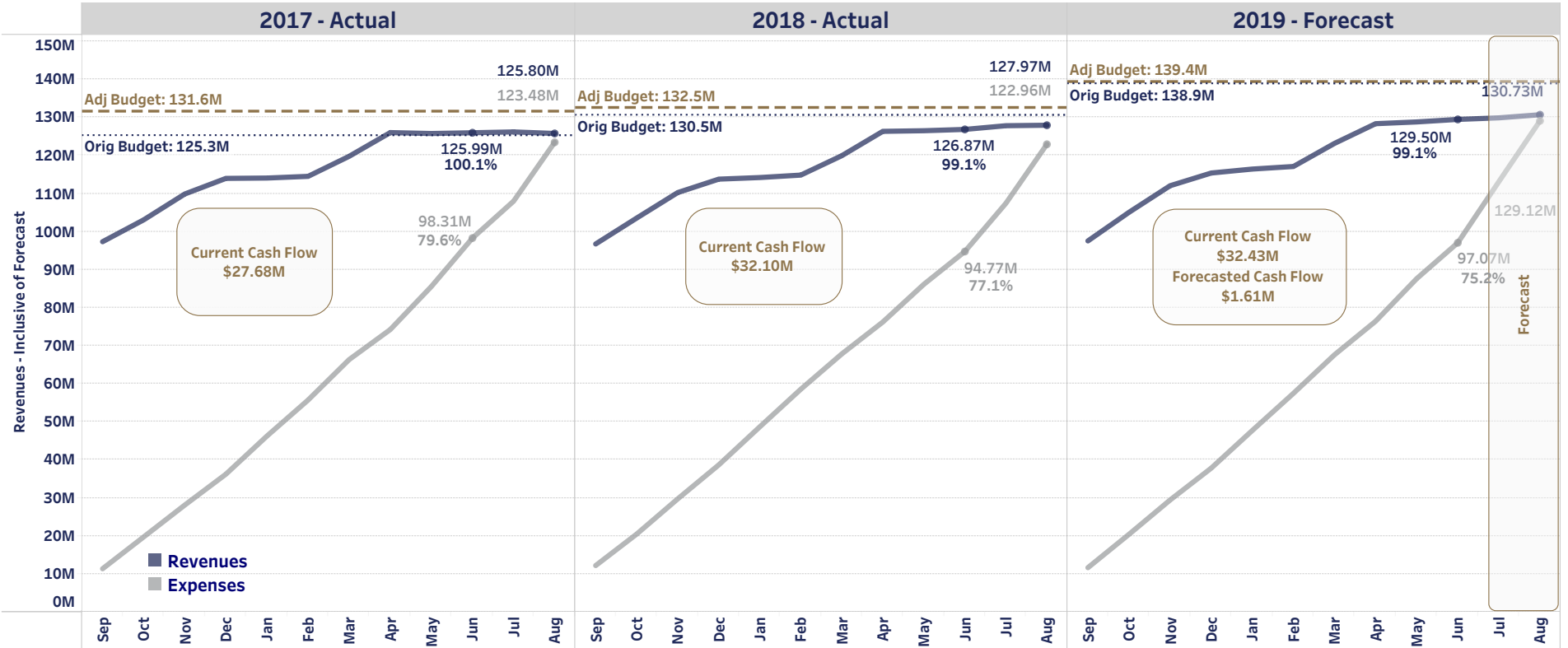
Edward C. Vallejo
Associate General Counsel

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer

Rick Herrera
Vice Chancellor & Chief Student Services Officer

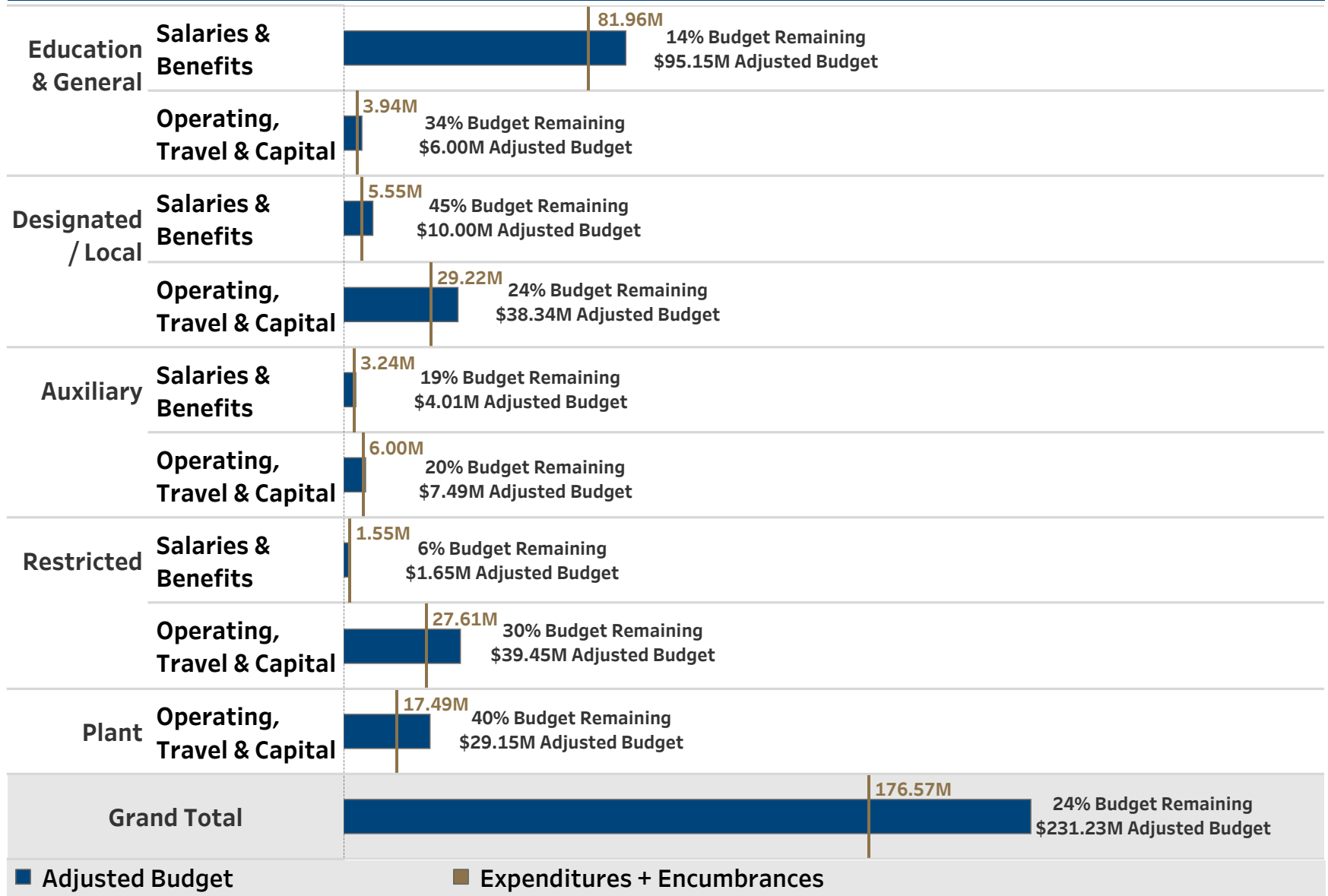
Texas State Technical College Budget Performance - Core Operations

As of June 30, 2019



Texas State Technical College

Variance of Adjusted Budget to Original Budget (Suggested New Title: Detailed- Expenses to Adjusted Budget)
September 1, 2018 - June 30, 2019

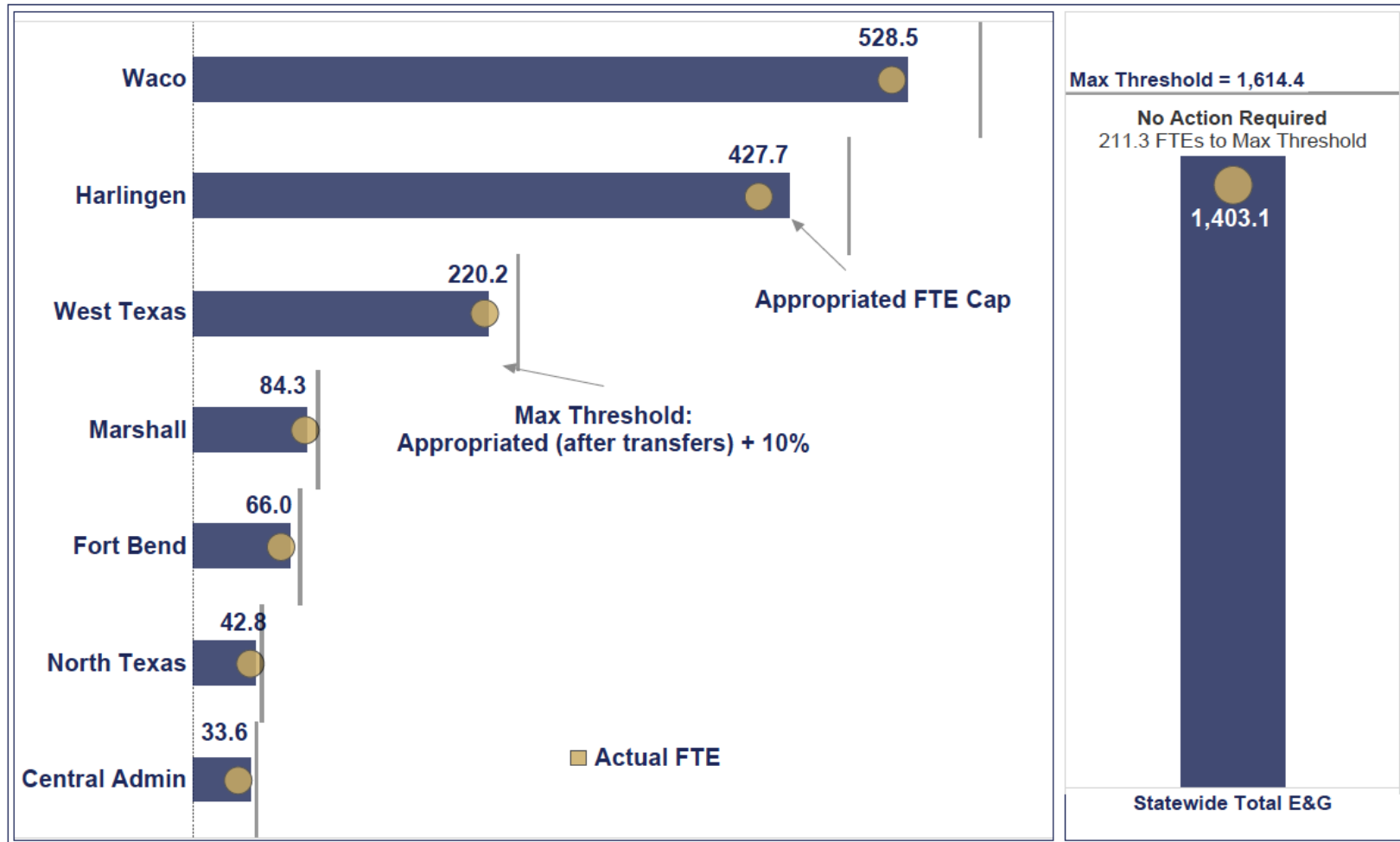


Texas State Technical College

State Appropriated Employees - Full Time Equivalent Report

FY 2019 - For the Quarter Ending May 31, 2019

The number of Full Time Equivalent employees is within the max threshold of 1,614 by 211 FTEs, therefore no action is required.



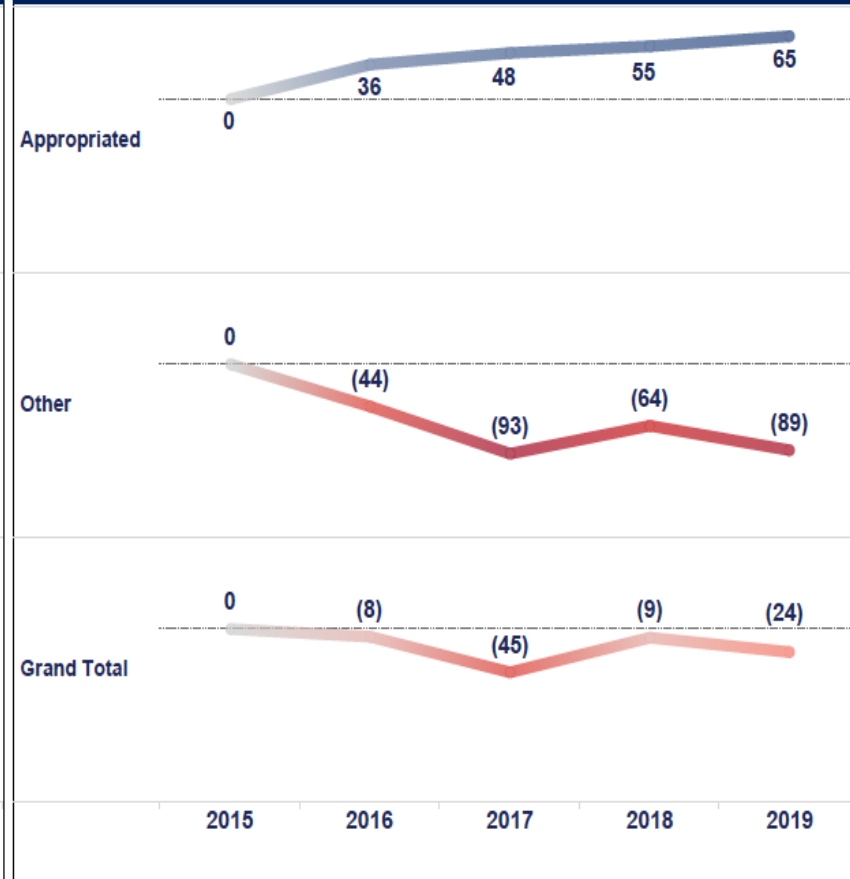
Texas State Technical College

Variance of Annual FTEs by Funding Source
As of May 31, 2019

Total FTE Count



FTE Trend



Texas State Technical College
Variance of FTEs by Title Category by Campus
As of 3rd Quarter of Each Year

| FTE Title Category Campus | | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------|--------------------|-----------|--------------|--------------|--------------|--------------|
| FTE Administrators | Fort Bend | 0 - 0 | 0 - 0 | 5 - 5 | 5 - 5 | 1 - 1 |
| | Harlingen | 16 - 0 | 16 - 0 | 11 - (5) | 8 - (8) | 6 - (10) |
| | Marshall | 8 - 0 | 4 - (4) | 2 - (6) | 3 - (5) | 1 - (7) |
| | North Texas | 0 - 0 | 0 - 0 | 3 - 3 | 2 - 2 | 1 - 1 |
| | System | 13 - 0 | 12 - (1) | 11 - (2) | 12 - (1) | 9 - (4) |
| | Waco | 14 - 0 | 20 - 6 | 13 - (1) | 20 - 6 | 14 - 0 |
| | West Texas | 5 - 0 | 9 - 4 | 7 - 2 | 6 - 1 | 7 - 2 |
| FTE Faculty | Fort Bend | 0 - 0 | 0 - 0 | 17 - 17 | 25 - 25 | 27 - 27 |
| | Harlingen | 169 - 0 | 166 - (3) | 159 - (10) | 167 - (2) | 169 - 0 |
| | Marshall | 58 - 0 | 61 - 3 | 41 - (17) | 45 - (13) | 36 - (22) |
| | North Texas | 0 - 0 | 0 - 0 | 15 - 15 | 19 - 19 | 18 - 18 |
| | System | 0 - 0 | 0 - 0 | 0 - 0 | 0 - 0 | 0 - 0 |
| | Waco | 257 - 0 | 252 - (5) | 245 - (12) | 240 - (17) | 229 - (28) |
| | West Texas | 70 - 0 | 77 - 7 | 72 - 2 | 76 - 6 | 90 - 20 |
| FTE Other Staff | Fort Bend | 0 - 0 | 0 - 0 | 21 - 21 | 44 - 44 | 45 - 45 |
| | Harlingen | 403 - 0 | 384 - (19) | 356 - (48) | 339 - (64) | 330 - (73) |
| | Marshall | 65 - 0 | 68 - 3 | 53 - (12) | 50 - (15) | 53 - (12) |
| | North Texas | 0 - 0 | 0 - 0 | 16 - 16 | 22 - 22 | 25 - 25 |
| | System | 33 - 0 | 36 - 3 | 39 - 6 | 40 - 7 | 35 - 2 |
| | Waco | 416 - 0 | 425 - 9 | 406 - (10) | 406 - (10) | 407 - (9) |
| | West Texas | 136 - 0 | 126 - (10) | 125 - (11) | 126 - (10) | 138 - 2 |
| Statewide Totals | | 2015 | 2016 | 2017 | 2018 | 2019 |
| | FTE Administrators | 56 - 0 | 61 - 5 | 53 - (3) | 56 - 0 | 39 - (17) |
| | FTE Faculty | 554 - 0 | 556 - 2 | 550 - (4) | 572 - 18 | 569 - 15 |
| | FTE Other Staff | 1,053 - 0 | 1,039 - (14) | 1,016 - (38) | 1,027 - (26) | 1,031 - (22) |
| | Grand Total | 1,663 - 0 | 1,656 - (7) | 1,619 - (44) | 1,655 - (8) | 1,640 - (24) |

TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report

May 31, 2019

| | DEPOSITS | | | SECURITY ON DEPOSITS | | | Sufficient (Insufficient) |
|--|--------------------|---------------------------------|-------------------|---------------------------|------------------------|-------------------------------|------------------------------|
| | Demand Deposits | Money Market & Time Deposits | Total Deposits | FDIC* Coverage (up to) | Required Collateral | Collateral at Market Value | |
| <u>Depository - Location</u> | | | | | | | |
| First Ntl Bank of Central Texas - Waco | 31,032,402 | 2,536,672 | 33,569,074 | 500,000 | 33,069,074 | 43,350,441 | 10,281,367 |
| Frost Bank - Harlingen/Fort Bend | 175,840 | - | 175,840 | 250,000 | - | 1,035,597 | 1,109,757 |
| Texas National Bank - Sweetwater | 37,535 | - | 37,535 | 250,000 | - | - | 212,465 |
| Texas Bank & Trust - Marshall | 36,986 | - | 36,986 | 250,000 | - | - | 213,014 |
| Citizens National Bank - Red Oak | 22,468 | - | 22,468 | 250,000 | - | - | 227,532 |
| Prosperity Bank - Abilene | 14,125 | - | 14,125 | 250,000 | - | - | 235,875 |
| Texas Bank - Brownwood | 15,283 | - | 15,283 | 250,000 | - | - | 234,717 |
| InterBank - Breckenridge | 13,955 | - | 13,955 | 250,000 | - | - | 236,045 |
| Bank of America - Waco | - | 10,000 | 10,000 | 250,000 | - | - | 240,000 |
| Compass Bank - Waco | - | 1,608,757 | 1,608,757 | 250,000 | 1,358,757 | 1,600,000 | 241,243 |
| First Community Bank - San Benito | - | 40,121 | 40,121 | 250,000 | - | - | 209,879 |
| First Ntl Bank - Albany/Breckenridge | - | 199,215 | 199,215 | 250,000 | - | - | 50,785 |
| Veritex Comm. Bank - N. Richland Hills | - | 10,000 | 10,000 | 250,000 | - | - | 240,000 |
| Texas First State Bank - Waco | - | 253,763 | 253,763 | 250,000 | 3,763 | 1,193,277 | 1,189,514 |
| Texas Regional Bank - McAllen | - | 132,200 | 132,200 | 250,000 | - | - | 117,800 |
| Cash in State Treasury | 14,005,199 | - | 14,005,199 | No Collateral Required | | | |
| TexasTerm (Government Pool) | 12,530,667 | - | 12,530,667 | No Collateral Required | | | |
| TexPool (Government Pool) | 957,421 | - | 957,421 | No Collateral Required | | | |
| TOTAL | 58,841,880 | 4,790,728 | 63,632,608 | | | | |

* Federal Deposit Insurance Corp. All **demand deposits** owned by a public unit held in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all **time and savings deposits** owned by a public unit and held in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. The term "demand deposits" means both interest-bearing and noninterest-bearing deposits.

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of May 31, 2019

| Description | Beginning Value as of 02/28/19 | Ending Value as of 05/31/19 | Interest Rate |
|-------------|-----------------------------------|--------------------------------|------------------|
|-------------|-----------------------------------|--------------------------------|------------------|

Operating Funds

| | | | |
|--------------------------------|-------------------|-------------------|-------|
| Cash in State Treasury | 14,684,210 | 14,005,199 | 2.52% |
| Statewide Operating | 22,846,466 | 23,402,848 | 2.25% |
| Harlingen - Local Operating | 103,379 | 148,878 | 1.77% |
| Waco - Local Operating | 50,885 | 25,112 | 2.25% |
| Sweetwater - Local Operating | 42,613 | 37,535 | 2.57% |
| Marshall - Local Operating | 38,746 | 36,986 | 0.10% |
| Fort Bend - Local Operating | 27,332 | 26,962 | 0.00% |
| Brownwood - Local Operating | 15,379 | 15,283 | 0.81% |
| System - Local Operating | 31,763 | 15,702 | 2.25% |
| Abilene - Local Operating | 15,084 | 14,125 | 0.20% |
| North Texas - Local Operating | 47,002 | 22,468 | 0.35% |
| Breckenridge - Local Operating | 12,229 | 13,955 | 0.25% |
| Payroll | 12,363,448 | 5,872,050 | 2.25% |
| Federal Funds | 187,633 | 10 | 0.00% |
| FNB Central Texas - MMKT | 1,995,513 | 2,006,850 | 2.25% |
| FNB Central Texas - CD | - | 250,825 | 2.25% |
| Compass Bank - CD | 1,653,692 | 1,413,185 | 2.38% |
| FNB Albany/Breckenridge - CD | 100,000 | 100,000 | 2.00% |
| First Community Bank - CD | 40,121 | 40,121 | 1.11% |
| Texas First State Bank - CD | 252,518 | 253,763 | 2.00% |
| Texas Regional Bank - CD | 132,200 | 132,200 | 2.25% |
| TexasTerm - Pool | 6,099,831 | 12,163,737 | 2.41% |
| Total Operating Funds | 60,740,044 | 59,997,794 | |

Endowment Funds

| | | | |
|-------------------------------------|----------------|----------------|-------|
| Bank of America - CD | 10,000 | 10,000 | 0.05% |
| Compass Bank - CD | 195,572 | 195,572 | 2.36% |
| FNB Albany/Breckenridge - CD | 99,215 | 99,215 | 1.75% |
| FNB Central Texas - MMKT | 277,420 | 278,997 | 2.25% |
| Liberty/Veritex Community Bank - CD | 10,000 | 10,000 | 2.62% |
| Total Endowment Funds | 592,207 | 593,784 | |

Bond Proceeds

| | | | |
|----------------------------|------------------|------------------|-------|
| FNB Central Texas | 1,937,485 | 1,716,679 | 2.25% |
| TexasTerm | 898,562 | 366,930 | 2.41% |
| TexPool | 951,612 | 957,421 | 2.40% |
| Total Bond Proceeds | 3,787,659 | 3,041,030 | |

| | | | |
|------------------------------|-------------------|-------------------|--|
| Total All Investments | 65,119,910 | 63,632,608 | |
|------------------------------|-------------------|-------------------|--|

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of May 31, 2019

Schedule of Time Deposits:

| Description | Amount | Maturity Date | Days | Rate | Type |
|----------------------------|------------------|---------------|----------|-------|-----------|
| | | | Maturity | | |
| Texas First State Bank | 253,763 | 6/27/2019 | 365 | 2.00% | Operating |
| Compass Bank | 250,000 | 7/19/2019 | 365 | 2.41% | Operating |
| Compass Bank | 250,000 | 8/7/2019 | 365 | 2.47% | Operating |
| Bank of America | 10,000 | 8/10/2019 | 365 | 0.05% | Endowment |
| Texas Regional Bank | 132,200 | 9/13/2019 | 365 | 2.25% | Operating |
| First Community Bank | 40,121 | 11/18/2019 | 334 | 1.11% | Operating |
| Compass Bank | 195,572 | 12/5/2019 | 365 | 2.36% | Endowment |
| FNB - Albany/Breckenridge | 65,000 | 4/5/2020 | 365 | 1.75% | Endowment |
| Compass Bank | 913,185 | 4/11/2020 | 365 | 2.26% | Operating |
| FNB - Albany/Breckenridge | 100,000 | 4/13/2020 | 365 | 2.00% | Operating |
| FNB - Albany/Breckenridge | 34,215 | 4/13/2020 | 365 | 1.75% | Endowment |
| FNB Central Texas | 250,825 | 5/24/2020 | 365 | 2.25% | Operating |
| Veritex Community Bank | 10,000 | 9/7/2020 | 731 | 2.62% | Endowment |
| Total Time Deposits | 2,504,881 | | | | |

Weighted Average Maturity (Time Deposits): 366 days

Weighted Average Rate of Interest (All Investments): 2.36%

Current One Year Treasury Bill Rate: 2.21%

Lipper Money Market Funds Average Return (1 YR): 1.60%

FY 2019 Interest Received and Accrued (All Investments): \$980,067

All investments are shown at cost. Market value equals cost due to the type of investment. All balances are per the bank as of the report date.

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

08/01/2019

Date



Jonathan Hoekstra, Chief Financial Officer

08/01/2019

Date