

January 24, 2020

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

RE: Action Items for the Meeting of the Board of Regents on February 6, 2020

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the February 6, 2020 meeting. 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

January 24, 2020

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

SUBJECT: Quarterly Control & Compliance Attestation

Chairman and 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 December 31, 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 December 31, 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

Enc.

tstc.edu



Wednesday, February 5, 2020

When	What	Where	Dress	Who
7:45a.m.	Travel to Campus*	The Hilton Waco to TSTC	Business Casual	Chairman Hatchel, Regent Powell, Regent Widup, Leadership Team & invited guest(s)
8:00a.m. - 8:30 a.m.	Breakfast	Houston Room	Business Casual	Chairman Hatchel, Regent Powell, Regent Widup, Leadership Team & invited guest(s)
8:30 a.m. - 12:00 p.m.	New Regent Orientation	Austin Room	Business Casual	Chairman Hatchel, Regent Powell, Regent Widup, Leadership Team & invited guest(s)
12:00 p.m. - 12:30 p.m.	Lunch	Houston Room	Business Casual	Regents, Leadership Team & invited guest(s)
12:30 p.m. - 4:00 p.m.	Planning Meeting	Austin Room	Business Casual	Regents, Leadership Team & invited guest(s)
4:00 p.m.	Travel to Hotel	The Hilton Waco	Business Casual	Regents
5:45 p.m.	Travel to Campus*	The Hilton Waco to TSTC	Business Casual	Regents & Spouses
6:00 p.m.	Reception	Greta W. Watson Culinary Arts Center	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)
6:30 p.m.	Dinner	Greta W. Watson Culinary Arts Center	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)
7:00 p.m.	Swearing in Ceremony	Greta W. Watson Culinary Arts Center	Business Casual	Judge Ralph Strother, Regents & Spouses, Leadership Team & Spouses & invited guest(s)

Thursday, February 6, 2020

When	What	Where	Dress	Who
7:45 a.m.	Travel to Campus*	The Hilton Waco to TSTC	Business Suit & Tie	Regents
8:00a.m. - 9:00 a.m.	Breakfast	Houston Room	Business Suit & Tie	Regents, Leadership Team & invited guest(s)
9:00a.m. - 10:00 a.m.	Audit Working Group	The Gonzales Room	Business Suit & Tie	Regent Cleveland (Chair), Regent Abad, Jason Mallory & invited guest(s)
	Facilities Working Group	Gail Lawrence's Conference Room	Business Suit & Tie	Regent Honey (Chair), Regent Widup, Rick Herrera, Ray Fried & invited guest(s)

9:00a.m. - 10:00 a.m.	Fiscal Affairs Working Group	Jonathan Hoekstra's Conference Room	Business Suit & Tie	Regent Meade (Chair), Regent Powell, Jonathan Hoekstra & invited guest(s)
	General Administration Working Group	The Goliad Room	Business Suit & Tie	Regent McDonald (Chair), Regent Abad, Ray Rushing, Gail Lawrence, Roger Miller, Michael Bettersworth & invited guest(s)
	Student Learning & Student Development Working Group	The Bowie Room	Business Suit & Tie	Regent Tremont (Chair), Regent Powell, Jeff Kilgore, Rick Herrera & invited guest(s)
10:00a.m. - 10:30 a.m.	Ad Hoc Committee Meeting	Crockett Room	Business Suit & Tie	Chairman Hatchel, Regent Honey, Regent McDonald, Regent Tremont; Mike Reeser, Michael Bettersworth & Jonathan Hoekstra
10:30 a.m. - 11:30 a.m.	Audit Committee Meeting	Austin Room	Business Suit & Tie	Regents, Leadership Team, Guest(s) & public citizens
11:30 a.m. - 12:30 p.m.	Lunch	Houston Room	Business Suit & Tie	Regents, Leadership Team & invited guest(s)
12:30 p.m.	The Board of Regents Meeting	Austin Room (Live Broadcast & Closed Caption)	Business Suit & Tie	Regents, Leadership Team, Guest(s) & public citizens



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.

Gail Lawrence
Conference Room

Jonathan Hoekstra
Conference Room

Ray Rushing
Conference Room

Mike Reeser
Conference Room

Jeff Kilgore
Conference Room

The Goliad Room

Restrooms

Restrooms

Restrooms

Event Staff

RECEPTION

The Gonzales Room

The Bowie Room

KITCHEN

The Crockett Room

The Austin Room

The Houston Room

The San Jacinto Room

The Ranger Room

For more information about
reserving your space today,
contact **Megan Weinberger** at
megan.weinberger@tstc.edu or
call **254-867-3870**.

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, February 6, 2020
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 NOVEMBER 14, 2019 MEETINGS**
- VI. RECOGNITION OF GUESTS**
- VII. PUBLIC COMMENTS**
- VIII. CHANCELLOR COMMENTS**

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.

IX. COMMITTEE REPORTS & MINUTE ORDERS

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

Tiffany Tremont, Chair; Kathy Powell, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

01-20(c) Approve Current List of Associate Degree and Certificate Programs34
Jeff Kilgore

Reports:

None.

b. **Committee for General Administration**

Pat McDonald, Chair; Tony Abad, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

02-20(c) Rescind Statewide Operating Standard (SOS) GA 1.11 Passenger
Transportation on TSTC Aircraft40
Ray Rushing

03-20(c) Reaffirm the Mission Statement of Texas State Technical College ..46
Gail Lawrence

Reports:

None.

c. **Committee for Facilities**

Keith Honey, Chair; Ron Widup, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

04-20(c)	Approve granting a Dedicated Easement Agreement for Utilities to the City of Abilene for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities over, on, and across Texas State Technical College in Abilene and authorize the Chancellor to execute the agreement	49
	<i>Ray Fried</i>	
05-20(c)	Approve the Project and Budget to Expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and Delegate Authority to the Chancellor to Enter into and Execute a Contract for the Project in Excess of One Million Dollars (\$1,000,000)	52
	<i>Ray Fried</i>	
06-20(c)	Approve the Project and Budget to Expand the Welding Technology Facility in the Industrial Technology Center (1ITC) at Texas State Technical College in Waco and Authorize the Chancellor to Enter into Contracts for the Construction of the Project	55
	<i>Ray Fried</i>	
07-20(c)	Approve the Concept to Expand the Welding Technology Facility in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for Pre-Construction Services.....	56
	<i>Ray Fried</i>	
08-20(c)	Delegate the Authority to the Chancellor to Enter into and Execute an Environmental, Abatement, Demolition, and Construction Management Services Contract in Excess of One Million Dollars (\$1,000,000)	57
	<i>Ray Fried</i>	

- 09-20(c) Approve the Concept to Renovate the Industrial Technology Center (ITC) at Texas State Technical College in Waco and Authorize the Chancellor to Enter Into Contracts for Pre-Construction Services .59

Ray Fried

Reports:

1. Major Facility Projects Status Update60

Ray Fried

d. Committee for Fiscal Affairs

Alex Meade, Chair; Kathy Powell, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 10-20(c) Approve the Ground Lease of Land at Texas State Technical College in Waco to The TSTC Foundation and Authorize the Chancellor to Execute the Lease Agreement63

Jonathan Hoekstra

- 11-20(c) Approve the Master Lease of Student Housing Facilities and Related Parking at Texas State Technical College in Waco from The TSTC Foundation for a Term of up to 30 Years and Authorize the Chancellor to Execute the Lease Agreement67

Jonathan Hoekstra

- 12-20(c) Approve the Employee Holiday Schedule for Fiscal Year 202171

Jonathan Hoekstra

- 13-20(c) Approve the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2020 Semester73

Jonathan Hoekstra

Reports:

1.	Budget Performance Report.....	81
	<i>Jonathan Hoekstra</i>	
2.	TSTC Full Time Equivalent (FTE) Reports.....	83
	<i>Jonathan Hoekstra</i>	
3.	Pledged Collateral Report.....	86
	<i>Jonathan Hoekstra</i>	
4.	Quarterly Investment Report.....	87
	<i>Jonathan Hoekstra</i>	
5.	Annual Financial Report.....	89
	<i>Jonathan Hoekstra</i>	

X. CONSENT AGENDA ITEMS

- | | |
|----------|---|
| 01-20(c) | Approve Current List of Associate Degree and Certificate Programs |
| 02-20(c) | Rescind Statewide Operating Standard (SOS) GA 1.11 Passenger Transportation on TSTC Aircraft |
| 03-20(c) | Reaffirm the Mission Statement of Texas State Technical College |
| 04-20(c) | Approve granting a Dedicated Easement Agreement for Utilities to the City of Abilene for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities over, on, and across Texas State Technical College in Abilene and authorize the Chancellor to execute the agreement |
| 05-20(c) | Approve the Project and Budget to Expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and Delegate Authority to the Chancellor to Enter into and Execute a Contract for the Project in Excess of One Million Dollars (\$1,000,000) |

- 06-20(c) Approve the Project and Budget to Expand the Welding Technology Facility in the Industrial Technology Center (1ITC) at Texas State Technical College in Waco and Authorize the Chancellor to Enter into Contracts for the Construction of the Project
- 07-20(c) Approve the Concept to Expand the Welding Technology Facility in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for Pre-Construction Services
- 08-20(c) Delegate the Authority to the Chancellor to Enter into and Execute an Environmental, Abatement, Demolition, and Construction Management Services Contract in Excess of One Million Dollars (\$1,000,000)
- 09-20(c) Approve the Concept to Renovate the Industrial Technology Center (ITC) at Texas State Technical College in Waco and Authorize the Chancellor to Enter Into Contracts for Pre-Construction Services
- 10-20(c) Approve the Ground Lease of Land at Texas State Technical College in Waco to The TSTC Foundation and Authorize the Chancellor to Execute the Lease Agreement
- 11-20(c) Approve the Master Lease of Student Housing Facilities and Related Parking at Texas State Technical College in Waco from The TSTC Foundation for a Term of up to 30 Years and Authorize the Chancellor to Execute the Lease Agreement
- 12-20(c) Approve the Employee Holiday Schedule for Fiscal Year 2021
- 13-20(c) Approve the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2020 Semester

XI. UNFINISHED BUSINESS

XII. NEW BUSINESS

XIII. RECESS OPEN MEETING

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

XIV. 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."
- 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.

XV. OPEN MEETING RECONVENES

XVI. ACTION ON CLOSED MEETING

XVII. CHANCELLOR COMMENTS

XVIII. BOARD COMMENTS

XIX. ADJOURN

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, November 14, 2019

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at 10:50 a.m., November 14, 2019, by Chair Andarza.

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

Members Absent: None.

A quorum was present.

COMMITTEE CHAIR COMMENTS

Chair Ivan Andarza gave a brief overview of the reports and introduced the Director of Internal Audit, Jason Mallory, to present the reports.

MINUTE ORDERS

None.

REPORTS

The following reports were presented to the Committee:

1. Status of Fiscal Year 2019 Audit Schedule & Other Projects
2. Status of Fiscal Year 2020 Audit Schedule & Other Projects
3. Summary of Audit Reports

4. Follow-up Schedule & Status
5. Internal Audit Annual Report Fiscal Year 2019
6. Annual Statement on Quality Control
7. Annual Confirmation of Organizational & Individual Independence
8. Annual Review of Internal Audit Charter
9. Departmental Audits of Challenger Learning Centers (19-018A & 19-019A)
10. Public Funds Investment Act Audit (20-004A)
11. Internal Network Penetration Test - East Williamson County Campus (20-002A)
12. Admissions Audit (19-017A)
13. Admissions Audit – Audit of the Target X Application (19-017A)
14. Admissions Audit – Audit of the Informatica Server (19-017A)
15. TAC 202 – Quarterly Update
16. AY 2016 A-133 Evaluation and Desk Review Management Letter CFDA 84.048, Award #14919, Perkins Grant (West Texas)
17. AY 2016 A-133 Evaluation and Desk Review Management Letter CFDA 84.048, Award #14916, Perkins Grant (Marshall)
18. AY 2016 A-133 Evaluation and Desk Review Management Letter CFDA 84.048, Award #14748, Perkins Leadership Grant (System)
19. AY 2016 A-133 Evaluation and Desk Review Management Letter CFDA 84.048, Award #14918, Perkins Career & Technical Education (Waco)
20. Attestation Disclosures

CHANCELLOR COMMENTS

None.

BOARD COMMENTS

None.

ADJOURN

The meeting adjourned at 11:16 a.m.



Ray Rushing
Secretary to the Board of Regents

TEXAS STATE TECHNICAL COLLEGE

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

**Thursday, November 14, 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 11:30 a.m., November 14, 2019, by Chair Hatchel.

DETERMINATION OF QUORUM

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

Members Absent: None.

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

ADOPTION OF AGENDA

Upon a motion by Regent Honey and second by Regent Meade, the Agenda was adopted unanimously.

APPROVAL OF MINUTES OF AUGUST 14 AND 15, 2019 MEETINGS

Upon a motion by Regent Cleveland and second by Regent McDonald, the Minutes of the August 14 and 15, 2019 Meetings of the Audit Committee and the Board of Regents were approved unanimously.

RECOGNITION OF GUESTS

None.

PUBLIC COMMENTS

None.

CHANCELLOR COMMENTS

The Chancellor presented a PowerPoint status update on the affairs of the College.

RECESS FOR LUNCH

The meeting of the Texas State Technical College Board of Regents recessed for lunch at 12:02 p.m. by Chair Hatchel.

RECONVENE

The meeting of the Texas State Technical College Board of Regents reconvened at 12:35 p.m.

COMMITTEE REPORTS & MINUTE ORDERS

Committee for Student Learning and Student Development

Tony Abad, Chair; Tiffany Tremont, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

None.

Reports:

1. Annual Student Loan Default Report

Rick Herrera

2. Enrollment Management Report

Rick Herrera and Jeff Kilgore

Committee for General Administration

Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 44-19(c) Approve the TSTC Foundation Operating Plan for the Period September 1, 2019 to August 31, 2020

Reports:

1. The TSTC Foundation Update

Beth Wooten

2. Marketing Update

Nick Alvarado

Committee for Facilities

Ellis Skinner, Chair; Curtis Cleveland, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 45-19(c) Approve the Concept to Expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and Authorize the Chancellor to Proceed with Contracts for the Project
- 46-19(c) Approve the Project and Budget to Replace the Roof and HVAC Units on the Student Center at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for the Project

Reports:

1. Major Facility Projects Status Update

Ray Fried

2. Deferred Maintenance Projects Summary FY 20

Ray Fried

Committee for Fiscal Affairs

Keith Honey, Chair; Alex Meade, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 47-19(c) Policy for Investments

Jonathan Hoekstra

Jonathan Hoekstra notified the full Board that he presented to the Fiscal Affairs Committee the status of the depository agreements pursuant to the Policy for Investments. No changes were recommended.

- 48-19(c) Approve the TexPool Resolution Amending Authorized Representatives

Jonathan Hoekstra

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 Report Certifying Debt Management Policy Compliance

Jonathan Hoekstra

6. Biennium Report Certifying Investment Officer Training

Jonathan Hoekstra

CONSENT AGENDA ITEMS

Upon a motion by Regent Cleveland, Minute Order 47-19(c) was removed from the Consent Agenda Items and added to New Business Items.

Upon a motion by Regent Honey and second by Regent Skinner, the Consent Agenda Items were approved unanimously.

44-19(c) Approve the TSTC Foundation Operating Plan for the Period September 1, 2019 to August 31, 2020

"The Texas State Technical College Board of Regents approves The TSTC Foundation Operating Plan for the period September 1, 2019 to August 31, 2020."

45-19(c) Approve the Concept to Expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and Authorize the Chancellor to Proceed with Contracts for the Project

"The Texas State Technical College Board of Regents approves the Concept to expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and authorizes the Chancellor, or his designee, to enter into contracts for pre-construction services up to ten percent (10%) of the proposed contract budget."

46-19(c) Approve the Project and Budget to Replace the Roof and HVAC Units on the Student Center 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 replace the roof and HVAC units on the Student Center at Texas State Technical College in Harlingen and authorizes the Chancellor, or his designee, to enter into contracts for the construction of this project."

48-19(c) Approve the TexPool Resolution Amending Authorized Representatives

"The Texas State Technical College Board of Regents approves the TexPool Resolution Amending Authorized Representatives with the following signature authorizations for TexPool transactions:

Authorized Representatives

Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer
Chad Wooten, Executive Vice President - Accounting & Reporting
Anju Motwani, Vice President & Controller *
Albert Srubar, Comptroller"

UNFINISHED BUSINESS

None.

NEW BUSINESS

Upon a motion by Regent Meade and Second by Regent McDonald, Minute Order 47-19 was approved. Regent Cleveland abstained from the vote.

47-19(c) Policy for Investments

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

THE COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS AND OPERATING ACCOUNTS

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

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

The Chief Financial Officer shall discuss with the Board of Regents Fiscal Affairs Committee the existing status of depository agreements with existing operating

accounts at each fall meeting of the Board of Regents, including the necessity of bidding such operating accounts.

QUALIFIED INSTITUTIONS

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

1. The financial institution is selected by competitive bid process in accordance with Section 51.003(a) of the Education Code;
2. The financial institution must provide their most recent Statement of Condition report on request;
3. The financial institution must sign a 'Certification by Registered Principal of Investment Firm/Bank' certifying that the registered principal reviewed TSTC's Investment Policy and acknowledges that their organization has implemented reasonable procedures and controls to comply; and,
4. The financial institution must maintain a consistent record of compliance with TSTC's collateral coverage and investment policy. TSTC shall use a competitive bid process in accordance with Section 51.003 of the Education Code to invest through any one of the following entities:
 1. "Primary" government security dealers (as defined by the New York Federal Reserve), or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).
 2. A Federally-insured financial institution doing business in Texas, or
 3. Texas local government investment pools, as permitted in accordance with Government Code 2256.016 and this policy.

AUTHORIZED BROKERS

The Board of Regents is required to review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with TSTC at least annually, as set forth in Section 2256.025 of the Public Funds Investment Act. Accordingly, the following list of qualified brokers is adopted as a part of this policy:

Community Bank & Trust
First Financial Bank
Extraco Banks
Frost Bank
Coastal Securities, Inc.
Hilltop Securities
Investors Brokerage of Texas
Robert W. Baird & Co.

Vining Sparks
Wells Fargo Advisors

ETHICAL GUIDELINES FOR INVESTMENTS

1. Section 51.923 of the Education Code permits an institution of higher education to contract with a non-profit corporation even though one or more members of the governing board of the institution of higher education also serves as a member, director, officer or employee of such a non-profit corporation. This section further permits an institution of higher education to contract with a business entity even though one or more members of the governing board of the institution of higher education have an interest in the business entity if the interest is not a substantial interest. An interest is a substantial interest if: (1) the board member owns one percent or more of the voting stock or shares of the business entity or owns either one percent or more or \$15,000 or more of the fair market value of the business entity; (2) funds received by the member from the business entity exceed one percent of the member's gross income for the previous year; (3) the member is an officer of the business entity or a member of the governing board of the business entity; or (4) an individual related to the member in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has an interest in the business entity as described above. If a board member has a substantial interest in a business entity as described in this paragraph, the institution of higher education can still contract with that business entity provided that the board member discloses such interest to the board and refrains from voting on the contract or transaction requiring board approval.
2. Section 404.0211 of the Government Code, does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, is also an officer or director of the bank if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings. This section also does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, own or have a beneficial interest, individually or collectively in 10 percent or less of the outstanding capital stock of the bank, if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings.
3. Employees of TSTC who are involved in the selection of depository financial institutions shall not attempt to gain any personal benefit from the financial institutions in turn for depositing the funds in said financial institution. These employees must complete and sign an Employee Independence – Deposits and Investments form, TSTC-0-FA-012 (10-15), at the beginning of each fiscal year. These forms are due to the Chief Financial Officer by October 1 of each year.

This form seeks information needed to determine if a board vote would be needed for selection of a depository institution.

4. Board members will be requested to complete forms TSTC-0-FA-043 (10/19) and TSTC-0-FA-085 (10/19) before the fall meeting of the Board of Regents. These forms seek information needed to determine if a board vote would be needed for selection of a depository institution.

INVESTMENT OFFICER

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

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

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

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

LIQUIDITY

The TSTC Investment Officer shall insure that:

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

YIELD

The TSTC Investment Officer shall insure that:

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

SHORT-TERM VERSUS LONG-TERM PORTFOLIO

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

SHORT-TERM PORTFOLIO DIVERSIFICATION

TSTC will diversify its investments to avoid incurring unreasonable risks inherent in over-investing in individual financial institutions or maturities.

Maturity Scheduling:

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

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

LONG-TERM PORTFOLIO DIVERSIFICATION

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

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

INVESTMENTS

AUTHORIZED investments and collateral are:

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

Time Certificates of Deposit with a maturity not to exceed two (2) years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or

its successor, and when possible and appropriate, in a financial institution or institutions located in the county or counties in which a TSTC campus operation is located, except for endowment accounts where the donor references a specific depository.

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

2. Obligations of, or Guaranteed by, Governmental Entities
 - a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
 - b. Direct obligations of this state or its agencies and instrumentalities;
 - c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
 - d. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than 'A' or its equivalent.
3. Texas public funds investment pools investing in government securities and repurchase agreements as approved by the Board, rated no less than AAA or equivalent and seeking to maintain a constant dollar net asset value.
4. Repurchase agreements ("Repos") with a defined termination date, collateralized by Treasury and Federal Agency securities listed in items "a," "b" and "c" above, collateralized initially at a minimum market value of 102 percent of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation.

UNAUTHORIZED investments and collateral are:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the coupon payments on the outstanding principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized Mortgage Obligations that have a stated final maturity date of greater than ten years;

4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index; and,
5. Securities of a company that is identified on a list of companies with scrutinized active business operations in Sudan or Iran or with business ties to Foreign Terrorist Organizations (collectively, "Listed Companies") as published on the State Comptroller's website.

An investment that requires a minimum credit rating does not qualify as an authorized investment during the period the investment does not have the minimum credit rating even if the investment had the appropriate rating at the time of purchase. The Investment Officers shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

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

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

COLLATERAL

Statute requires that all state deposits above the level of federal insurance be fully collateralized. Statute further requires that all deposits that are collateralized by securities be protected at a minimum of 100 percent of the deposit amount. Securities are accepted at 100 percent of their market value. The value of surety bonds and FHLB Letters of Credit are their face value.

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

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

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

INVESTMENT TRAINING

Investment officers shall receive five hours of investment training relating to an investment officer's responsibilities within six months after assuming duties; and attend additional training sessions not less than once every two years and receive not less than five hours of training. Such training from an independent source shall be sponsored or instructed through the University of North Texas Center for Public Management, the Government Finance Officers Association, Government Finance Officers Association of

Texas, Government Treasurers Organization of Texas, Texas Municipal League, Texas Association of School Board Officials, Texas Association of School Boards, the North Central Texas Council of Governments or other independent industry organizations to include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. The Investment Officer shall report compliance with this training requirement to the Board of Regents not later than the 180th day after the last day of each regular session of the legislature. "

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, November 14, 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 1:36 p.m.

Regent Alex Meade excused himself from the remainder of the Board Meeting due to travel.

The Closed Meeting is called to Order and a Quorum is determined at 1:37 p.m.

a. 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."
 - Ted Donovan v. TSTC
Discussion of the Ted Donovan v. TSTC case took place.
 - John Clark Owen v. TSTC
Discussion of the John Clark Owen v. TSTC case took place.

b. 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."

- Discussion of potential real acquisition.

c. 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.”
- Internal Audit Director Performance Evaluation
Performance evaluation discussion regarding Jason Mallory, Internal Audit Director took place.
 - Chancellor & CEO Performance Evaluation
Performance evaluation discussion regarding Chancellor Michael L. Reeser took place.

d. Adjourn

The November 14, 2019 Closed Session of the Texas State Technical College Board of Regents adjourned at 2:19 p.m.

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

OPEN MEETING RECONVENES

The November 14, 2019 Open Meeting of the Texas State Technical College Board of Regents reconvened at 2:21 p.m.

ACTION ON CLOSED MEETING

Upon a motion by Regent Andarza and second by Regent Skinner, the Action of Closed Meeting, Minute Order 49-19, was approved unanimously.

Minute Order:

49-19 Approve the Purchase of 0.29 Acre Lot of Real Estate Near Texas State Technical College in Waco and Authorize the Chancellor to Negotiate the Purchase Agreement

“The Texas State Technical College Board of Regents approves the purchase of the 0.29 acre lot of real estate near the campus at Texas State Technical College in Waco and authorizes the Chancellor, or his designee, to negotiate the purchase agreement with the existing property owner.”

ELECTION OF OFFICERS

Secretary to the Board, Ray Rushing, provided the slate of nominations received for Calendar Year 2020. Chairman Hatchel presented the nominations:

Chair: John Hatchel
Vice Chair: Ivan Andarza
Executive Committee Place 1: Curtis Cleveland
Executive Committee Place 2: Tony Abad

Upon motion by Regent Honey and second by Regent McDonald, the officers was unanimously approved:

PROPOSED MEETING DATES

- a. Proposed Board of Regents Meeting Dates for Calendar Year 2020

The proposed meeting dates for calendar year 2020 were unanimously approved.

CHANCELLOR COMMENTS

None.

BOARD COMMENTS

None.

ADJOURN

The meeting adjourned at 2:30 p.m.



Ray Rushing
Secretary to the Board of Regents

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Committee Chair Comments

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01-20(c)	Approve Current List of Associate Degree and Certificate Programs	34
	<i>Jeff Kilgore</i>	

Reports:

None.



Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 01-20(c)

Proposed By: Jeff Kilgore, Vice Chancellor & Chief Academic Officer

Subject: **Approve Annual List of Current Associate Degree and Certificate Programs**

Background: The Texas Higher Education Coordinating Board (THECB) Rule, Chapter 9, Subchapter E, §9.93, requires all new associate degree and certificate programs be approved by the THECB. This rule further requires that an Institution certify that each program has been approved by its governing board. The Board of Regents approval of new associate degree and certificate programs extends to all TSTC campuses.

Justification: An annual approval of all degree and certificate programs is essential to ensure compliance with applicable rules.

Additional Information: None.

Fiscal Implications: No fiscal implication.

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

Attachment(s): Inventory of Approved Associate Degree and Certificate Programs, January 2020

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the current list of associate degree and certificate programs. Activation of any currently approved program is contingent upon meeting all related THECB requirements."

Recommended By:



Jeff Kilgore, Vice Chancellor & Chief Academic Officer

Inventory of Approved Associate Degree and Certificate Programs January 2020

AWARD NAME	AWARD TYPE
Agricultural Technology	AAS
Aircraft Airframe Technology	AAS
Aircraft Airframe Technician	CER2
Aircraft Dispatch Technology	AAS
Aircraft Pilot Training Technology - Airplane Specialization	AAS
Aircraft Pilot Training Technology - Helicopter Specialization	AAS
Aircraft Powerplant Technology	AAS
Aircraft Powerplant Technician	CER2
Air Traffic Controller	AAS
Architectural Design & Engineering Graphics Technology	AAS
Architectural/Civil Drafting Technology	AAS
Auto Collision & Management Technology - Refinishing Specialization	AAS
Auto Collision Refinishing	CER1
Auto Collision Refinishing	ATC
Auto Collision & Management Technology - Repair Specialization	AAS
Auto Collision Repair	CER1
Auto Collision Repair	CER2
Auto Collision Repair	ATC
Automation and Controls Technology	AAS
Automotive Technology	AAS
Automotive Maintenance & Light Repair	CER1
Automotive Technician	CER2
Automotive Technology Chrysler Specialization	CER2
Automotive Technology Toyota T-TEN	CER2
Avionics Technology	AAS
Biology	AS
Biomedical Equipment Technology	AAS
Medical Imaging Systems Technology	AAS
Building Construction Technology	AAS
Building Construction Craftsman	CER1
Business Management Technology	AAS

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CER3/ESC - Enhanced Skills Certificate

CCC - Core Curriculum Completer
Certificate

Inventory of Approved Associate Degree and Certificate Programs January 2020

AWARD NAME	AWARD TYPE
Business Management Technology	CER2
Chemical Dependency Counseling	AAS
Chemical Dependency Counseling	CER1
Chemical Technology	AAS
Cloud Computing	AAS
Computer Aided Drafting and Design Technology	AAS
Computer Maintenance Technology	AAS
Computer Maintenance Technician	CER1
Home Integration Technology	CER1
Computer Networking & Systems Administration	AAS
Computer Programming Technology	AAS
Computer Science	AS
Culinary Arts	AAS
Culinary Assistant	CER1
Culinary Specialist	CER1
Culinarian	CER2
Cyber Security	AAS
Digital Forensics Specialist	ATC
Dental Assistant	CER1
Dental Hygiene	AAS
Diesel Equipment Technology - Heavy Truck Specialization	AAS
Diesel Equipment Technology - Heavy Truck	CER1
Diesel Equipment Technology - Heavy Truck	CER2
Diesel Equipment Technology - John Deere Construction & Forestry	AAS
Diesel Equipment Technology - Off Highway Specialization	AAS
Diesel Equipment Technology - Off Highway Equipment	CER1
Diesel Equipment Technology - Off Highway Specialization	CER2
Digital Media Design	AAS
Education and Training	AAS
Education and Training	CER2
Electrical Construction	CER1

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CER3/ESC - Enhanced Skills Certificate

CCC - Core Curriculum Completer
Certificate

Inventory of Approved Associate Degree and Certificate Programs January 2020

AWARD NAME	AWARD TYPE
Electrical Lineworker Technology	AAS
Electrical Lineworker	CER1
Electrical Power and Controls	AAS
Electronics Technology	AAS
Electromechanical Technology	AAS
Electromechanical Technician	CER2
EMT - Paramedic	AAS
Emergency Medical Services - Advanced Emt (AEMT)	CER1
Emergency Medical Services - EMT	CER1
Emergency Medical Services - Paramedic	CER2
Energy Efficiency Specialist	CER1
Engineering	AS
Environmental Technology - Compliance	AAS
Facilities Management Technology	AAS
Graphics, Gaming & Simulation Programming	AAS
Health Information Technology	AAS
Medical Office Specialist	CER2
Medical Information Transcriptionist	CER1
Heating, Ventilation & Air Conditioning Technology	AAS
Heating, Ventilation & Air Conditioning Technology - HVAC Technician	CER1
Industrial Electrical Systems	CER1
Industrial Systems - Electrical Specialization	AAS
Industrial Systems Mechanic	CER1
Industrial Systems Mechanic - Electrical	CER2
Industrial Systems - Mechanical Specialization	AAS
Instrumentation Technology	AAS
Laser Electro-Optics	AAS
Logistics Technology	AAS
Mathematics	AS
Mechanical/Electrical Drafting Technology	AAS
Mechatronics Technology	AAS

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CER3/ESC - Enhanced Skills Certificate

CCC - Core Curriculum Completer
Certificate

Inventory of Approved Associate Degree and Certificate Programs January 2020

AWARD NAME	AWARD TYPE
Mechatronics Technology	CER1
Occupational Safety Compliance Technology	AAS
Pharmacy Technician	CER2
Physics	AS
Plumbing & Pipefitting Technology	CER1
Precision Machining Technology	AAS
Machining	CER1
Process Operations	AAS
Robotics Technology	AAS
Registered Nursing (Associate Degree Nursing)	AAS
Vocational Nursing	CER2
Solar Energy Technology	AAS
Surgical Technology	AAS
Visual Communication Technology	AAS
Web Design and Development	AAS
Welding Technology	AAS
Structural Welding	CER1
Structural and Pipe Welding	CER2
Wind Energy Technology	AAS
Wind Energy Technician	CER1
Academic Core Curriculum	CCC

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CER3/ESC - Enhanced Skills Certificate

CCC - Core Curriculum Completer
Certificate

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Reports:

None.





Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 02-20(c)

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

Subject: **Rescind Statewide Operating Standard (SOS) GA 1.11 Passenger Transportation on TSTC Aircraft**

Background: Statewide Operating Standard (SOS) GA 1.11 Passenger Transportation on TSTC Aircraft was approved by the Texas State Technical College (TSTC) Board of Regents on October 20, 2000. At the time, TSTC owned and managed its own fleet of aircraft used for training purposes. GA 1.11 allowed passengers to travel on the aircraft "if the travel is incidental to training".

Justification: TSTC no longer operates aircraft that provide passenger transportation. Flight instructors and students are the only persons on board.

Additional Information: None.


Fiscal Implications: None.

Attestation: This Minute Order is in compliance with all applicable laws and regulations with all applicable laws and regulations.

Attachment(s): SOS GA 1.11 Passenger Transportation on TSTC Aircraft

Recommended Minute Order: "The Texas State Technical College Board of Regents rescinds Statewide Operating Standard (SOS) GA 1.11 Passenger Transportation on TSTC Aircraft."

Recommended By:



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

TEXAS STATE TECHNICAL COLLEGE
STATEWIDE OPERATING STANDARD

No. GA 1.11	Page 1 of 5	Effective Date: 08/31/15
DIVISION:	General Administration	
SUBJECT:	Passenger Transportation on TSTC Aircraft	
AUTHORITY:	Government Code, Title 10, Chapter 2205, Minute Order #97-00	
PROPOSED BY:	<i>Original Signed by Tom Hooker</i>	
TITLE:	Executive Director for Governance, Risk, and Compliance	Date: 08/31/15
RECOMMENDED BY:	<i>Original Signed by Jonathan Hoekstra</i>	
TITLE:	Vice Chancellor & Chief Financial Officer	Date: 08/31/15
APPROVED BY:	<i>Original Signed by Mike Reeser</i>	
TITLE:	Chancellor	Date: 08/31/15

STATUS: Approved by Chancellor 08/31/15

HISTORICAL STATUS: Reviewed/Revised 02/2015
Approved by MC 9/21/01
Revised 9/05/01
Approved by BOR 10/20/00
Approved BOR Executive Committee 09/14/00 (EA-10-2000)
Proposed 09/11/00

POLICY

The airworthy aircraft fleet administrated by Texas State Technical College is designated for “Flight Training” purposes. However, so long as a flight is primarily for training purposes, passengers may travel on Texas State Technical College aircraft if the travel is incidental to training and is consistent with applicable operating requirements.

PERTINENT INFORMATION

The airworthy TSTC aircraft fleet is subject to Government Code, Title 10, Chapter 2205, the *State Aircraft Pooling Act*. Other state statutes, as they may be enacted, may also be applicable.

TSTC is only authorized to utilize its aircraft fleet for training purposes. Thus, all TSTC flights are training flights.

Section 2205.31 (b) of the *State Aircraft Pooling Act*, charges TSTC with utilization of its fleet as follows, “Each agency shall use state-owned aircraft to the extent feasible.”

State statute calls for TSTC to be efficient in its travel expenditures. Specifically, it requires that TSTC minimize the amount of travel expenses paid or reimbursed by the agency. TSTC is required to ensure that each travel arrangement is the most cost effective considering all relevant circumstances.

Section 2205.037 of the *State Aircraft Pooling Act* provides that:

1. A person may not use a state-owned aircraft solely for political purposes or spend state funds for the use of an aircraft solely for political purposes.
2. A person who violates this section is civilly liable to the state for the costs incurred by the state because of the violation.

TSTC aircraft that are powered by turboprop or jet engines will be collectively referred to as “turbine aircraft” throughout this Statewide Operating Standard and any related Campus Standard Operating Procedures.

Should any provisions herein conflict or contradict State or Federal statutes or regulations, the State or Federal statutes or regulations prevail.

DELEGATION OF AUTHORITY

The Chairman of the Board of Regents holds the authority to approve all training flights that include passengers on TSTC turbine aircraft. The Chairman may delegate this authority to various Regents or other designees within TSTC.

The Program Chair of the Air Pilot Training (APT) program has final authority to determine if any proposed flight that includes passengers fits within the training program and will be allowed.

The Chief Flight Instructor who oversees advanced flight instruction has final authority to decide if any proposed flight that includes passengers shall be made considering weather conditions, aircraft equipment, or other factors pertinent to the successful completion of the flight.

OPERATING REQUIREMENTS

Turbine Aircraft Authorization

Training flights that include passengers on TSTC turbine aircraft require the written authorization of the Chairman of the Board of Regents, or his/her designee. Such authorization must be provided on a specified form by the initiating party to the Air Pilot Training Program in advance of the proposed flight. No flights in turbine aircraft that include passengers will take place without this advance written authorization. This paragraph applies only to TSTC turbine aircraft.

No flights that include passengers on TSTC turbine aircraft are authorized unless at least four passengers will be transported on at least one leg of a planned flight. This paragraph applies only to TSTC turbine aircraft.

Note: Enrolled APT program students and members of the APT program faculty are not considered “passengers” subject to the requirements of this Statewide Operating Standard unless their presence on the aircraft is primarily for transportation purposes.

Permitted Passenger Flights

Passengers are permitted on TSTC aircraft if, and only if:

1. the flight is primarily for flight training, and
2. the flight is not disruptive to the overall TSTC flight training program, and
3. the flight is a necessary portion of the student-pilot's training curriculum, and
4. the student pilot enjoys academic benefit from the flight, and
5. the flight is otherwise in compliance with all applicable rules and regulations of TSTC, the state and the Federal Aviation Administration (FAA).

Authorized Passengers

The following passengers are permitted on TSTC aircraft:

1. TSTC employees who are traveling on official business;
2. persons in the company of TSTC employees whose transportation furthers the official business of TSTC; or
3. other persons specifically designated by the Texas Aircraft Pooling Board.

The following passengers are not permitted on TSTC aircraft:

1. family members of authorized passengers;
2. persons whose transportation does not directly further the official business of TSTC; or
3. persons whose travel purpose is contrary to this Statewide Operating Standard.

Authorized Travel Purposes

Transportation on TSTC aircraft is for official business purposes only and is incidental to TSTC's primary training purpose. TSTC may not provide aircraft transportation to a passenger if the passenger is to be transported to or from a place where the passenger:

1. will make or has made a speech not related to official state business;
2. will attend or has attended an event sponsored by a political party;
3. will perform a service or has performed a service for which the passenger is to receive an honorarium;
4. will attend or has attended an event at which money is raised for private or political purposes; or
5. will attend or has attended an event at which an audience was charged an admission fee to see or hear the passenger.

No transportation on TSTC aircraft may be provided for personal or private purposes.

Authorized Destinations

TSTC may not provide passenger transportation to a destination unless:

1. the destination is not served by a commercial carrier; or
2. the time required to use a commercial carrier interferes with passenger obligations; or
3. the number of passengers traveling makes the use of state aircraft cost-effective.

Aircraft Flight Logs

An Aircraft Flight Log for all TSTC flights will be kept and will be available for inspection. The Flight Log must contain the flight itinerary, the name of the instructor and student pilot, the names of any passengers, a detailed explanation of the purpose of the flight, and the total aircraft time logged. An electronic compilation of Aircraft Flight Logs will be forwarded to the Vice Chancellor of Finance on a monthly basis. After review, the Vice Chancellor of Finance will forward the electronic compilation of Aircraft Flight Logs to the Legislative Budget Board.

All TSTC campuses administering the APT program will also forward to the Vice Chancellor of Finance a copy of the monthly Aircraft TACH Cards covering turbine aircraft operations.

FAA Regulations

All TSTC training flights that include passengers will be conducted under Federal Aviation Regulations (FAR) Part 91 flight rules.

Rates and Billing Procedures

When passengers are present on TSTC training flights, the passengers are solely responsible for the direct expenses of the flight but not the expense of the flight instructor. These direct flight expenses will be billed by APT to the TSTC department account designated, in advance, by the passenger(s).

When passengers are transported on TSTC training flights, the student pilot is not liable for a per-hour expense of the aircraft. The student pilot is, however, liable for other routine flight expenses including, but not limited to, the cost of the flight instructor.

The TSTC APT program (or other TSTC department charged with the administration of TSTC aircraft) shall adopt rates for aircraft-flight-time-with-passengers that are sufficient to recover, in the aggregate and to the extent possible, all direct aircraft operating costs. In no case may the rates charged to TSTC departments for aircraft flight time be less than 80 percent of the rate which is routinely charged to APT students.

Report to the Board of Regents

A quarterly report will be issued by the Chancellor's Office to the Board of Regents on the use of TSTC turbine aircraft. Such report shall include the total number of hours of operation of the aircraft, the percentage of use exclusively for training purposes, the percentage of use that included passenger transportation on training flights, and the charge to TSTC for passenger-carrying training flights. Additionally, the quarterly report will have attached as exhibits a copy of the TACH Cards covering the quarter's turbine aircraft operations and copies of all Aircraft Flight Logs for passenger transportation on TSTC turbine aircraft.

Other Requirements

All state laws, rules, regulations and policies regarding employee use of air transportation apply in addition to the specific requirements set out above.

PERFORMANCE STANDARDS

1. All operating requirements of the Statewide Operating Standard are complied with at all times.

2. No training flights carrying passengers in TSTC turbine aircraft are conducted without the written authorization of the Chairman of the Board of Regents, or his/her designee.
3. The required quarterly report on the use of TSTC turbine aircraft is provided to the Board of Regents in a timely manner.



Board Meeting Date: February 6, 2020

Proposed Minute Order #: 03-20(c)

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

Subject: **Reaffirm the Mission Statement of Texas State Technical College**

Background: Texas State Technical College (TSTC) has a legislatively prescribed mission statement established by the Texas legislature and codified in the Texas Education Code, Section 135.01.

Justification: Section 4.2.a of the SACSCOC Principles of Accreditation, states, "The governing board ensures the regular review of the institution's mission." The standard further states that "the board, in its review, reaffirms the mission statement and whether changes are made, thereby maintaining a cognizance of the previously agreed-upon scope of institutional activities and ensuring that institutional policies, procedures, and activities remain compatible with and included in the mission statement."

On February 5, 2020, the TSTC Board of Regents met for a strategic planning retreat. During the course of the meeting, the Board reviewed and discussed TSTC's role and mission statement established by Section 135.01 of the Texas Education Code; and its clearly defined purpose in Subsections (b) and (c). The Board also reaffirmed that the mission statement, as defined, meets accreditation requirements established by the SACSCOC Principles of Accreditation as being "clearly defined, comprehensive, and published mission specific to the institution and appropriate for higher education. The mission addresses teaching and learning, and where applicable, research and public service."

TSTC's mission reflects a clear understanding of the institution by its governing board, administration, faculty, students, staff and all constituents.

Additional Information: None.

Fiscal Implications: None.

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: "Texas State Technical College Board of Regents reaffirm the mission statement of Texas State Technical College."

Recommended By:

A handwritten signature in cursive script that reads "Gail Lawrence".

Gail Lawrence, Executive Vice Chancellor & Chief of Staff

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Ray Fried

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Ray Fried

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Ray Fried



Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 04-20(c)

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

Subject: **Approve granting a Dedicated Easement Agreement for Utilities to the City of Abilene for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities over, on, and across Texas State Technical College in Abilene and authorize the Chancellor to execute the agreement**

Background: Texas State Technical College installed the water service to feed the new TSTC Abilene Campus by connecting to the City of Abilene water main located in the City Right of Way on Navajo Trail. The Abilene Independent School District (AISD) wishes to connect to the TSTC water main and construct a loop main around the perimeter of the TSTC campus. By granting an easement for the entire water main loop; the City of Abilene will take over the service and maintenance of the water main. The proposed route will require a 10' wide permanent utility easement totaling 1.302 acres.

Justification: The City of Abilene requires granting a dedicated utility easement for the existing water main to the TSTC Abilene Campus and the addition of the water main to service the AISD Career and Technology Center.

Additional Information: None.

Action Schedule: Approve Granting of Easement MO 04-20(c)

Fiscal Implications: None.

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

Attachment(s): Letter from General Counsel
Map of Proposed Easement

Recommended Minute Order: "The Texas State Technical College Board of Regents grants a dedicated 10 foot permanent easement totaling 1.302 acres for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities at Texas State Technical College in Abilene, and authorizes the Chancellor or his designee to execute the easement agreement."

Recommended By:

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

Ray Fried, Associate Vice Chancellor for Facilities Planning and Construction

January 14, 2020

254-867-3972

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

Re: Approve granting a Dedicated Easement Agreement for Utilities to the City of Abilene for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities over, on, and across the Texas State Technical College in Abilene and authorize the Chancellor to execute the agreement.

As requested, I have reviewed and considered the legal ramifications of the requested granting of a dedicated 10 foot permanent easement totaling 1.302 acres for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities at Texas State Technical College ("TSTC") in Abilene, and the authorization of the Chancellor or his designee to execute the easement agreement.

Under Section 135.561 of the Texas Education Code, the TSTC Board of Regents may transfer land owned by TSTC as the board determines is in the best interest of fulfilling the mission of TSTC. The purpose for the easement is that the City of Abilene requires granting a dedicated utility easement for the existing water main to the Abilene Campus of Texas State Technical College and the addition of a water main to service the Abilene Independent School District's Career and Technology Center ("AISD"), which will be located on land leased from TSTC to the AISD.

Having reviewed the minute order, it is my opinion that the Board of Regents approval of the requested granting of a dedicated 10 foot permanent easement totaling 1.302 acres for the operation, maintenance, replacement, repair, upgrade, and removal of utility improvements and related facilities at Texas State Technical College in Abilene, and the authorization of the Chancellor or his designee to execute the easement agreement, 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: Rick Herrera
Vice Chancellor & Chief Student Services Officer

CURRENT LANDOWNER: TEXAS STATE TECHNICAL COLLEGE
(INSTR. NO. 2017-10229, O.P.R.)

LEGEND:

- FOUND CONCRETE TYPED ROW MARKER
- FOUND 1/2 INCH REBAR ROD WITH PLASTIC CAP STAMPED "H&T" (UNLESS NOTED OTHERWISE)
- FOUND 1/2 INCH REBAR ROD WITH PLASTIC CAP STAMPED "J&M BOUNDARY"
- ▲ FOUND ALUMINUM DISK MONUMENT
- SET 1/2 INCH REBAR ROD WITH PLASTIC CAP STAMPED "HIBBS & TODD"
- SET 1/2 INCH REBAR ROD WITH PLASTIC CAP STAMPED "J&M EASEMENT"

1.302 ACRE UTILITY EASEMENT BOUNDARY

O.P.R. OFFICIAL PUBLIC RECORDS, TAYLOR COUNTY, TEXAS
P.R. PLAT RECORDS, TAYLOR COUNTY, TEXAS

SURVEY NOTES:

1. BEARINGS, DISTANCES AND COORDINATES SHOWN HEREON ARE GRID AND REFERENCED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE AND NAD83 AS DETERMINED FROM GPS OBSERVATIONS. DISTANCES CAN BE CONVERTED TO SURFACE BY MULTIPLYING EACH BY THE SCALE FACTOR OF 1.000173295.
2. JACOB & MARTIN, LLC IS REGISTERED WITH THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING UNDER FIRM NO. 10194493.
3. SURVEYOR DID NOT ABSTRACT THIS PROPERTY. THERE MAY BE EASEMENTS, COVENANTS, OR RESTRICTIONS THAT ENCUMBER THIS PROPERTY TO WHICH THIS SURVEY HOLDS NO RESPONSIBILITY.
4. THIS SURVEY DEPICTS THE EXTENTS OF AN 11.995 ACRE TRACT AS SHOWN PER AN UNRECORDED SURVEY PERFORMED BY LEE W. ROSENBAUM, R.P.L.S. NO. 6394 AND SIGNED ON 03/29/2019.



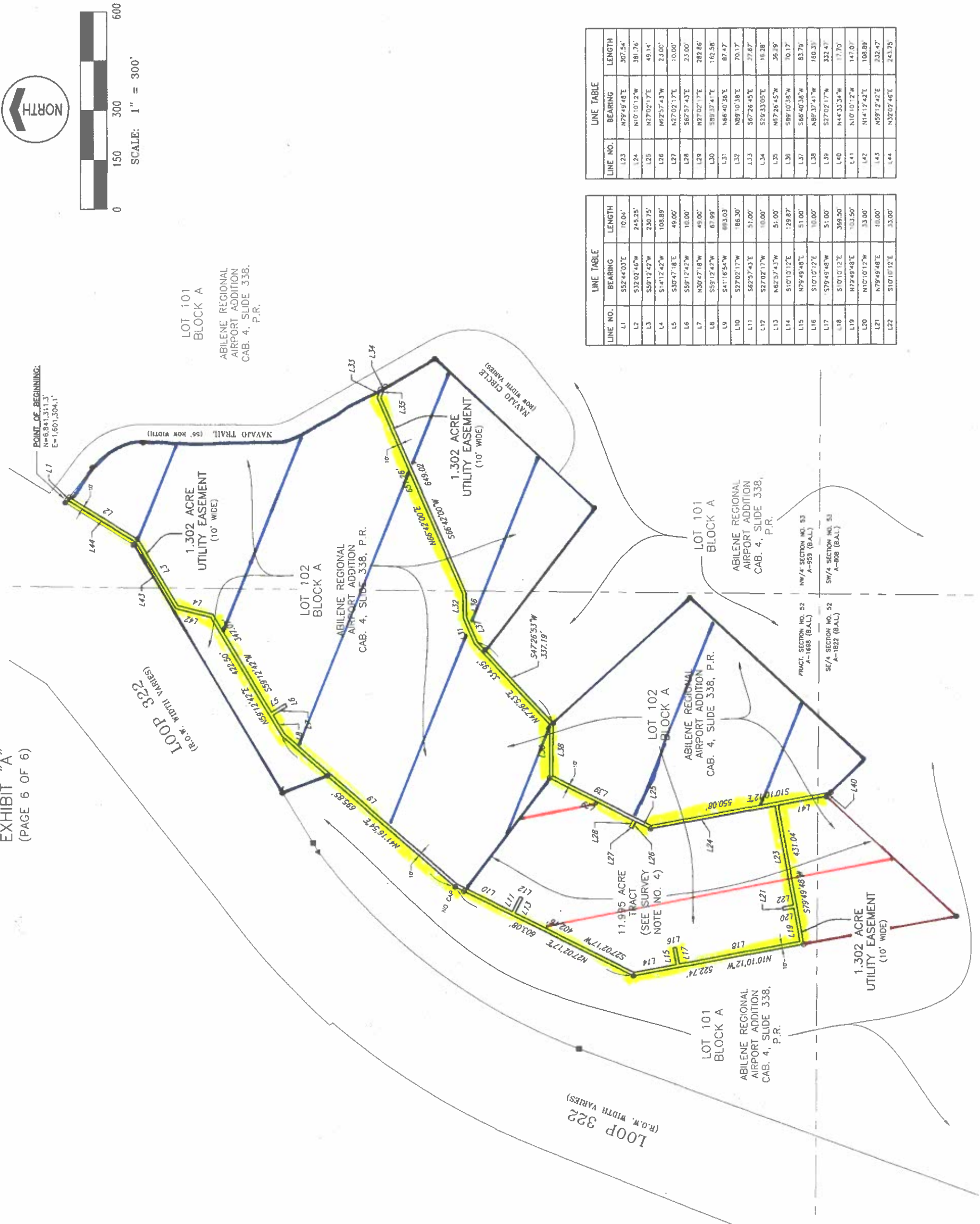
THIS SURVEY DRAWING REPRESENTS A SURVEY MADE ON THE GROUND UNDER MY SUPERVISION IN DECEMBER, 2019.

Lee W. Rosenbaum
LEE W. ROSENBAUM, R.P.L.S. #6394

**SURVEY DRAWING OF
A 10' WIDE UTILITY EASEMENT
CONTAINING 1.302 ACRES
OUT OF LOT 102, BLOCK A,
ABILENE REGIONAL AIRPORT ADDITION,
CITY OF ABILENE,
TAYLOR COUNTY, TEXAS**

DRAWN: DECEMBER 4, 2019

EXHIBIT "A"
(PAGE 6 OF 6)



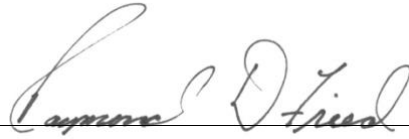
LINE TABLE		
LINE NO.	BEARING	LENGTH
L1	S52°44'03"E	10.04'
L2	S32°02'46"W	245.25'
L3	S59°12'42"W	230.75'
L4	S°41'42"E	108.89'
L5	S39°47'18"E	49.00'
L6	S59°12'42"W	10.00'
L7	N38°47'18"W	49.00'
L8	S59°12'42"W	67.99'
L9	S41°16'54"W	693.03'
L10	S27°02'17"W	186.30'
L11	S62°57'43"E	51.00'
L12	S27°02'17"W	10.00'
L13	N62°57'43"W	51.00'
L14	S10°10'12"E	128.87'
L15	N79°49'48"E	51.00'
L16	S10°10'12"E	10.00'
L17	S79°49'48"W	51.00'
L18	S10°10'12"E	366.50'
L19	N79°49'48"E	103.50'
L20	N10°10'12"W	33.00'
L21	N79°49'48"E	10.00'
L22	S10°10'12"E	33.00'

LINE TABLE		
LINE NO.	BEARING	LENGTH
L23	N79°49'48"E	307.54'
L24	N10°10'12"W	391.76'
L25	N27°02'17"E	49.14'
L26	N62°57'43"W	23.00'
L27	N27°02'17"E	10.00'
L28	S62°57'43"E	23.00'
L29	N27°02'17"E	282.86'
L30	S39°47'18"E	162.56'
L31	N66°40'38"E	87.47'
L32	N89°10'38"E	70.17'
L33	S62°57'43"E	27.67'
L34	S26°33'05"E	16.38'
L35	N62°57'43"W	56.19'
L36	S86°10'38"W	10.17'
L37	S66°40'38"W	83.79'
L38	N89°37'41"W	160.33'
L39	S27°02'17"W	332.47'
L40	N44°33'34"W	17.70'
L41	N10°10'12"W	147.01'
L42	N44°17'42"W	108.89'
L43	N59°12'42"E	232.47'
L44	N32°02'46"E	243.75'



Board Meeting Date:	February 6, 2020	Proposed Minute Order #: 05-20(c)
Proposed By:	Rick Herrera, Vice Chancellor & Chief Student Services Officer	
Subject:	Approve the Project and Budget to Expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and Delegate Authority to the Chancellor to Enter into and Execute a Contract for the Project in Excess of One Million Dollars (\$1,000,000)	
Background:	The Industrial Technology Center (ITC) at Texas State Technical College in Ft. Bend County was opened in the Fall of 2016. The Electrical Lineworker Technology Facility was completed in the Spring of 2018. The Fort Bend campus continues to grow in enrollment.	
Justification:	The two programs that will benefit from this expansion are Welding Technology and Electrical Lineworker Technology which are both high performing programs. The expansion of the facilities will add capacity and allow for increased enrollment.	
Additional Information:	The Concept Minute Order included the Diesel Equipment Technology program expansion. During the due diligence and pre-construction services process it was determined that the project scope would need to be scaled back and the Diesel Equipment Technology expansion would need to be deferred. The Electric Lineworker Technology expansion is scheduled to be completed in the Fall of 2020 and the Welding Technology Project in the Spring of 2021. The total project budget is \$6,000,000.	
Action Schedule:	Approve the Concept	MO 45-19(c)
	Approve Project, Budget and Contract >\$1M	MO 05-20(c)
Fiscal Implications:	Funds are available through appropriations, gifts, and donations.	
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 to expand the Industrial Technology Center and Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and delegates authority to the Chancellor, or his designee, to enter into and execute a contract for the construction of this project 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

January 20, 2020

254-867-3972

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

Re: Approve the Project and Budget to Expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College in Ft. Bend County and Delegate Authority to the Chancellor to Enter into and Execute a Contract for the Project in Excess of One Million Dollars (\$1,000,000).

As requested, I have reviewed and considered the legal ramifications of approving (1) the Project and Budget to expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College's Ft. Bend County campus, and (2) the delegation of authority from the Texas State Technical College Board of Regents to the Chancellor, or his designee, to enter into and execute a contract for the Project in excess of One Million Dollars (\$1,000,000).

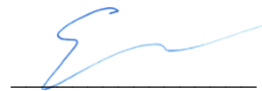
Generally, Chapter 135 of the Texas Education Code vests the organization and control of Texas State Technical College with the Board of Regents. This would include the ability to approve projects, and the budget for said projects, to expand any facilities.

During the 84th Legislative Session comprehensive changes were made to the Texas Government Code. Generally, the TSTC Board of Regents 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 approval and signatory authority to the Chancellor or his designee.

Having reviewed the Texas Education Code and the Government Code, it is my opinion that the approval of (1) the Project and Budget to expand the Industrial Technology Center and the Electrical Lineworker Technology Facility at Texas State Technical College's Ft. Bend County campus, and (2) the delegation of authority from the Texas State Technical College Board of Regents to the Chancellor, or his designee, to enter into and execute a contract for the Project 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: Rick Herrera
Vice Chancellor & Chief Student Services Officer



Board Meeting Date: February 6, 2020

Proposed Minute Order #: 06-20(c)

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

Subject: **Approve the Project and Budget to Expand the Welding Technology Facility in the Industrial Technology Center (1ITC) at Texas State Technical College in Waco and Authorize the Chancellor to Enter into Contracts for the Construction of the Project**

Background: The current welding lab in the ITC building has approximately 156 dedicated welding booths plus additional booths for automation, metallurgy and layout/fabrication. The proposed project will add an additional 40 to 60 welding booths and associated infrastructure. The expansion will be accomplished by repurposing existing space. The proposed project construction budget is \$976,000.

Justification: The present student demand in the welding program exceeds the capacity of the existing facility. The proposed expansion will allow for increased enrollment.

Additional Information: The project is scheduled for occupancy in the Fall of 2020.

Action Schedule: Approve the Project and Budget MO 06-20(c)

Fiscal Implications: Funds will be made available through appropriations.

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 expand the Welding Technology facility at Texas State Technical College in Waco and authorizes the Chancellor, or his designee, to enter into 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



Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 07-20(c)

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

Subject: **Approve the Concept to Expand the Welding Technology Facility in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for Pre-Construction Services**

Background: The current welding lab located in the Industrial Technology Building at Texas State Technical College in Harlingen has approximately 100 dedicated welding booths plus additional booths for automation and layout/fabrication. The proposed project will add an additional 40 welding booths with associated mechanical and electrical infrastructure, automated welding and metallurgy lab space, renovation of existing classrooms and additional storage space. The expansion will be accomplished by repurposing existing space.

Justification: The present student demand in the welding program exceeds the capacity of the existing facility. The proposed expansion will allow for increased enrollment.

Additional Information: The desired project schedule is occupancy in Fall 2020.

Action Schedule: Approve the Concept MO 07-20(c)

Fiscal Implications: Funds will be made available through appropriations.

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 concept to expand the Welding Technology facility in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and authorizes the Chancellor, or his designee, to enter into pre-construction service contracts."

Recommended By:

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

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



Board Meeting Date: February 6, 2020 **Proposed Executive Action #:** 08-20(c)

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

Subject: **Delegate the Authority to the Chancellor to Enter into and Execute an Environmental, Abatement, Demolition, and Construction Management Services Contract 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.

Justification: By MO 38-19(c) the Board of Regents approved the project and budget for the Abatement and Demolition of Buildings on the Waco Campus.

Additional Information: TSTC is engaged in selecting the Abatement and Demolition Management and Contracting firm using a competitively procured purchasing contract through TIPS USA, an interlocal purchasing system.

Action Schedule:

Approve Project and Concept	MO 14-19(c)
Approve A/E Contract > \$1M	EA 29-19
Approve Project and Budget	MO 38-19(c)
Approve Abatement and Demo >\$1M	MO 08-20(c)

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 delegates authority to the Chancellor, or his designee, to enter into and execute an environmental, abatement, demolition, and construction management services contract which has a total value in excess of One Million Dollars (\$1,000,000)."

Recommended By:

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

January 14, 2020

254-867-3972

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 Enter into and Execute an Environmental, Abatement, Demolition, and Construction Management Services Contract in Excess of One Million Dollars (\$1,000,000).

As requested, I have reviewed and considered the legal ramifications of the delegation of authority from the Texas State Technical College ("TSTC") Board of Regents to the Chancellor, or his designee, to enter into and execute an Environmental, Abatement, Demolition, and Construction Management Services Contract in excess of One Million Dollars (\$1,000,000).

During the 84th Legislative Session comprehensive changes were made to the Texas Government Code. Generally, the TSTC Board of Regents 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 approval and signatory authority to the Chancellor or his designee.

The TSTC Board of Regents has previously approved the project and budget for the Abatement and Demolition of Buildings on the Waco Campus, and TSTC is currently engaged in selecting an Abatement and Demolition Management and Contracting firm to complete this project.

Having reviewed the changes to the Texas 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 Texas State Technical College Board of Regents to the Chancellor, or his designee, to enter into and execute an Environmental, Abatement, Demolition, and Construction Management Services Contract 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: Rick Herrera
Vice Chancellor & Chief Student Services Officer



Board Meeting Date: February 6, 2020

Proposed Minute Order #: 09-20(c)

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

Subject: **Approve the Concept to Renovate the Industrial Technology Center (ITC) at Texas State Technical College in Waco and Authorize the Chancellor to Enter Into Contracts for Pre-Construction Services**

Background: 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 buildings. By MO 38-19(c) the TSTC Board of Regents approved the abatement and demolition project and budget which included a relocation plan. This project may be partially funded by the one-time appropriation.

Several of the pre 1965 buildings scheduled for demolition will require the relocation of the current occupants. After extensive review of various options for relocation, the renovation of the western portion of the Industrial Technology Center serves as the most expedient and cost-efficient means to house the displaced staff in preparation for the planned demolition. This space is currently unoccupied.

Justification: Due to the abatement and demolition of buildings on the Waco campus, the Industrial Technology Building will undergo renovations to house the occupants of the buildings due for demolition and house administrative functions for the college.

Additional Information: The desired project schedule is for occupancy in the Fall of 2021.

Action Schedule: Approval of the Project and Budget MO 38-19(c)

Fiscal Implications: The project may require multiple funding sources to be determined.

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 concept to renovate the Industrial Technology Center at the Texas State Technical College in Waco and authorizes the Chancellor, or his designee, to enter into pre-construction service contracts."

Recommended By:

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

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

Texas State Technical College

Major Facility Projects-Status Update February 2020

#	Project Name	Campus	Managing Campus	Delivery Method	Fund Source	Cost Allocation	Required Approvals	% Complete
	TSTC Monument and Wayfinding Project	Statewide	Statewide	Construction Manager at Risk	HEAF Bond	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)	50%
1								
2	Rework and Replace Paving on Sweetwater Campus	Sweetwater	Sweetwater	RFQ/ RFP	HEAF Bond Total Funds \$ 500,000	Engineering / Design \$ 40,000 Construction Cost \$ 460,000 Total Budget \$ 500,000	Approve Concept Approve Project and Budget MO 07-17(c) MO 18-19(c)	10%
3	Sweetwater Fire Loop	Sweetwater	Sweetwater	RFQ/ RFP	Local Funds	Engineer Design \$ 103,000 Construction Cost \$ 540,000 Owners reserve \$ 145,000 Total Budget \$ 788,000	Approve Concept Approve Project and Budget MO 05-19(c) MO 15-19(c)	15%
4	Abate and Demo Airbase Buildings on Waco Campus	Waco	Waco	RFQ/ RFP	Appropriations \$ 29,644,640	A/E including Master Plan, Site Plan, Demo and Abatement Study, Relocation and Renovation Study, Site Reclamation Study A/E Design TBD Construction Cost & Owners Reserve \$ 28,908,261 Total Budget \$ 29,644,640	Approve Concept Approve A/E Contract < \$1M Approve Project and Budget Approve Abatement and Demo Contract > \$1M MO 08-20(c) MO 17-19(c)	1%
5	Renovate Building 20HI HVAC Lab in Harlingen	Harlingen	Harlingen	IDIQ/ RFP	Local Funds	A/E Design \$ 46,051 Construction Cost \$ 533,949 Total Budget \$ 580,000	Approve Project and Budget Approve Contract > \$1 M EA 27-19 EA 28-19	15%
6	Install New Roofs on Waco Campus	Waco	Waco	TIPS Purchasing Agreement	Insurance Proceeds Deductible (none)	Roof Replacement Contract \$ 650,000 Solar Panel Remove and Install \$ 264,800 Owners reserve \$ 38,521 Total Budget \$ 953,321	Approve Project and Budget Approve Contract > \$1 M EA 27-19 EA 28-19	30%
7	Infrastructure Additions and Shade Structure Battlespace	Waco	Waco	Competitive Sealed Proposal	Auxiliary Funds	Construction Costs \$ 760,000	Approve Lease Agreement Approve Project and Budget Accept Project MO 40-19(c) MO 37-19(c) February 2020	4%
8	Fort Bend ITC Welding / Diesel and Electrical Line Worker Technology	Fort Bend	Fort Bend	CMR	Appropriations / Gifts / Donations Total \$ 6,000,000	A/E Design \$ 368,700 Construction Costs \$ 4,760,000 Owner Costs \$ 871,300 Total Budget \$ 6,000,000	Approve Project and Budget Approve Project and Budget Approve Project Concept Approve Project, Budget and Contract > \$1M MO 05-20(c)	10%
9	Replace Roof and HVAC Equipment on Building 20SC	Harlingen	Harlingen	Purchasing Agreement	Appropriations	Construction Costs \$ 824,000	Approve Project and Budget MO 46-19(c)	2%
10	Expand Welding at ITC	Waco	Waco	IDIQ/A/E and RFP for CMR	Total \$ 976,000 Appropriations \$ 976,000	Total Budget \$ 824,000 A/E Design \$ 75,000 Construction Costs \$ 826,000 Owner Cost \$ 75,000 Total Budget \$ 976,000	Approve Project and Budget MO 06-20(c)	0%
11	Expand Welding at Building 2001	Harlingen	Harlingen	IDIQ/A/E and RFP for CMR	Total \$ 976,000 Appropriations \$ 976,000	Total Budget \$ 824,000 A/E Design \$ 75,000 Construction Costs \$ 826,000 Owner Cost \$ 75,000 Total Budget \$ 976,000	Approve Project and Budget MO 06-20(c)	0%
12	Renovate the West End of the ITC Building for offices in Waco	Waco	Waco	CMR	Total \$ 976,000 Appropriations \$ 976,000	Total Budget \$ 824,000 A/E Design \$ 75,000 Construction Costs \$ 826,000 Owner Cost \$ 75,000 Total Budget \$ 976,000	Approve Project and Budget MO 06-20(c)	0%

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Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 10-20(c)

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

Subject: **Approve the Ground Lease of Land at Texas State Technical College in Waco to The TSTC Foundation and Authorize the Chancellor to Execute the Lease Agreement**

Background: On August 15, 2019, the Texas State Technical College (TSTC) Board of Regents approved by Minute Order 42-19(c) the concept to lease land and improvements at TSTC in Waco to The TSTC Foundation (Foundation). In January 2020, TSTC and the Foundation entered into an agreement to (1) develop new student housing and (2) renovate the Red River apartments at TSTC in Waco.

Justification: The project will (1) ensure a delivery schedule that supplies adequate housing to all students throughout the project life, (2) position the TSTC student housing portfolio for competitive procurement of statewide maintenance and operations, and (3) provide a financially feasible investment to support affordable housing for decades to come.

The Foundation will finance the project, develop the sites, and own the facilities. The Ground Lease will provide the Foundation the right to use the land on the TSTC campus in Waco where the two housing sites are located.

Additional Information: Simultaneous to this requested action, TSTC administration seeks approval of the Board of Regents through Minute Order 11-20(c) to occupy and operate the new and renovated facilities under a Master Lease Agreement with the Foundation. TSTC will lease the facilities at a rate sufficient to cover the Foundation's debt service and administrative overhead for a term of up to 30 years. TSTC will also pay all project operating costs.

The Foundation will borrow up to \$22,000,000 for the project construction. TSTC will provide funds to pay this debt through renting the project. The Ground Lease will terminate at such time as the debt is paid in full. If the debt is not paid, the term of the Ground Lease (to be negotiated between TSTC and the lending banks) will automatically be extended. In the event of default on the debt, the lending banks may foreclose on the ground and the housing projects, but only for the remaining (extended) term of the Ground Lease.

TSTC administration requests the TSTC Board of Regents to approve the Ground Lease in the best interest of fulfilling the mission of TSTC.

Action Schedule:	Approve Concept of Ground Lease to The TSTC Foundation	MO 42-19(c)
	Approve Ground Lease to The TSTC Foundation	MO 10-20(c)
	Approve Master Lease from The TSTC Foundation	MO 11-20(c)

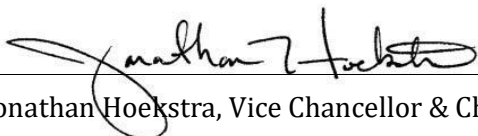
Fiscal Implications: The TSTC Foundation will pay an annual lease payment of \$1.00. At the end of the lease, ownership of the housing facilities will vest in full to TSTC.

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

Attachment(s): Letter from General Counsel
New and Renovated Housing Sites

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the ground lease of land at Texas State Technical College in Waco to The TSTC Foundation and authorizes the Chancellor, or his designee, to execute the Ground Lease Agreement with The TSTC Foundation."

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

January 14, 2020

254-867-3972

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

Re: Approve the Ground Lease of Land at Texas State Technical College in Waco to The TSTC Foundation.

As requested, I have reviewed and considered the legal ramifications of the requested approval of the ground lease of land at the Waco campus of Texas State Technical College ("TSTC") to The TSTC Foundation ("Foundation"), and the legal ramifications of the requested authorization for the Chancellor to proceed with the execution of said ground lease.

Under Section 135.561 of the Texas Education Code, the TSTC Board of Regents may lease land owned by TSTC as the board determines is in the best interest of fulfilling the mission of TSTC. Previously, the TSTC Board of Regents approved the concept to lease land and improvements at TSTC in Waco to the Foundation.

On-campus student housing is critical to the success of TSTC in carrying out its mission under Chapter 135 of the Texas Education Code. TSTC and the Foundation are expected to enter into an agreement to develop new student housing and renovate the Red River apartments at TSTC in Waco. This agreement is expected to ensure adequate housing to all students on the TSTC Waco campus, position the TSTC student housing portfolio for competitive procurement of statewide maintenance and operations, and provide a financially feasible investment to support affordable housing for decades to come.

Having reviewed the minute order, it is my opinion that the Board of Regents approval of the lease of land at Texas State Technical College in Waco to The TSTC Foundation, and the authorization of the Chancellor, or his designee, to execute a Ground Lease Agreement with The TSTC Foundation, comports with state law and TSTC policy.

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

Respectfully Submitted,

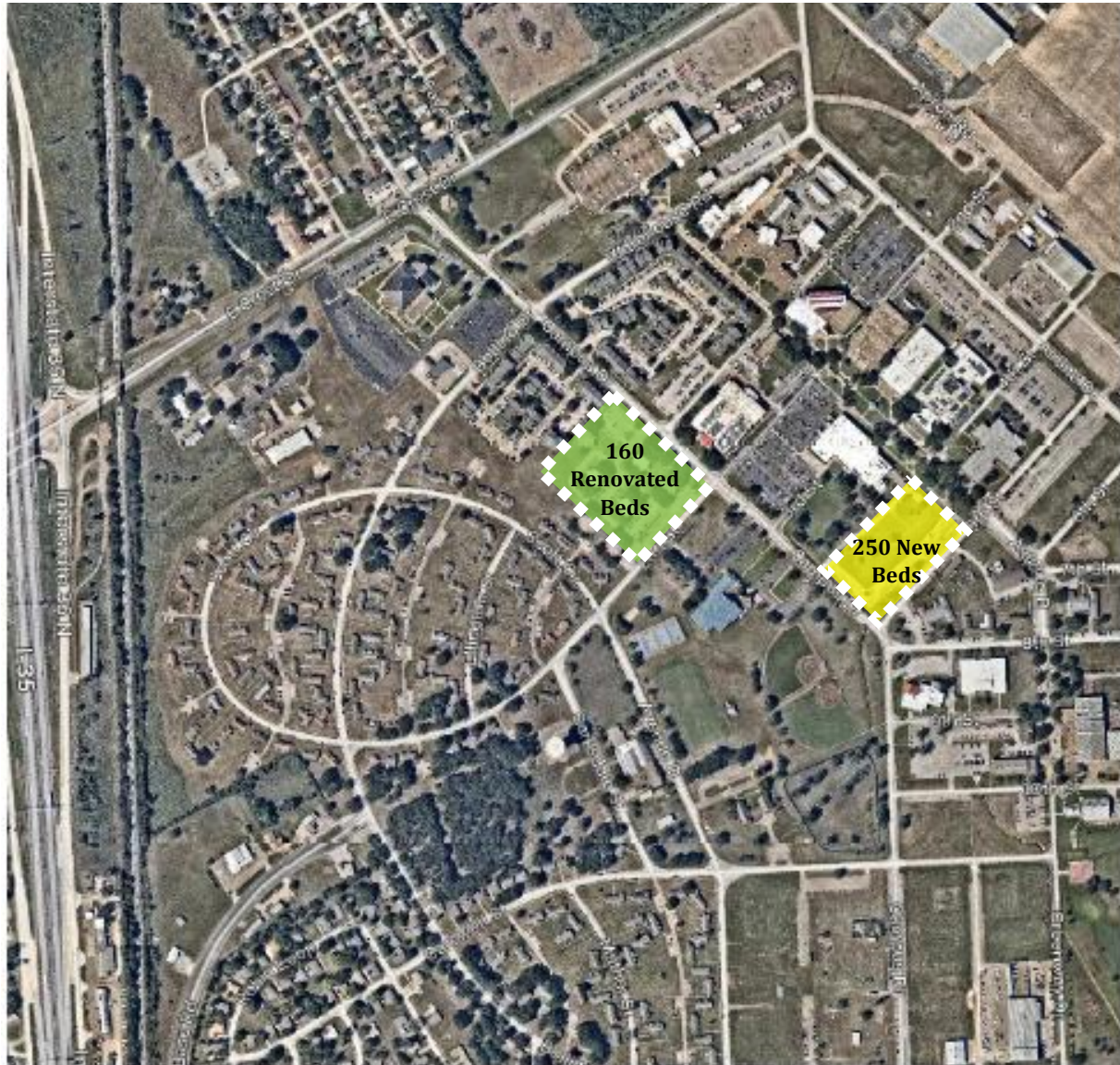


Edward C. Vallejo
Associate General Counsel

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer

Rick Herrera
Vice Chancellor & Chief Student Services Officer

New & Renovated Housing Sites





Board Meeting Date: February 6, 2020

Proposed Minute Order #: 11-20(c)

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

Subject: **Approve the Master Lease of Student Housing Facilities and Related Parking at Texas State Technical College in Waco from The TSTC Foundation for a Term of up to 30 Years and Authorize the Chancellor to Execute the Lease Agreement**

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. The market and feasibility studies support the construction of 250 beds for single students and the modernization of 40 Red River apartments, to be leased at current market rates.

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 several of these options unlikely at this time. Providing financing through The TSTC Foundation (Foundation) for immediate construction of new or renovated housing is an available structure that achieves short term housing objectives while allowing for a more ideal structure long term.

On August 15, 2019, The TSTC Board of Regents approved the concept to lease land for the two project sites at TSTC in Waco to the Foundation. In January 2020, TSTC and the Foundation entered into an agreement to develop new student housing and renovate existing student apartments at TSTC in Waco.

Justification: The project delivery timeline is shaped by the timing of the one-time appropriation from the 86th Legislature for abatement and demolition of obsolete base housing, which requires completion within six years. Prior to the demolition of old 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.

The project will (1) ensure a delivery schedule that supplies adequate housing to all students throughout the project life, (2) position the TSTC student housing portfolio for competitive procurement of statewide maintenance and operations, and (3) provide a financially feasible investment to support affordable housing for decades to come.

**Additional
Information:**

Simultaneous to this requested action, TSTC administration seeks approval of the Board of Regents through Minute Order 10-20(c) to lease land at TSTC in Waco to the Foundation, providing the Foundation the right to use the land on the TSTC campus in Waco where the two housing sites are located.

This approval of the Master Lease is requested as part of a financing to be accomplished through the Foundation. The Foundation will borrow up to \$22,000,000 for the project construction. The Foundation will own the housing projects and enter into a Master Lease with TSTC.

TSTC administration requests the TSTC Board of Regents to approve the Ground Lease in the best interest of fulfilling the mission of TSTC.

Action Schedule:

Approve Concept of Ground Lease to The TSTC Foundation	MO 42-19(c)
Approve Ground Lease to The TSTC Foundation	MO 10-20(c)
Approve Master Lease from The TSTC Foundation	MO 11-20(c)

Fiscal Implications:

Under the Master Lease, TSTC will lease the project from the Foundation. As master tenant, TSTC will pay all operating expenses and will also pay rent to the Foundation in an amount necessary to pay the project loan. TSTC will also pay the Foundation an administrative fee. The term of the Master Lease will coincide with the term of the debt payments. The revenues from the newly constructed and renovated units will generate a cash flow that exceeds industry standard debt service coverage requirements. Once the debt is paid in full, 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.

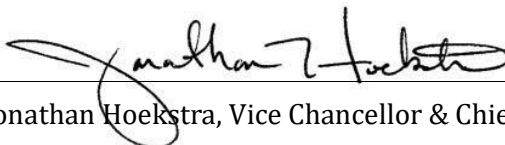
Attachment(s):

Letter from General Counsel
New and Renovated Housing Sites

**Recommended
Minute Order:**

"The Texas State Technical College Board of Regents approves the Master Lease of student housing facilities and related parking at Texas State Technical College in Waco from The TSTC Foundation for a term of up to 30 years and authorizes the Chancellor, or his designee, to execute the Master Lease Agreement with The TSTC Foundation. Further, the Board of Regents expressly authorizes The TSTC Foundation to enter into a transaction as a borrower under Chapter 53 of the Texas Education Code to facilitate the construction in Waco."

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

January 14, 2020

254-867-3972

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

Re: Approve the Master Lease of Student Housing Facilities and Related Parking at Texas State Technical College in Waco from The TSTC Foundation for a Term of up to 30 Years.

As requested, I have reviewed and considered the legal ramifications of the requested approval of the Master Lease Agreement for student housing facilities and related parking at Texas State Technical College ("TSTC") in Waco from The TSTC Foundation ("Foundation") for a term of up to 30 years, the requested authorization for the Chancellor, or his designee, to execute the Master Lease Agreement with the Foundation, and the requested authorization for Foundation to enter into a transaction as a borrower under Chapter 53 of the Texas Education Code to facilitate the construction in Waco.

On-campus student housing is critical to the success of TSTC in carrying out its mission under Chapter 135 of the Texas Education Code, and Chapter 53 of the Texas Education Code is an available mechanism to achieve the needed financing for the construction in Waco. Generally, the TSTC Board of Regents alone has authority to approve and sign agreements on behalf of TSTC with a value exceeding One Million Dollars (\$1,000,000.00), but this authority may be delegated to the Chancellor or his designee.

Ultimately, the Master Lease Agreement, which will have a value in excess of \$1,000,000, is expected to ensure adequate housing to all students on the TSTC Waco campus, position the TSTC student housing portfolio for competitive procurement of statewide maintenance and operations, and provide a financially feasible investment to support affordable housing for decades to come.

Having reviewed the minute order, it is my opinion that the Board of Regents (1) approval of the Master Lease Agreement for student housing facilities and related parking at Texas State Technical College in Waco from The TSTC Foundation for a term of up to 30 years, the authorization of the Chancellor, or his designee, to execute the Master Lease Agreement with The TSTC Foundation, and (2) expressly authorizing The TSTC Foundation to enter into a transaction as a borrower under Chapter 53 of the Texas Education Code to facilitate the construction in Waco, comport with state law and TSTC policy.

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

Respectfully Submitted,

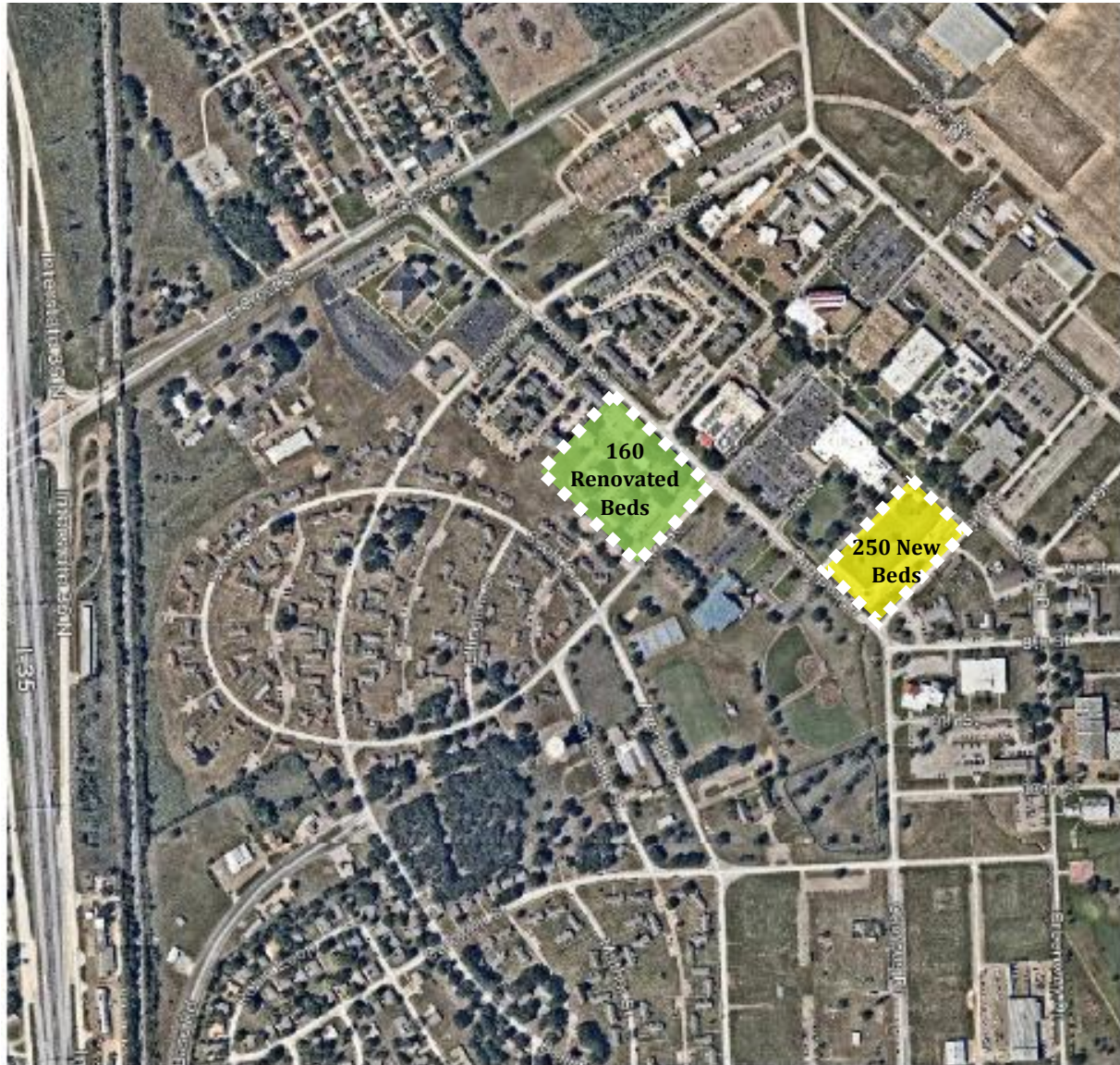


Edward C. Vallejo
Associate General Counsel

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer

Rick Herrera
Vice Chancellor & Chief Student Services Officer

New & Renovated Housing Sites





Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 12-20(c)

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

Subject: **Approve the Employee Holiday Schedule for Fiscal Year 2021**

Background: The Texas Legislature designates the number of holidays to be allotted annually to employees of all state agencies. However, authority to determine the actual observance at institutions of higher education rests with their Boards of Regents, under terms that permit efficient operations of their institutions.

Justification: The Texas State Technical College (TSTC) operating cycle generally follows a semester basis. Consequently, it is more efficient to schedule holidays consistent with the semester cycle.

Additional Information: None.

Fiscal Implications: None.

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

Attachment(s): Proposed Employee Holiday Schedule for Fiscal Year 2021

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the Employee Holiday Schedule for Fiscal Year 2021 for Texas State Technical College."

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

Texas State Technical College
Paid Holiday Schedule
Fiscal Year 2021

Dates	Holiday	Days
September 07, 2020	Labor Day	1
November 26 - 27, 2020	Thanksgiving	2
December 24, 2020 - January 01, 2021	Winter Break	7
January 18, 2021	Martin Luther King, Jr. Day	1
April 02, 2021	Spring Holiday	1
May 31, 2021	Memorial Day	1
July 05, 2021	Independence Day	1



Board Meeting Date: February 6, 2020 **Proposed Minute Order #:** 13-20(c)

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

Subject: **Approve Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2020 Semester**

Background: Management proposes adjustments to the rental rates, service charges, and deposit fees for housing across the state to reflect market standards and support needed renovations. Specifically, management proposes an increase to the student housing 2-bedroom apartment rates at TSTC in Marshall to create more disparity between the 2-bedroom and 4-bedroom apartment options. Additionally, management proposes raising the application and deposit fees at various campuses across the state.

Justification: The following factors support the proposal to raise student housing rates on the Marshall, 2-bedroom apartments.

- Occupancy levels are high on the 2-bedroom apartments, commonly requiring a waitlist.
- Currently the difference between a 4-bedroom and a 2-bedroom apartment is \$185 a semester. Raising the rates on the 2-bedroom apartments differentiates them as a premium option.

The revised schedule also includes adjustments to application and deposit fees at different locations.

Additional Information: None.

Fiscal Implications: Maintains fiscal equilibrium of housing operations.

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

Attachment(s): Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2020 Semester

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2020 Semester."

Recommended By:

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Harlingen	Single Student Housing			
	A/C Block Brick (Bldg. A-D,G) 2 Bedroom Apartments			
	Double Occupancy per Bedroom per Student	\$805 semester	\$805 semester	\$805 semester
	Single Occupancy per Bedroom per Student	Not Applicable	\$1,205 semester	\$1,205 semester
	A/C Block Brick (Bldg. A-D, G) (Renovated FY 15 or Later) 2 Bedroom Apartments			
	Double Occupancy per Bedroom per Student	\$955 semester	\$955 semester	\$955 semester
	A/C Brick Veneer (Renovated in FY 16 or later) Efficiency Dorms w/Microwave & Refrigerator or w/Kitchenette			
	Double Occupancy per Student	\$1,025 semester	\$1,025 semester	\$1,025 semester
	A/C Brick Veneer Efficiency Dorms w/Microwave & Refrigerator or w/Kitchenette			
	Double Occupancy per Bedroom per Student	\$875 semester	\$875 semester	\$875 semester
	Single Occupancy per Bedroom per Student	Not applicable	\$1,320 semester	\$1,320 semester
	Family Housing			
	A/C Block Brick (Bldg. E,F) 2 Bedroom Apartments			
		\$755 monthly	\$755 monthly	\$755 monthly
	Applicable Fees			
	Application Fee	\$20	\$20	\$30
	Deposit (All Except Staff Housing)	\$150	\$150	\$200
	Moving Charge* (All Except Staff Housing)	\$50	\$50	\$50
	*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.			
	Lost Key Charge - Outside Door	\$30	\$30	\$30
	Lost Key Charge - Closet Door	\$3	\$3	\$3

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Marshall	Single Student Housing			
	A/C Block Brick (Bldg. A-H) 2 Bedroom Apartments			
	Single Occupancy per Bedroom per Student, Furnished	\$1,330 semester	\$1,330 semester	\$1395 semester
	Single Occupancy per Bedroom per Student, Unfurnished	\$1,200 semester	\$1,200 semester	\$1,260 semester
	4 Bedroom Apartments			
	Single Occupancy per Bedroom per Student, Furnished	\$1,145 semester	\$1,145 semester	\$1,145 semester
	Single Occupancy per Bedroom per Student, Unfurnished	\$1,030 semester	\$1,030 semester	\$1,030 semester
	Applicable Fees			
	Application Fee	\$20	\$20	\$30
	Deposit	\$150	\$150	\$200
	Moving Charge*	\$50	\$50	\$50
	*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.			
	Lost Key Charge - Outside Door	\$30	\$30	\$30

Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2020

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Sweetwater	Single Student Housing			
	WASP, Rolling Pains and Avenger Apartments, 4 per suite, 2 per Bedroom and Weekday Meal Plan, 15 Meals per Week (Mon.-Fri.)			
	Double Occupancy per Bedroom per Student	\$2,510 semester	\$2,685 semester	\$2685 semester
	Single Occupancy per Bedroom per Student	Not Applicable	\$3,200 semester	\$3200 semester
	Cedar, Pecan, Oak and Mesquite Lodges, 2 per Suite, 1 per Bedroom and Weekday Meal Plan, 15 Meals per Week (Mon.-Fri.)	\$2,625 semester	\$2,800 semester	\$2800 semester
	Vocational or Associate Degree Nursing Studies - WASP, Rolling Plains and Avenger Apartments, 4 per Suite, 2 per Bedroom and Weekday Meal Plan, 150 Meals per Semester (Mon.-Fri.)			
	Double Occupancy per Bedroom per Student	\$2,245 semester	\$2,245 semester	\$2,245 semester
	Single Occupancy per Bedroom per Student	Not Applicable	\$2,760 semester	\$2,760 semester
	Vocational or Associate Degree Nursing Studies - Cedar, Pecan, Oak and Mesquite Lodges, 2 per Suite, 1 per Bedroom and Weekday Meal Plan, 150 Meals per Semester (Mon.-Fri.)	\$2,365 semester	\$2,365 semester	\$2,365 semester
	Applicable Fees			
	Application Fee	\$20	\$20	\$30
	Deposit	\$150	\$150	\$200
	Cleaning Fee	\$75	\$75	\$75
	Internet Charge (optional)			
	Moving Charge*	\$50	\$50	\$50
	*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.			
	Lost Key Charge - Outside Door	\$50	\$50	\$50

Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2020

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Waco	Single Student Housing			
	Red River Apartments			
	Air Conditioned, 2 Bedrooms Double Occupancy	\$1,320 semester	\$1,320 semester	\$1,320 semester
	Single Occupancy	\$1,720 semester	\$1,850 semester	\$1,850 semester
	Residence Hall (Lavaca)			
	Air Conditioned, Room Single Occupancy	-\$1,440 semester	-\$1,440 semester	-\$1,440 semester
	Applicable Fees			
	Application Fee	\$20	\$20	\$30
	Deposit	\$150	\$150	\$200
	Lavaca Internet Charge (optional)	-\$60 semester	-\$60 semester	-\$60 semester
	Moving Charge*	\$50	\$50	\$50
	*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.			
	Lost Key Charge - Outside Door	\$30	\$30	\$30

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Waco (continued)	Family Housing			
	Housing-Wood Frame			
	2 Bedroom Duplex			
	Student	\$425 monthly	\$425 monthly	\$425 monthly
	Education Related	\$510 monthly	\$510 monthly	\$510 monthly
	Other	\$600 monthly	\$600 monthly	\$600 monthly
	3 Bedroom Duplex			
	Student	\$470 monthly	\$470 monthly	\$470 monthly
	Education Related	\$550 monthly	\$550 monthly	\$550 monthly
	Other	\$635 monthly	\$635 monthly	\$635 monthly
	2 Bedroom Single			
	Student	\$440 monthly	\$440 monthly	\$440 monthly
	Education Related	\$570 monthly	\$570 monthly	\$570 monthly
	Other	\$620 monthly	\$620 monthly	\$620 monthly
	3 Bedroom Single			
	Student	\$505 monthly	\$505 monthly	\$505 monthly
	Education Related	\$590 monthly	\$590 monthly	\$590 monthly
	Other	\$660 monthly	\$660 monthly	\$660 monthly
	4 Bedroom Single			
	Student	\$540 monthly	\$540 monthly	\$540 monthly
	Education Related	\$625 monthly	\$625 monthly	\$625 monthly
	Other	\$700 monthly	\$700 monthly	\$700 monthly
	Housing-Brick Veneer			
	3 Bedroom Small			
	Student	\$590 monthly	\$590 monthly	\$590 monthly
	Education Related	\$670 monthly	\$670 monthly	\$670 monthly
	Other	\$750 monthly	\$750 monthly	\$750 monthly
	4 Bedroom Small			
	Student	\$615 monthly	\$615 monthly	\$615 monthly
	Education Related	\$695 monthly	\$695 monthly	\$695 monthly
	Other	\$780 monthly	\$780 monthly	\$780 monthly
	3 Bedroom Large			
	Student	\$615 monthly	\$615 monthly	\$615 monthly
	Education Related	\$695 monthly	\$695 monthly	\$695 monthly
	Other	\$780 monthly	\$780 monthly	\$780 monthly
	4 Bedroom Large			
	Student	\$650 monthly	\$650 monthly	\$650 monthly
	Education Related	\$730 monthly	\$730 monthly	\$730 monthly
	Other	\$810 monthly	\$810 monthly	\$810 monthly
	4 Bedroom Extra Large			
	Education Related	\$750 monthly	\$750 monthly	\$750 monthly
	Other	\$845 monthly	\$845 monthly	\$845 monthly

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Waco (continued)	Family Housing (Renovated in FY 2010 or Later)			
	Housing-Wood Frame			
	2 Bedroom - Duplex			
	Student	\$555 monthly	\$555 monthly	\$555 monthly
	Education Related	\$650 monthly	\$650 monthly	\$650 monthly
	Other	N/A	N/A	N/A
	3 Bedroom - Duplex			
	Student	\$605 monthly	\$605 monthly	\$605 monthly
	Education Related	\$700 monthly	\$700 monthly	\$700 monthly
	Other	N/A	N/A	N/A
	3 Bedroom Single			
	Student	\$650 monthly	\$650 monthly	\$650 monthly
	Education Related	\$740 monthly	\$740 monthly	\$740 monthly
	Other	N/A	N/A	N/A
	4 Bedroom Single			
	Student	\$685 monthly	\$685 monthly	\$685 monthly
	Education Related	\$780 monthly	\$780 monthly	\$780 monthly
	Other	N/A	N/A	N/A
	Housing-Brick Veneer			
	3 Bedroom Small			
	Student	\$700 monthly	\$700 monthly	\$700 monthly
	Education Related	\$840 monthly	\$840 monthly	\$840 monthly
	Other	N/A	N/A	N/A
	3 Bedroom Large			
	Student	\$725 monthly	\$725 monthly	\$725 monthly
	Education Related	\$875 monthly	\$875 monthly	\$875 monthly
	Other	N/A	N/A	N/A
	4 Bedroom Small			
	Student	\$725 monthly	\$725 monthly	\$725 monthly
	Education Related	\$875 monthly	\$875 monthly	\$875 monthly
	Other	N/A	N/A	N/A
	4 Bedroom Large			
	Student	\$750 monthly	\$750 monthly	\$750 monthly
	Education Related	\$910 monthly	\$910 monthly	\$910 monthly
	Other	N/A	N/A	N/A
	4 Bedroom Extra Large			
	Education Related	\$935 monthly	\$935 monthly	\$935 monthly
	Other	N/A	N/A	N/A

Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2020

Campus	Description	Fall 2018	Fall 2019	Fall 2020
Waco (continued)	Applicable Fees			
	Application Fee	\$20	\$20	\$30
	Deposit	Equal to One Month's Rent	Equal to One Month's Rent	Equal to One Month's Rent
	Transfer Charge	\$250	\$250	\$250
	Water/Sewage/Trash Collection Costs for Brazos Community Housing	\$70 mo./duplex \$90 mo./house	\$70 mo./duplex \$90 mo./house	\$70 mo./duplex \$90 mo./house
	Pet Fee (non-refundable)	No Pets in Housing	No Pets in Housing	No Pets in Housing
	Pet Deposit (refundable)	No Pets in Housing	No Pets in Housing	No Pets in Housing
	Lost Key Charge - Outside Door	\$30)	\$30)	\$30)
	Moving Charge*			
	Length of Residency			
	Less than 12 Months	Not Allowed	Not Allowed	Not Allowed
	12 to 24 Months	\$250	\$250	\$250
	24 Months or More	\$250	\$250	\$250
*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.				

Texas State Technical College • Operating Budget Performance • November 30, 2019

	FY 2020 Q1 Budget	FY2020 Q1 actual	\$ Variance	% Variance	NOTE	FY 20 Approved Budget	FY 20 YE Forecast	Variance
Operating Revenues								
State Appropriations & HEAF	107,077,839	107,298,497	220,658	0.2%	1	125,567,676	126,450,312	882,636
Tuition	33,981,103	33,052,184	-928,919	-2.7%	2	47,281,046	43,702,796	(3,578,250)
Student Financial Assistance	1,390,297	767,160	-623,137	-44.8%	3	33,190,901	32,161,983	(1,028,918)
Auxiliary Enterprises	3,576,277	3,626,510	50,233	1.4%		12,349,341	11,886,945	(462,396)
Grants & Contracts	756,104	579,642	-176,462	-23.3%		5,194,295	5,069,744	(124,551)
Fees & Educational Sales	1,227,689	1,230,145	2,456	0.2%		4,336,150	4,242,919	(93,231)
Industry Relations	1,003,142	644,239	-358,903	-35.8%	4	4,239,823	2,576,956	(1,662,867)
Other	554,883	508,046	-46,837	-8.4%		3,550,859	3,373,315	(177,544)
Total Operating Revenues	149,567,334	147,706,423	-1,860,911	-1.2%		235,710,091	229,464,970	(6,245,121)
Operating Carryforward / Reserves	-	-				4,310,000	4,310,000	4,310,000
Operating Expenditures								
Instruction	15,959,905	15,922,090	-37,815	-0.2%		75,435,486	76,292,577	857,091
Student Financial Aid	5,302,512	4,062,350	-1,240,162	-23.4%	3	39,687,490	38,449,493	(1,237,997)
Finance	2,426,310	2,307,728	-118,582	-4.9%		10,977,816	11,084,022	106,206
Advancement & Communications	1,384,183	1,394,101	9,918	0.7%		7,099,381	7,655,351	555,970
Auxiliary Services	2,346,160	2,372,563	26,403	1.1%		10,954,519	11,787,652	833,133
Facilities	2,269,297	2,219,909	-49,388	-2.2%		10,579,737	10,938,341	358,604
Facilities - Transfer to Capital	3,690,836	3,690,836	-	0.0%		3,690,836	3,690,836	-
Enrollment Management	2,355,325	2,061,199	-294,126	-12.5%		11,147,948	10,637,644	(510,304)
Information Technology	3,551,243	3,238,698	-312,545	-8.8%		10,140,165	9,433,313	(706,852)
Statewide Administration	1,399,486	1,346,687	-52,799	-3.8%		5,968,898	5,918,989	(49,909)
Statewide Benefits	7,370,085	7,582,579	212,494	2.9%	5	29,742,672	30,944,495	1,201,823
Debt Service & Leases	6,295,443	6,291,680	-3,763	-0.1%		12,011,364	12,137,726	126,362
Utilities & Other	1,245,321	1,344,330	99,009	8.0%		7,583,779	7,986,876	403,097
Strategic Pool (to be allocated)	1,250,000	-	-1,250,000	-100.0%	6	5,000,000	-	(5,000,000)
Total Operating Expenditures	56,846,106	53,834,750	-3,011,356	-5.3%		240,020,091	236,957,315	(3,062,776)
Operating Budget Margin (Deficit)	92,721,228	93,871,673	1,150,445	1.2%		-	(3,182,345)	(3,182,345)

Notes:

Explanations are provided below for any notable variances from the original budget.

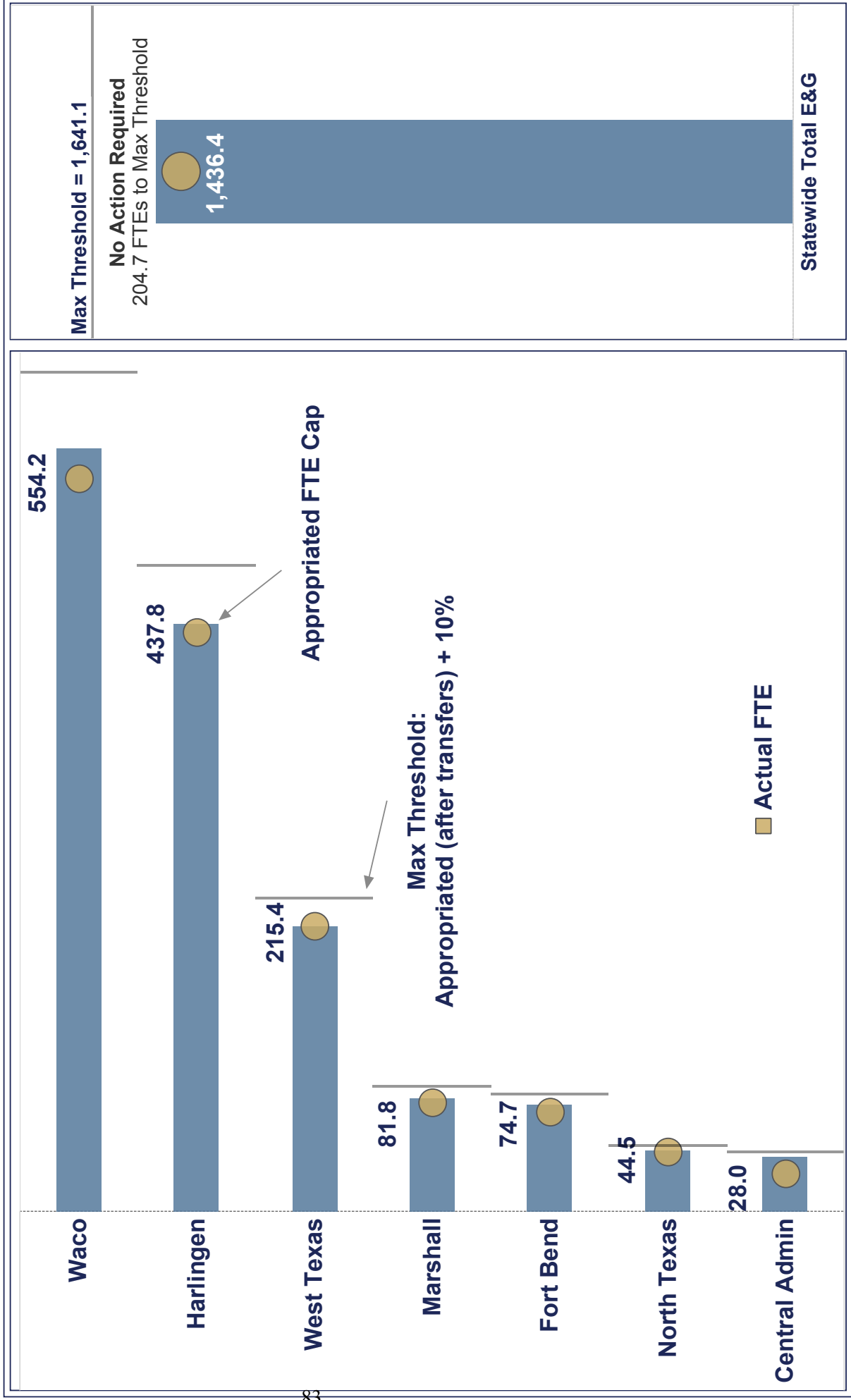
- 1)** State appropriation revenue is slightly above budget due to increased benefits appropriations, as salaries have increased. The state appropriates retirement and payroll tax benefits at 100% of actual expenses, so if appropriated salary spending increases, the corresponding benefits appropriation increases as well.
- 2)** Tuition revenue is under budget for the first quarter, and is forecasted to be \$3.6 million below budget for the fiscal year. Program closures account for approximately \$1.8 million of this shortfall, based on FY 2019 enrollments and tuition. The forecasted revenue of \$43.70 million is nearly identical to FY 2019 tuition revenue of \$43.66 million.
- 3)** Student financial assistance revenue is closely correlated to tuition revenue, and the year-end forecast has been adjusted to reflect lower than budgeted tuition. Similarly, the forecast for student financial aid expenses has also been reduced to reflect the tuition decrease. Variances in first quarter amounts in both revenue and expense are timing related, and will level out as financial aid is received and applied throughout the year.
- 4)** Industry relations revenue is down due to a change in accounting method, that previously recorded grant-related workforce training revenues and expenses at a gross amount. Now, the revenues and expenses are recorded at a net amount. The decrease seen in revenue is offset by a decrease in expenses. Industry relations expenses are record in the *Instruction* line item.
- 5)** Statewide benefits expenses are higher than originally budgeted due to salary and wage increases awarded in the current year. The increased benefits expense is mostly offset by increased state appropriation revenue (See Note 1).
- 6)** TSTC's Strategic Pool, which is primarily used to fund compensation increases, is designed to be allocated among functional departments as expenses are incurred, therefore, no actual expenses are reflected in this line item. Four equal amounts are budgeted each quarter for budget to actual comparison purposes only. As of November 30, 2019, \$1.8 million of the pool had been allocated, leaving \$3.2 million to be allocated during the remainder of the fiscal year.

Texas State Technical College

State Appropriated Employees - Full Time Equivalent Report

FY 2020 - For the Quarter Ending November 30, 2019

The number of Full Time Equivalent employees is within the max threshold of 1,641 by 205 FTEs, therefore no action is required.



Texas State Technical College
Variance of FTEs by Title Category by Campus
As of 1st Quarter of Each Year

FTE Title Category	Campus	2016	2017	2018	2019	2020
FTE Administrators	Fort Bend	0 - 0	4 - 4	5 - 5	6 - 6	1 - 1
	Harlingen	14 - 0	12 - (2)	9 - (5)	6 - (8)	3 - (11)
	Marshall	5 - 0	2 - (3)	2 - (3)	2 - (3)	1 - (4)
	North Texas	0 - 0	3 - 3	2 - 2	3 - 3	1 - 1
	System	12 - 0	13 - 1	12 - 0	12 - 0	18 - 6
	Waco	17 - 0	12 - (5)	19 - 2	17 - 0	12 - (5)
	West Texas	9 - 0	7 - (2)	5 - (4)	6 - (3)	3 - (6)
FTE Faculty	Fort Bend	0 - 0	16 - 16	23 - 23	26 - 26	32 - 32
	Harlingen	167 - 0	166 - (1)	162 - (5)	166 - (1)	174 - 7
	Marshall	60 - 0	40 - (20)	42 - (18)	36 - (24)	36 - (24)
	North Texas	0 - 0	17 - 17	18 - 18	20 - 20	20 - 20
	System	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
	Waco	255 - 0	255 - 0	243 - (12)	224 - (31)	229 - (26)
	West Texas	74 - 0	78 - 4	81 - 7	81 - 7	86 - 12
FTE Other Staff	Fort Bend	0 - 0	23 - 23	44 - 44	46 - 46	49 - 49
	Harlingen	379 - 0	351 - (29)	334 - (45)	327 - (52)	334 - (45)
	Marshall	65 - 0	52 - (13)	48 - (17)	50 - (15)	51 - (14)
	North Texas	0 - 0	17 - 17	20 - 20	26 - 26	24 - 24
	System	34 - 0	34 - 0	41 - 7	37 - 3	22 - (12)
	Waco	415 - 0	405 - (10)	411 - (4)	394 - (21)	430 - 15
	West Texas	132 - 0	123 - (9)	124 - (8)	128 - (4)	141 - 9
Statewide Totals	FTE Administrators	57 - 0	53 - (4)	54 - (3)	51 - (6)	39 - (18)
	FTE Faculty	556 - 0	572 - 16	569 - 13	553 - (3)	577 - 21
	FTE Other Staff	1,025 - 0	1,005 - (20)	1,022 - (3)	1,009 - (16)	1,051 - 26
	Grand Total	1,638 - 0	1,629 - (9)	1,645 - 7	1,614 - (24)	1,666 - 28

Texas State Technical College

Variance of Annual FTEs by Funding Source
As of November 30, 2019



TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report

November 30, 2019

Depository - Location

First Ntl Bank of Central Texas - Waco

Frost Bank - Harlingen/Fort Bend

Texas National Bank - Sweetwater

Texas Bank & Trust - Marshall

Citizens National Bank - Red Oak

Prosperity Bank - Abilene

Texas Bank - Brownwood

InterBank - Breckenridge

Bank of America - Waco

Compass Bank - Waco

First Community Bank - San Benito

First Ntl Bank - Albany/Breckenridge

Veritex Comm. Bank - N. Richland Hills

Texas First State Bank - Waco

Cash in State Treasury

TexasTerm (Government Pool)

TexPool (Government Pool)

TOTAL

DEPOSITS			SECURITY ON DEPOSITS			
Demand Deposits	Money Market & Time Deposits	Total Deposits	FDIC* Coverage (up to)	Required Collateral	Collateral at Market Value	Sufficient (Insufficient)
28,037,592	2,809,009	30,846,601	500,000	30,346,601	42,346,492	11,999,891
208,295	-	208,295	250,000	-	947,279	988,984
60,621	-	60,621	250,000	-	-	189,379
47,922	-	47,922	250,000	-	-	202,078
24,725	-	24,725	250,000	-	-	225,275
25,846	-	25,846	250,000	-	-	224,154
19,276	-	19,276	250,000	-	-	230,724
15,727	-	15,727	250,000	-	-	234,273
-	10,000	10,000	250,000	-	-	240,000
-	1,117,447	1,117,447	250,000	867,447	1,600,000	732,553
-	172,368	172,368	250,000	-	-	77,632
-	199,215	199,215	250,000	-	-	50,785
-	10,000	10,000	250,000	-	-	240,000
-	506,650	506,650	250,000	256,650	952,836	696,186
9,211,900	-	9,211,900	No Collateral Required			
12,415,032	-	12,415,032	No Collateral Required			
656,210	-	656,210	No Collateral Required			
50,723,146	4,824,689	55,547,835				

* 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 November 30, 2019

Description	Beginning Value as of 08/31/19	Ending Value as of 11/30/19	Interest Rate
<u>Operating Funds</u>			
Cash in State Treasury	6,548,214	9,211,900	2.25%
Statewide Operating	17,959,836	20,587,064	1.50%
Harlingen - Local Operating	191,645	166,216	1.20%
Waco - Local Operating	40,418	65,731	1.50%
Sweetwater - Local Operating	68,421	60,621	1.74%
Marshall - Local Operating	52,712	47,922	0.10%
Fort Bend - Local Operating	41,836	42,079	0.00%
Brownwood - Local Operating	17,417	19,276	0.50%
System - Local Operating	15,788	15,856	1.50%
Abilene - Local Operating	21,494	25,846	0.20%
North Texas - Local Operating	32,013	24,725	0.25%
Breckenridge - Local Operating	15,086	15,727	0.25%
Payroll	5,994,805	5,666,060	1.50%
Federal Funds	10	21,160	0.00%
FNB Central Texas - MMKT	2,017,826	2,026,461	1.50%
FNB Central Texas - CD	500,825	500,825	2.25%
Compass Bank - CD	918,343	921,875	2.26%
FNB Albany/Breckenridge - CD	100,000	100,000	2.00%
First Community Bank - CD	40,121	40,121	1.60%
Texas Regional Bank / FCB - CD	132,200	132,247	2.00%
Texas First State Bank - CD	255,042	256,650	2.50%
Texas First State Bank - CD	250,000	250,000	2.25%
TexasTerm - Pool	12,235,363	12,295,054	1.74%
Total Operating Funds	47,449,415	52,493,416	
<u>Endowment Funds</u>			
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	280,523	281,723	1.50%
Liberty/Veritex Community Bank - CD	10,000	10,000	2.62%
Total Endowment Funds	595,310	596,510	
<u>Bond Proceeds</u>			
FNB Central Texas	1,710,221	1,681,721	1.50%
TexasTerm	319,064	119,978	1.74%
TexPool	777,916	656,210	1.68%
Total Bond Proceeds	2,807,201	2,457,909	
Total All Investments	50,851,926	55,547,835	

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of November 30, 2019

Schedule of Time Deposits:

Description	Amount	Maturity Date	Days Maturity	Rate	Type
Texas First State Bank	256,650	6/27/2020	365	2.50%	Operating
Texas First State Bank	250,000	7/25/2020	365	2.25%	Operating
Compass Bank	195,572	12/5/2019	365	2.36%	Endowment
Compass Bank	921,875	4/11/2020	365	2.26%	Operating
Bank of America	10,000	8/10/2020	365	0.05%	Endowment
First Community Bank	132,247	6/20/2020	276	2.00%	Operating
First Community Bank	40,121	6/18/2020	215	1.60%	Operating
FNB Central Texas	250,825	5/24/2020	365	2.25%	Operating
FNB Central Texas	250,000	8/7/2020	365	2.25%	Operating
FNB - Albany/Breckenridge	34,215	4/13/2020	365	1.75%	Endowment
FNB - Albany/Breckenridge	100,000	4/13/2020	365	2.00%	Operating
FNB - Albany/Breckenridge	65,000	4/5/2020	365	1.75%	Endowment
Veritex Community Bank	10,000	9/7/2020	731	2.62%	Endowment
Total Time Deposits	2,516,505				

Weighted Average Maturity (Time Deposits): 366 days

Weighted Average Rate of Interest (All Investments): 1.78%

Current One Year Treasury Bill Rate: 1.60%

Lipper Money Market Funds Average Return (1 YR): 1.67%

FY 2020 Interest Received and Accrued (All Investments): \$252,764

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).



Anju Motwani, Vice President & Controller

February 6, 2020

Date



Jonathan Hoekstra, Chief Financial Officer

February 6, 2020

Date

Texas State Technical College
Condensed Statements of Net Position
August 31, 2017, 2018, and 2019

	2017	2018	2019
Assets			
Cash & Investments - Unrestricted	\$ 47,241,985	51,496,955	45,035,545
Cash & Investments - Restricted	31,892,770	8,675,037	5,054,876
Receivables	19,431,166	20,956,019	31,846,346
Capital/Intangible Assets, Net	196,017,827	229,376,666	219,657,365
Other Assets	15,354,997	14,940,673	77,913,608
Total Assets	309,938,745	325,445,349	379,507,740
Liabilities and Net Position			
Liabilities			
Accounts Payable	16,800,120	12,074,623	8,420,558
Payroll Payables	13,019,560	13,719,338	12,954,495
Unearned Tuition Revenue	18,914,427	20,872,743	21,165,852
Other Liabilities	16,936,846	20,400,383	60,245,968
Long-term Debt	126,630,611	124,516,885	115,709,571
Total Liabilities	192,301,563	191,583,973	218,496,444
Net Position			
Net investment in capital assets	94,050,573	110,115,274	107,111,531
Restricted, expendable	2,871,825	2,352,712	1,579,013
Restricted, non-expendable	573,470	576,583	582,507
Unrestricted	20,141,314	20,816,808	51,738,245
Total Net Position	117,637,182	133,861,376	161,011,296
Total Liabilities and Net Position	\$ 309,938,745	325,445,349	379,507,740

Liquidity and Leverage Analysis

Liquidity Ratio: Cash on Hand (in days)

Determines how long, in days, TSTC could meet operating expenses without receiving new income.

Unrestricted Cash x 365 Days	17,243,324,496	18,796,388,462	16,437,973,743
Operating Expenses	170,940,204	172,903,395	172,480,464

TSTC Cash on Hand (in days):	101 days	109 days	95 days
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Benchmark:	Bond Rating	Median
FY 2018 Public Universities	Prime	260 days
	High Grade	140 days
	Upper Medium Grade	50 days

Leverage Ratio: Spendable Cash & Investments to Total Debt

Examines the ability of an institution to repay bondholders from wealth that can be accessed over time.

Spendable Cash & Investments	46,668,515	50,920,372	44,453,038
Total Debt	126,630,611	124,516,885	115,709,571

TSTC Spendable Cash & Investments to Debt:	0.62x	0.48x	0.43x
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Benchmark:	Bond Rating	Median
FY 2018 Public Universities	Prime	3.00x
	High Grade	0.80x
	Upper Medium Grade	0.20x

Texas State Technical College
Condensed Statement of Changes in Net Position
August 31, 2017, 2018, and 2019

	2017	2018	2019
Operating Revenue			
Gross Tuition and Fees	\$ 49,082,538	48,641,404	49,734,616
Discounts and Allowances	(21,687,186)	(18,758,246)	(20,981,265)
Financial Aid Grants	23,666,823	30,641,925	29,940,276
Scholarship Expense	(12,144,630)	(21,708,107)	(16,405,454)
Net Tuition and Fee Revenue	38,917,545	38,816,975	42,288,173
State Appropriations	100,281,485	104,437,300	104,015,902
Net Auxiliary Revenue	9,200,983	9,055,940	8,513,728
Other Grants and Contracts	13,387,900	12,526,097	12,620,694
Investment Income	717,504	989,028	1,332,867
Other Sales	8,103,883	7,584,909	6,849,258
Total Operating Revenue	170,609,300	173,410,248	175,620,620
Operating Expenses			
Salaries, Wages and Benefits	109,664,542	111,592,833	112,258,431
Materials and Supplies	15,043,314	14,896,473	12,822,954
Depreciation and Amortization	11,807,743	12,551,248	15,243,248
Communications and Utilities	6,643,092	6,326,494	6,049,974
Interest Expense and TPFA Payment	6,708,709	6,935,353	7,410,398
Other Expenses	21,072,805	20,600,995	18,695,460
Total Operating Expenses	170,940,204	172,903,395	172,480,464
Net Operating Income	(330,904)	506,852	3,140,156
Nonoperating Activity			
Nonoperating revenues	7,507,153	23,758,043	35,247,956
Nonoperating expenses	(3,330,245)	(3,541,970)	(11,236,806)
Total Nonoperating Activity	4,176,908	20,216,072	24,011,150
Total Change in Net Position	\$ 3,846,004	20,722,925	27,151,306

Operating Margin Analysis

Operating Margin

Profitability ratio that demonstrates how much revenues are left over after all the operating costs have been paid.

Operating Net Income (Loss)	(330,904)	506,852	3,140,156
Operating Revenues	170,609,300	173,410,248	175,620,620
TSTC Operating Margin:	-0.19%	0.29%	1.79%

Benchmark:	Bond Rating	Median
<i>FY 2018 Public Universities</i>	Prime	0.60%
	High Grade	0.40%
	Upper Medium Grade	-3.80%