

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
and
Teleconference
Dial In: 415-655-0003
Access code: 120 835 5544**

**Thursday, November 12, 2020
10:30 a.m.**

AGENDA

I. CLOSED MEETING

1. The Closed Meeting is called to Order and a Quorum is determined.
2. Consultation with Attorney (Texas Government Code, Section 551.071)
 1. Ted Donovan v. TSTC
 2. John Clark Owen v. TSTC
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
 1. None
4. Personnel Matters (Texas Government Code, Section 551.074)
 1. Internal Audit Director Performance Evaluation
 2. Chancellor & CEO Performance Evaluation
5. Adjourn

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.

- II. MEETING CALLED TO ORDER
- III. INVOCATION
- IV. DETERMINATION OF QUORUM
- V. ADOPTION OF AGENDA
- VI. APPROVAL OF MINUTES OF AUGUST 20, 2020 MEETINGS
- VII. RECOGNITION OF GUESTS
- VIII. PUBLIC COMMENTS
- IX. CHANCELLOR COMMENTS
- X. 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#

 - None.

 - Reports:**

 - 1. Annual Student Loan Default Rate Report..... 19
Rick Herrera

 - 2. Core Business Performance Summary Report..... Oral
Rick Herrera

- b. **Committee for Fiscal Affairs**
 Alex Meade, Chair; Kathy Powell, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

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c. **Committee for Facilities**

Keith Honey, Chair; Ron Widup, Member

Committee Chair Comments

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Proposed MO#

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- d. **Committee for General Administration**
Pat McDonald, Chair; Tony Abad, Member

Committee Chair Comments

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- 49-20(c) Approve The TSTC Foundation Operating Plan for the Period
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Reports:

- 1. Legislative Report.....Oral
Roger Miller

XI. CONSENT AGENDA ITEMS

- 41-20(c) Policy for Investments
- 42-20(c) Approve the Lease Renewal Agreement of the Storage Space to the Texas Parks and Wildlife Department at Texas State Technical College in Brownwood
- 43-20(c) Approve the Lease Agreement of the Quonset Hut and Covered Airplane Space to Antheon Research, Inc. at Texas State Technical College Airport in Waco
- 44-20(c) Accept the Project to Renovate the Exterior of the ACT Building at Texas State Technical College in Waco
- 45-20(c) Accept the Project to Expand the Industrial Technology Center for Welding Technology at Texas State Technical College in Ft. Bend County
- 46-20(c) Approve the Amended Project Scope and Budget to Renovate the Industrial Technology Center at Texas State Technical College in Waco

- 47-20(c) Approve the Project and Budget for the Campus Wide Drainage Improvement Project at Texas State Technical College in Waco
- 48-20(c) Approve the Project and Budget to Renovate the Residential Heating Ventilation and Air-conditioning Lab at Texas State Technical College in Harlingen
- 49-20(c) Approve The TSTC Foundation Operating Plan for the Period September 1, 2020 to August 31, 2021

XII. UNFINISHED BUSINESS

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TEXAS STATE TECHNICAL COLLEGE

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

**Texas State Technical College
Connally Meeting & Conference Center
1651 E. Crest Drive
Waco, TX 76705
and
Teleconference
Dial In: 415-655-0003
Access Code: 120 270 5542**

**Thursday, August 20, 2020
10:00 a.m.**

AGENDA

I. MEETING CALLED TO ORDER BY AUDIT COMMITTEE CHAIR CURTIS CLEVELAND

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at **10:01 a.m.**, August 20, 2020, by Chair Cleveland.

Members Present in Person: Curtis Cleveland, Tony Abad

Members Present via Video Conference: Pat McDonald, Tiffany Tremont, Keith Honey, Alex Meade, Ron Widup

Member Absent: John Hatchel, Kathy Powell

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

II. MINUTE ORDERS

The following reports were presented to the Board of Regents by Jason Mallory and placed on the Consent Agenda of the Full Board Meeting:

28-20(c) Approve Revision of Fiscal Year 2020 Audit Plan

29-20(c) Approve Fiscal Year 2021 Audit Plan

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.

III. REPORTS:

The following reports were presented to the Board of Regents by Jason Mallory:

1. Status of Fiscal Year 2020 Audit Schedule & Other Projects
2. Summary of Audit Reports
3. Follow-up Schedule & Status
4. Help Desk Audit (20-025A)
5. Career Services Audit (20-013A)
6. Annual Contracting Audit (20-008.1A)
7. TAC 202 Quarterly Update (20-010A)
8. Desk Review of Contract 2918PEB000
9. Attestation Disclosures

IV. CHANCELLOR COMMENTS


None.

V. BOARD COMMENTS

None.

VI. ADJOURN

The meeting adjourned at 10:33 a.m.



Ray Rushing
Secretary to the Board of Regents

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.

TEXAS STATE TECHNICAL COLLEGE

**Special Meeting of the
Board of Regents**

**Texas State Technical College
Connally Meeting & Conference Center
1651 E. Crest Drive
Waco, TX 76705
and
Teleconference
Dial In: 415-655-0003
Access code: 120 270 5542**

**Thursday, August 20, 2020
10:30 a.m.**

AGENDA

I. MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at 10:34 a.m., August 20, 2020, by Vice Chair Cleveland.

II. DETERMINATION OF QUORUM

Members Present in Person: Curtis Cleveland, Tony Abad

Members Present via Video Conference: Pat McDonald, Tiffany Tremont, Keith Honey, Alex Meade, Ron Widup

Members Absent: John Hatchel, Kathy Powell

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

III. ADOPTION OF AGENDA

Upon a motion by Regent Abad and second by Regent Meade, the Agenda as presented was adopted unanimously.

IV. CHANCELLOR COMMENTS

The Chancellor provided a brief summary of the landscape and budget preparations for the coming year.

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.



V. BUDGET OVERVIEW AND DISCUSSION

Jonathan Hoekstra provided an overview of the FY 2021 budget and progress on the strategic plan.

VI. MINUTE ORDERS

Proposed MO#

30-20(c) Approve Operating Budget for Fiscal Year 2021

31-20(c) Approve Appropriation Transfers for Fiscal Year 2021

Motion by Regent Abad and second by Regent Meade to table the Minute Orders

VII. CHANCELLOR COMMENTS


None.

VIII. BOARD COMMENTS

None.

IX. ADJOURN

The meeting adjourned at 11:45 a.m.



Ray Rushing
Secretary to the Board of Regents

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
and
Teleconference
Dial In: 415-655-0003
Access code: 120 238 1566**

**Thursday, August 20, 2020
11:00 a.m.**

AGENDA

I. CLOSED MEETING

1. The Closed Meeting is called to Order and a Quorum is determined at 11:55 a.m.
2. Consultation with Attorney (Texas Government Code, Section 551.071)
 1. Ted Donovan v. TSTC
Discussion of the Ted Donovan v. TSTC case took place.
 2. John Clark Owen v. TSTC
Discussion of the John Clark Owen v. TSTC case took place.
 3. Contract Issue
Discussion of contract issue took place.
 4. New Grievance from Past Employee Discussed
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
 1. None

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

1. None

5. Adjourn

The August 20, 2020 Closed Session of the Texas State Technical College Board of Regents adjourned at 12:45 p.m.

II. MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents was called to order at 1:13 p.m., August 20, 2020, by Vice Chair Cleveland.

III. INVOCATION

Jonathan Hoekstra provided the invocation.

IV. DETERMINATION OF QUORUM

Members Present in Person: Curtis Cleveland, Tony Abad

Members Present via Video Conference: Pat McDonald, Tiffany Tremont, Keith Honey, Alex Meade, Ron Widup, Kathy Powell

Members Absent: John Hatchel

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

V. ADOPTION OF AGENDA

Upon a motion by Regent Meade and second by Regent Abad, the Agenda as presented was adopted unanimously.

VI. APPROVAL OF MINUTES OF MAY AND JUNE MEETINGS

Upon a motion by Regent Honey and second by Regent McDonald, the Minutes of the May 14, 2020 Meetings of the Audit Committee and the Board of Regents, the Minutes of the June 4, 2020 Special Meeting of the Board of Regents, and the June 26, 2020 Executive Committee Meeting of the Board of Regents were approved unanimously.

VII. RECOGNITION OF GUESTS

None.

VIII. PUBLIC COMMENTS

None.

IX. CHANCELLOR COMMENTS

The Chancellor provided a brief summary of operations since last meeting as well as continued progress of the college in light of COVID-19.

X. COMMITTEE REPORTS & MINUTE ORDERS

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

Committee Chair Comments

Update on Student Learning from Regent Tremont. She specifically thanked all Faculty for their hard work.

Minute Orders:

None.

Reports:

None.

- b. **Committee for Fiscal Affairs**
Alex Meade, Chair; Kathy Powell, Member

Committee Chair Comments

Update on Fiscal Affairs from Regent Meade. He thanked the Finance team and is proud of the strides the college has made in light of COVID.

Minute Orders:

Proposed MO#

- 32-20(c) Approve Schedule of Tuition and Fees Effective Fall 2021 Semester

Jonathan Hoekstra

33-20(c) Approve Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2021 Semester

Jonathan Hoekstra

34-20(c) Approve Lease of Space to Lower Rio Grande Valley Development Corporation (LRGVDC) at Texas State Technical College in Harlingen

Jonathan Hoekstra

Reports:

1. Budget Performance Report

Jonathan Hoekstra

2. Pledged Collateral Report

Jonathan Hoekstra

3. Quarterly Investment Report

Jonathan Hoekstra

SB 20 Compliance

Pursuant Texas Education Code 51.9337 (SB 20), State Agency Board Members are required to undergo annual training and acknowledgement of the requirements related to issuing contracts and purchasing authority. Jonathan Hoekstra provide training on the background of the law, the requirements of the Board and the requirements of the College. All Regents in attendance acknowledge.

c. **Committee for Facilities**

Keith Honey, Chair; Ron Widup, Member

Committee Chair Comments

Regent Honey extended his thanks and congratulations to the Facilities team and all the work they are doing during this unprecedented time.

Minute Orders:

Proposed MO#

35-20(c) Accept the Project to Construct a New Shade Structure and Associated Infrastructure at the Texas State Technical College in Waco Airport

Ray Fried

36-20(c) Approve the Electrical Lineworker Technology Facility Project at Texas State Technical College in Ft. Bend County

Ray Fried

37-20(c) Accept the Project to Expand the Welding Technology Facility in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen

Ray Fried

38-20(c) Accept the Project to Expand the Welding Technology Facility in the Industrial Technology Building (1ITC) at Texas State Technical College in Waco

Ray Fried

39-20(c) Approve the Amended Project Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen. 44

Ray Fried

40-20(c) Approve the Project and Budget to Renovate the Exterior of the ACT Building at Texas State Technical College in Waco

Ray Fried

Reports:

1. Major Facility Projects Status Update

Ray Fried

2. Capital Expenditure Plan (MP1) Summary Report Fiscal Year 2021

Ray Fried

- d. **Committee for General Administration**
Pat McDonald, Chair; Tony Abad, Member

Committee Chair Comments

Regent McDonald called on Vice Chancellor Roger Miller to provide an update on the Legislative affairs.

Minute Orders:

None.

Reports:

None.

XI. CONSENT AGENDA ITEMS

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

28-20(c) Approve Revision of Fiscal Year 2020 Audit Plan

29-20(c) Approve Fiscal Year 2021 Audit Plan

30-20(c) Approve Operating Budget for Fiscal Year 2021

31-20(c) Approve Appropriation Transfers for Fiscal Year 2021

32-20(c) Approve Schedule of Tuition and Fees Effective Fall 2021 Semester

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- 38-20(c) Accept the Project to Expand the Welding Technology Facility in the Industrial Technology Building (1ITC) at Texas State Technical College in Waco
- 39-20(c) Approve the Amended Project Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen
- 40-20(c) Approve the Project and Budget to Renovate the Exterior of the ACT Building at Texas State Technical College in Waco

XII. UNFINISHED BUSINESS

None.

XIII. NEW BUSINESS

None.

XIV. ACTION ON CLOSED MEETING

None.

XV. CHANCELLOR COMMENTS


Closing comments and thanks to the Regents for participating virtually in this quarterly meeting.

XVI. BOARD COMMENTS

Thanks to all employees and staff for their extra efforts during this COVID crisis and leading the way.

XVII. ADJOURN

The meeting adjourned at 2:41 p.m.



Ray Rushing
Secretary to the Board of Regents

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Committee Chair Comments

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None.

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Core Business Performance Summary Report	Oral
	<i>Rick Herrera</i>



Texas State Technical College Student Loan Default Rate Report November 2020

	2012	2013	2014	2015	2016	2017
All Institutions in US	11.44%	11.03%	10.84%	10.01%	9.41%	15.00%
All Institutions in Texas (2 & 4 Year)	12.79%	12.04%	9.67%	10.06%	9.72%	12.70%
2 Year Institutions in Texas	19.34%	18.04%	14.74%	15.31%	14.60%	16.00%
TSTC	20.28%	12.29%	9.51%	7.07%	8.07%	8.20%

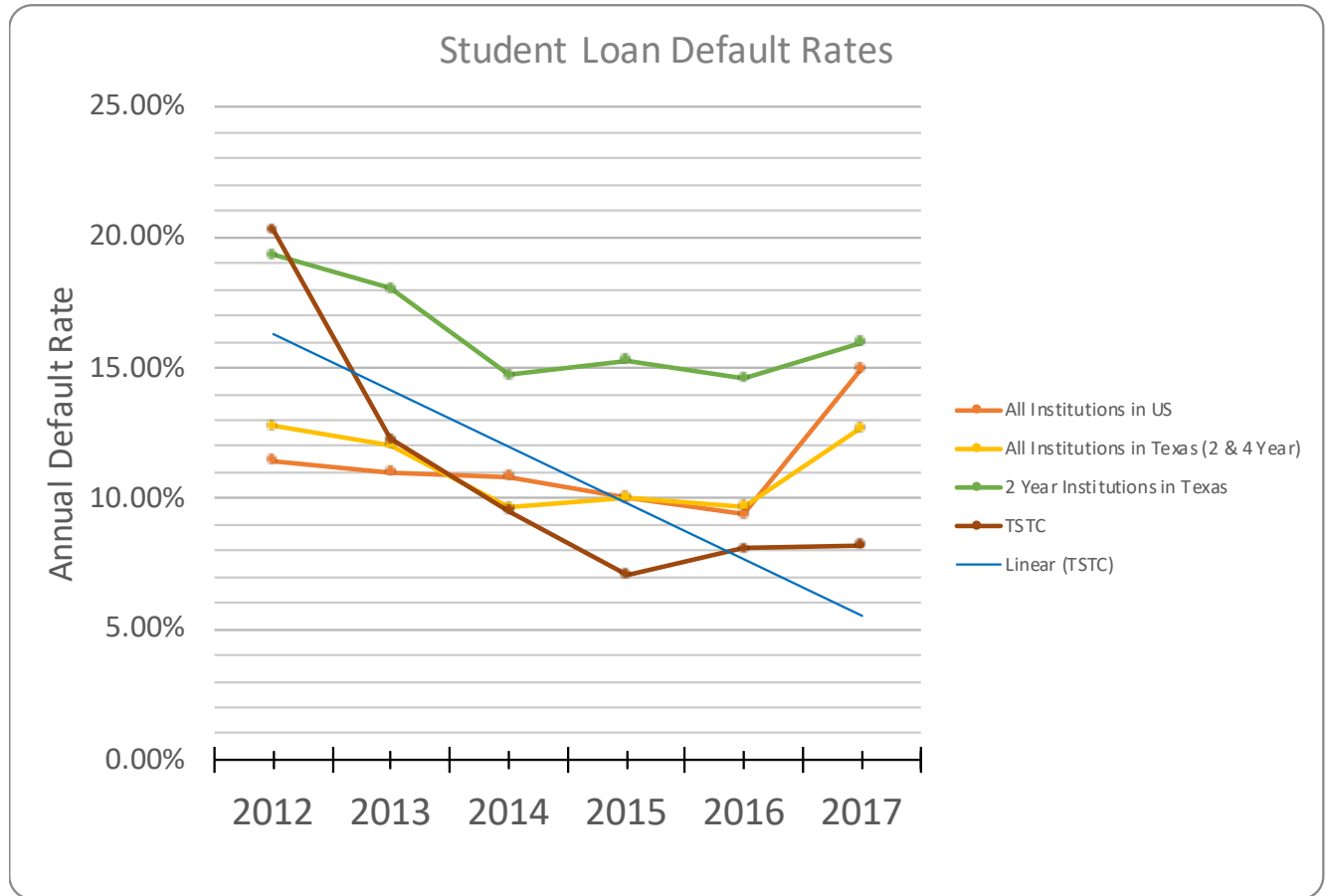


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Committee for Fiscal Affairs

Alex Meade, Chair; Kathy Powell, Member

Committee Chair Comments

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	<i>Jonathan Hoekstra</i>	
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5.	Semi-annual Report Certifying Debt Management Policy Compliance.....	40
	<i>Jonathan Hoekstra</i>	





Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 41-20(C)

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

Subject: **Policy for Investments**

Background: The Public Funds Investment Act, Government Code Chapter 2256 (the Act), requires all state agencies to adopt an annual investment policy that ensures safety of principal, liquidity, and adequate yield for invested funds. The policy provides pertinent information, and includes operating requirements and performance standards to ensure compliance with the Act.

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

Additional Information: None.

Fiscal Implications: No significant fiscal impact.

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

Attachment(s): None.

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

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. "

Recommended By:

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer



Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 42-20(c)

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

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

Background: In 2010, Texas State Technical College (TSTC) entered into a lease agreement with the Texas Parks and Wildlife Department (TP&W) for approximately 450 square feet each of boat storage space at TSTC in Brownwood. The space is primarily used to store trapping equipment and small boats.

The latest lease with TP&W expired in August 2020 and is currently on a month to month basis. The lease has been extended multiple times since 2010. The proposed lease is through the end of September 2021.

Justification: TSTC Administration recommends the lease agreement to the TP&W, a State Agency, who will continue to use the space to meet their storage needs. TSTC intends to renegotiate the lease rates should TP&W choose to continue the lease beyond the end of term date specified.

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

Fiscal Implications: The lease is for twelve months and the College will receive \$180 in monthly rental income.

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

Attachment(s): Letter from General Counsel

Recommended Minute Order: “The Texas State Technical College Board of Regents approves the lease renewal agreement to the Texas Parks and Wildlife Department at Texas State Technical College in Brownwood, delegates its authority to the Chancellor, or his designee, to enter into and execute all necessary documents to execute said lease agreement.”

Recommended By: [ORIGINAL SIGNED BY]
Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

October 12, 2020

Michael L. Reeser
Chancellor & Chief Executive Officer
3801 Campus Drive
Waco, Texas 76705

Re: **Approve the Lease of the Three Boat Storage spaces at the Texas State Technical College Brownwood.**

Dear Chancellor Reeser:

As requested, I have reviewed and considered the legal ramifications of the lease agreement with the Texas Parks and Wildlife Department (TPWD) for approximately 1,350 square feet of boat storage space in the facility located at 301 Main, Brownwood, Texas on the Texas State Technical College (TSTC) Brownwood Campus.

This lease relationship dates back some years and will be a renewal of a previously expired lease. As written, the lease will be for one (1) year, with TSTC receiving a monthly rate of \$180.00 for the leased space, but it is expected that the parties will attempt to negotiate a long term lease. TPWD, also an agency of the State of Texas, will continue to use the space to facilitate its day-to-day operations.

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

Having reviewed the lease it is my opinion that the terms and conditions, and the requested designation, comport with state law and TSTC policy. Because the TPWD is an agency of the State of Texas, the indemnities and insurance requirements that would ordinarily be in place are not applicable.

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

Respectfully Submitted,

[ORIGINAL SIGNED BY]

Edward C. Vallejo
Associate General Counsel

cc: Rick Herrera, Vice Chancellor & Chief Student Services Officer
Ray Rushing, J.D., Vice Chancellor & Chief Legal Officer
Kevin Semien, Executive Vice President of Facilities and Maintenance



Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 43-20(c)

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

Subject: **Approve the Lease Agreement of the Quonset Hut and Covered Airplane Space to Antheon Research, Inc. at Texas State Technical College Airport in Waco**

Background: Antheon Research, Inc. wishes to lease space at the Texas State Technical College Airport in Waco to test an Alternative Power Unit (APU) for an airplane engine turbo generator. The space to be leased includes the Covered Airplane Space as well as the Quonset Hut that will be utilized for office and storage space for their staff.

Justification: The Quonset Hut was leased previously and became vacant in June 2020. The Covered Airplane Space listed on the lease is not currently in use by TSTC nor any existing tenants. The lease rates have been compared to like units at other airports and are at a current market rate.

Additional Information: None.

Fiscal Implications: The lease is for six (6) months and the College will receive \$3,993.76 in monthly income.

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

Attachment(s): Letter from General Counsel
Exhibit A-1

Recommended Minute Order: “The Texas State Technical College Board of Regents approves the lease agreement of the Quonset hut and covered airplane space with Antheon Research, Inc. at Texas State Technical College Airport in Waco, and delegates its authority to the Chancellor, or his designee, to enter into and execute all necessary documents to execute said lease agreement.”

Recommended By: **[ORIGINAL SIGNED BY]**
Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer

October 13, 2020

Michael L. Reeser
Chancellor & Chief Executive Officer
3801 Campus Drive
Waco, Texas 76705

Re: **Approve the Lease of the Quonset Hut and Covered Airplane Space at the Texas State Technical College Waco Airport.**

Dear Chancellor Reeser:

As requested, I have reviewed and considered the legal ramifications of the lease agreement with Antheon Research, Inc. ("Antheon"), for approximately 14,306 square feet of space located on the airport of the Texas State Technical College (TSTC) Waco Campus.

The lease agreement in question is six (6) months in length, for which Antheon will pay TSTC \$3,993.76 in rent per month. It is believed that this lease may lead to a long-term business relationship with Antheon.

The noted space at the airport on the Waco Campus is surplus and not needed, nor anticipated to be needed in the foreseeable future by TSTC for instruction or training. Further, the lease agreement contains the appropriate insurance requirements.

Having reviewed the lease agreement in question and the Texas Education Code, it is my opinion the lease agreement with Antheon Research, Inc., and the delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and execute all necessary documents for said lease agreement comport with state law and TSTC policy.

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

Respectfully Submitted,

[ORIGINAL SIGNED BY]

Edward C. Vallejo
Associate General Counsel

cc: Rick Herrera, Vice Chancellor & Chief Student Services Officer
Ray Rushing, J.D., Vice Chancellor & Chief Legal Officer
Kevin Semien, Executive Vice President of Facilities and Maintenance



Five Year Trend Analysis High Level- Profit Centers as of 10/18/2020

			2016		2017		2018		2019		2020	
			Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Airport	Revenue	Revenue	919,849	100%	910,274	100%	856,474	100%	976,800	100%	2,004,253	100%
		Total	919,849	100%	910,274	100%	856,474	100%	976,800	100%	2,004,253	100%
	Expense	Personnel Costs	(341,638)	(37%)	(406,394)	(45%)	(392,400)	(46%)	(332,538)	(34%)	(288,074)	(14%)
		Operating Costs	(304,991)	(33%)	(333,898)	(37%)	(951,428)	(111%)	(352,898)	(36%)	(295,120)	(15%)
		Capital	(132,583)	(14%)	20,548	2%	507,770	59%			(1,283,142)	(64%)
		Total	(779,213)	(85%)	(719,744)	(79%)	(836,057)	(98%)	(685,436)	(70%)	(1,866,336)	(93%)
	Net Income (Loss)	140,636	15%	190,531	21%	20,417	2%	291,365	30%	137,917	7%	
Bookstore	Revenue	Revenue	4,487,872	100%	4,408,286	100%	4,098,704	100%	3,905,330	100%	2,658,927	100%
		Total	4,487,872	100%	4,408,286	100%	4,098,704	100%	3,905,330	100%	2,658,927	100%
	Expense	Personnel Costs	(603,234)	(13%)	(693,815)	(16%)	(780,495)	(19%)	(754,836)	(19%)	(757,222)	(28%)
		Operating Costs	(3,497,612)	(78%)	(3,843,228)	(87%)	(3,245,759)	(79%)	(3,033,170)	(78%)	(2,156,445)	(81%)
		Total	(4,100,846)	(91%)	(4,537,042)	(103%)	(4,026,254)	(98%)	(3,788,006)	(97%)	(2,913,667)	(110%)
		Net Income (Loss)	387,026	9%	(128,756)	(3%)	72,451	2%	117,324	3%	(254,741)	(10%)
	Food Service	Revenue	Revenue	1,942,637	100%	1,898,692	100%	2,151,888	100%	2,045,195	100%	1,399,827
Total			1,942,637	100%	1,898,692	100%	2,151,888	100%	2,045,195	100%	1,399,827	100%
Expense		Personnel Costs	(848,215)	(44%)	(934,097)	(49%)	(979,041)	(45%)	(880,033)	(43%)	(945,330)	(68%)
		Operating Costs	(1,117,963)	(58%)	(1,164,460)	(61%)	(1,049,973)	(49%)	(945,160)	(46%)	(737,350)	(53%)
		Capital			0	0%			(15,922)	(1%)	(43,042)	(3%)
		Total	(1,966,178)	(101%)	(2,098,557)	(111%)	(2,029,014)	(94%)	(1,841,116)	(90%)	(1,725,722)	(123%)
Net Income (Loss)		(23,541)	(1%)	(199,865)	(11%)	122,874	6%	204,080	10%	(325,895)	(23%)	
Housing	Revenue	Revenue	4,960,801	100%	5,110,085	100%	5,033,587	100%	4,974,872	100%	4,264,247	100%
		Total	4,960,801	100%	5,110,085	100%	5,033,587	100%	4,974,872	100%	4,264,247	100%
	Expense	Personnel Costs	(1,962,893)	(40%)	(1,976,215)	(39%)	(1,832,782)	(36%)	(1,785,830)	(36%)	(1,564,459)	(37%)
		Operating Costs	(2,833,898)	(57%)	(3,538,527)	(69%)	(3,364,422)	(67%)	(3,141,706)	(63%)	(2,759,469)	(65%)
		Capital	(506,433)	(10%)	(231,710)	(5%)	(212,194)	(4%)	(214,046)	(4%)	(221,743)	(5%)
		Total	(5,303,223)	(107%)	(5,746,452)	(112%)	(5,409,398)	(107%)	(5,141,582)	(103%)	(4,545,671)	(107%)
	Net Income (Loss)	(342,423)	(7%)	(636,366)	(12%)	(375,810)	(7%)	(166,710)	(3%)	(281,424)	(7%)	
Industry Relations	Revenue	Revenue	4,345,559	100%	3,554,634	100%	3,285,760	100%	3,447,812	100%	1,646,054	100%
		Total	4,345,559	100%	3,554,634	100%	3,285,760	100%	3,447,812	100%	1,646,054	100%
	Expense	Personnel Costs	(1,922,223)	(44%)	(1,915,276)	(54%)	(2,024,355)	(62%)	(1,671,806)	(48%)	(2,269,594)	(138%)
		Operating Costs	(2,162,311)	(50%)	(1,696,774)	(48%)	(1,131,850)	(34%)	(764,696)	(22%)	(895,944)	(54%)
		Capital	(143,171)	(3%)	(178,961)	(5%)	(41,131)	(1%)	(207,678)	(6%)	(376,183)	(23%)
		Total	(4,227,705)	(97%)	(3,791,012)	(107%)	(3,197,336)	(97%)	(2,644,180)	(77%)	(3,541,721)	(215%)
	Net Income (Loss)	117,855	3%	(236,377)	(7%)	88,424	3%	803,632	23%	(1,895,667)	(115%)	
Skills Engine	Revenue	Revenue	83,331	100%	160,522	100%	486,618	100%	669,874	100%	890,509	100%
		Total	83,331	100%	160,522	100%	486,618	100%	669,874	100%	890,509	100%
	Expense	Personnel Costs	(600,003)	(720%)	(960,126)	(598%)	(1,037,983)	(213%)	(1,086,420)	(162%)	(1,304,503)	(146%)
		Operating Costs	(257,407)	(309%)	(429,699)	(268%)	(475,273)	(98%)	(350,289)	(52%)	(415,548)	(47%)
		Total	(857,410)	(1029%)	(1,389,825)	(866%)	(1,513,256)	(311%)	(1,436,708)	(214%)	(1,720,050)	(193%)
	Net Income (Loss)	(774,080)	(929%)	(1,229,303)	(766%)	(1,026,638)	(211%)	(766,834)	(114%)	(829,541)	(93%)	
Grand Total		(494,526)	(3%)	(2,240,137)	(14%)	(1,098,283)	(7%)	482,856	3%	(3,449,351)	(27%)	

Workbook: Five Year Trend Analysis- Cost Centers Last Updated: 10/19/2020 9:05:41 AM, Data Source: View All GLA History (Financial)

NOTE: Waco Housing adjustment. Unit 82391 Facility Demo has been removed. This has caused a reduction in expenses of \$1.9M in Housing for FY2020.

**Texas State Technical College
Operating Budget Performance
as of August 31, 2020**

	FY 2020 Budget	FY 2020 Actual	\$ Variance	NOTE	FY 2021 Budget
Operating Revenues					
Returned Value Formula Appropriations	66,124,351	66,124,351	0		66,124,351
Special Items & Other Appropriations	23,000,122	23,000,122	0		23,169,199
Debt Service Appropriations	3,758,882	3,758,882	0		3,757,232
HEAF Appropriations	8,662,500	8,662,500	0		8,662,500
Benefits Appropriations	24,021,822	24,789,983	768,161		24,885,151
Tuition	47,281,046	43,833,112	-3,447,934	1	44,192,647
Student Financial Aid	33,148,901	31,259,869	-1,889,032		33,369,711
Auxiliary Enterprises	12,117,341	10,448,790	-1,668,551	2	10,118,700
Fees & Educational Sales	4,186,150	3,745,122	-441,028	2	3,738,936
Industry Relations	4,263,600	1,520,660	-2,742,940	2	3,314,000
Grants	5,262,518	9,739,178	4,476,660	3	9,006,112
Contracts & Other	3,882,858	3,628,124	-254,734		3,717,700
Total Operating Revenues	235,710,091	230,510,693	-5,199,398		234,056,239
Operating Carryforward / Reserves	4,310,000	-			1,914,868
Operating Expenditures					
Instruction	75,473,957	69,248,341	-6,225,616	4	75,676,647
Student Financial Aid	39,687,490	37,876,019	-1,811,471		38,529,711
Statewide Benefits	29,742,672	31,642,241	1,899,569		31,492,672
Finance	10,538,869	9,506,400	-1,032,469	4	10,756,887
Auxiliary Enterprises	10,954,519	9,597,881	-1,356,638	4	10,966,612
Enrollment Management	11,147,948	8,968,525	-2,179,423	4	11,064,571
Facilities	10,579,737	9,290,727	-1,289,010	4	9,961,314
Facilities - Transfer to Capital	3,690,836	3,690,836	0		1,832,924
Information Technology	10,140,165	8,464,661	-1,675,504	4	9,649,790
Advancement & Communications	7,085,881	6,098,049	-987,832	4	6,322,093
Statewide Administration	5,982,398	5,578,546	-403,852	4	5,847,803
Debt Service & Leases	11,570,047	11,927,569	357,522		11,964,640
Utilities & Other	7,897,049	6,706,935	-1,190,114		7,784,277
Grants	528,523	5,701,327	5,172,804	3	4,121,166
Strategic Pool (to be allocated)	5,000,000	-		5	0
Total Operating Expenditures	240,020,091	224,298,057	-15,722,034		235,971,107
Operating Budget Margin (Deficit)	-	6,212,636			-

**Texas State Technical College
Operating Budget Performance
as of August 31, 2020**

Notes:

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

- 1)** Tuition revenue was short of the original FY 20 budget, but rebounded well, given the circumstances, after the COVID-19 shutdown during the Spring semester. FY 20 tuition revenue of \$43.83 million slightly exceed FY 2019 tuition revenue of \$43.66 million.

- 2)** Supplemental revenues including Auxiliary Services, Fees and Educational Sales, and Industry Relations suffered the most from the COVID-19 disruption. Many of these programs and services were completely suspended for an extended period of time, and demand fell significantly in some cases.

- 3)** The federal CARES Grant accounts for the large budget to actual variances in both revenue and expense. TSTC was awarded \$4.98 million in direct aid for students, and an additional \$5.6 million in Institutional Aid. Of this \$10.6 million total, These grant funds are recognized as revenue and expense only after the funds are disbursed. Approximately \$5.2 million was expended in FY20, with \$4.3 million of that amount being disbursed directly to students. The remaining award funds are accounted for in the FY 2021 budget.

- 4)** All major operational divisions at TSTC implemented substantive budget cuts in April 2020 to offset college-wide revenue declines that resulted from the COVID-19 disruption to operations. Special projects were postponed, a hiring freeze was initiated, and broad reductions were made to travel and operating expenses. The result was across the board decreases in expenditures compared to the original budget, which collectively averaged a 10% reduction, or \$15 million total.

- 5)** TSTC's Strategic Pool budget, which is primarily used to fund merit-based compensation increases, is designed to be allocated to functional departments as expenses are incurred; therefore, no actual expenses are reflected in this line item. Before the COVID-19 disruption, \$2.6 million of the pool had been allocated to departments. In April 2020, management froze the remaining pool amount to offset revenue declines.

TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report

August 31, 2020

	DEPOSITS			Total Deposits	SECURITY ON DEPOSITS			Sufficient (Insufficient)
	Demand Deposits	Money Market & Time Deposits			FDIC* Coverage (up to)	Required Collateral	Collateral at Market Value	
	24,523,898	4,269,720		28,793,618	500,000	28,293,618	34,500,000	6,206,382
	89,569	-		89,569	250,000	-	845,872	1,006,303
	31,899	-		31,899	250,000	-	-	218,101
	29,586	-		29,586	250,000	-	-	220,414
	22,537	-		22,537	250,000	-	-	227,463
	17,204	-		17,204	250,000	-	-	232,796
	17,843	-		17,843	250,000	-	-	232,157
	16,943	-		16,943	250,000	-	-	233,057
	-	10,000		10,000	250,000	-	-	240,000
	-	172,368		172,368	250,000	-	-	77,632
	-	199,215		199,215	250,000	-	-	50,785
	-	10,000		10,000	250,000	-	-	240,000
	-	195,572		195,572	250,000	-	1,030,168	1,084,596
	8,784,346	-		8,784,346		No Collateral Required		
	17,397,319	-		17,397,319		No Collateral Required		
	25,111,853	-		25,111,853		No Collateral Required		
TOTAL	76,042,997	4,856,875		80,899,872				

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

First Community Bank - San Benito

First Ntl Bank - Albany/Breckenridge

Veritex Comm. Bank - N. Richland Hills

BancorpSouth Bank - Waco

Cash in State Treasury

TexasTerm (Government Pool)

TexPool (Government Pool)

TOTAL

* 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 August 31, 2020

Description	Ending Value as of 08/31/19	Beginning Value as of 05/31/20	Ending Value as of 08/31/20	Interest Rate
<u>Operating Funds</u>				
Cash in State Treasury	6,548,214	8,529,479	8,784,346	0.70%
Statewide Operating	17,959,836	10,281,192	17,146,300	0.50%
Harlingen - Local Operating	191,645	57,897	55,468	0.01%
Waco - Local Operating	40,418	17,299	15,683	0.50%
Sweetwater - Local Operating	68,421	39,484	31,899	0.25%
Marshall - Local Operating	52,712	36,028	29,586	0.10%
Fort Bend - Local Operating	41,836	21,587	34,101	0.00%
Brownwood - Local Operating	17,417	15,555	17,843	0.05%
System - Local Operating	15,788	15,939	15,800	0.50%
Abilene - Local Operating	21,494	17,196	17,204	0.20%
North Texas - Local Operating	32,013	20,156	22,537	0.20%
Breckenridge - Local Operating	15,086	16,938	16,943	0.10%
Payroll	5,994,805	5,797,504	5,984,186	0.50%
Federal Funds	10	17,268	10	0.00%
FNB Central Texas - MMKT	2,017,826	2,037,117	2,039,686	0.50%
FNB Central Texas - CD	500,825	1,434,977	1,946,473	0.96%
Compass Bank - CD	918,343	-	-	0.00%
FNB Albany/Breckenridge - CD	100,000	100,000	100,000	1.00%
First Community Bank - CD	40,121	172,368	172,368	0.60%
BancorpSouth Bank - CD	505,042	509,859	-	0.00%
Texas Regional Bank - CD	132,200	-	-	0.00%
TexasTerm - Pool	12,235,363	17,388,467	17,397,319	0.16%
Total Operating Funds	47,449,415	46,526,310	53,827,752	
<u>Endowment Funds</u>				
Bank of America - CD	10,000	10,000	10,000	0.01%
Compass Bank - CD	195,572	-	-	0.00%
FNB Albany/Breckenridge - CD	99,215	99,215	99,215	0.75%
FNB Central Texas - MMKT	280,523	283,204	283,561	0.50%
BancorpSouth Bank - CD	-	195,572	195,572	1.85%
Liberty/Veritex Community Bank - CD	10,000	10,000	10,000	2.62%
Total Endowment Funds	595,310	597,991	598,348	
<u>Bond Proceeds</u>				
FNB Central Texas	1,710,221	1,492,349	1,361,919	0.50%
TexasTerm	319,064	120,707	-	0.00%
TexPool	777,916	659,793	25,111,853	0.18%
Total Bond Proceeds	2,807,201	2,272,849	26,473,772	
Total All Investments	50,851,926	49,397,150	80,899,872	

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of August 31, 2020

Schedule of Time Deposits:

Description	Amount	Maturity Date	Days Maturity	Rate	Type
Veritex Community Bank	10,000	9/7/2020	731	2.62%	Endowment
BancorpSouth Bank	195,572	12/5/2020	365	1.85%	Endowment
FNB - Albany/Breckenridge	65,000	4/5/2021	365	0.75%	Endowment
FNB - Albany/Breckenridge	100,000	4/13/2021	365	1.00%	Operating
FNB - Albany/Breckenridge	34,215	4/13/2021	365	0.75%	Endowment
FNB Central Texas	934,152	4/14/2021	365	1.25%	Operating
FNB Central Texas	250,825	5/24/2021	365	1.25%	Operating
First Community Bank	40,121	6/18/2021	215	0.60%	Operating
First Community Bank	132,247	6/20/2021	276	0.60%	Operating
FNB Central Texas	261,496	7/6/2021	365	1.00%	Operating
FNB Central Texas	250,000	7/27/2021	365	0.65%	Operating
FNB Central Texas	250,000	8/7/2021	365	0.65%	Operating
Bank of America	10,000	8/10/2021	365	0.01%	Endowment
Total Time Deposits	2,533,628				

Weighted Average Maturity (Time Deposits): 359 days

Weighted Average Rate of Interest (All Investments): 0.14%

Current One Year Treasury Bill Rate: 0.12%

Lipper Money Market Funds Average Return (1 YR): 0.65%

FY 2020 Interest Received and Accrued (All Investments): \$706,104

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).

[ORIGINAL SIGNED BY]

 Anju Motwani, Vice President & Controller

October 12, 2020

 Date

[ORIGINAL SIGNED BY]

 Jonathan Hoekstra, Chief Financial Officer

October 12, 2020

 Date

October 6, 2020

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

SUBJECT: Semi-annual Report Certifying Debt Management Policy Compliance

Regents:

As detailed in Texas State Technical College *Statewide Operating Standard FA 2.4, Policy for Debt Management*, it is the policy of the College to use debt to finance capital projects needed to achieve its strategic objectives. The College will ensure that prudent practices are in place to maintain financial stability, minimize interest costs, and preserve future financial flexibility. Additionally, a semi-annual report from the Office of Accounting & Reporting is to be provided to the Board of Regents certifying compliance with the policy.

Accordingly, I hereby certify that the College currently complies with *SOS FA 2.4, Policy for Debt Management*, and with all bond covenants. Further, I have verified that current and projected revenues are sufficient to fund debt service, as of August 31, 2020. Details of outstanding principal balances, current debt service due, and the sources of debt service funding have been provided to the Committee for Fiscal Affairs.

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

Respectfully submitted,

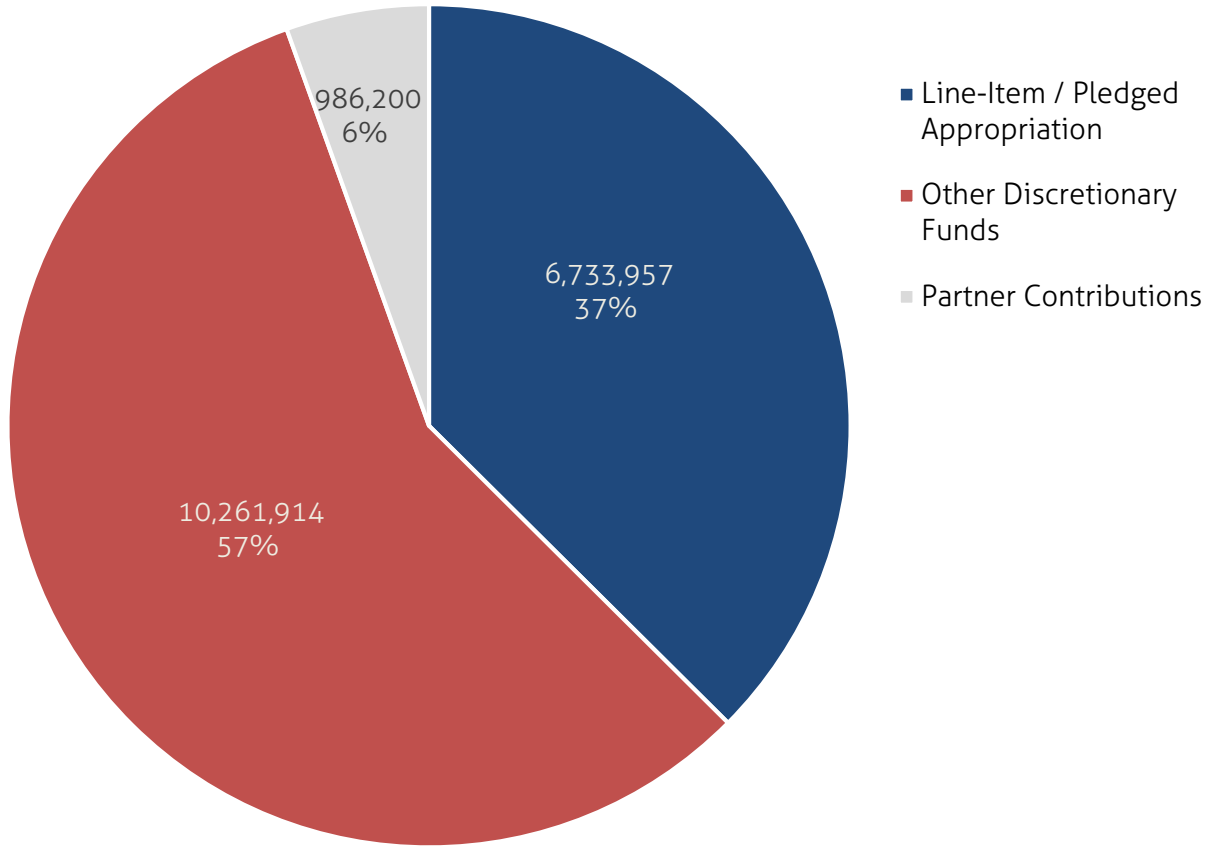
[ORIGINAL SIGNED BY]

Jonathan Hoekstra, MBA, CPA
Vice Chancellor &
Chief Financial Officer

[ORIGINAL SIGNED BY]

Chad Wooten, CPA
Associate Vice Chancellor, Finance

**Texas State Technical College
Sources of Debt Service Funding for FY 2021**



<u>Bonds</u>	<u>FY 2021 Debt Service</u>	<u>Source of Funding</u>
RFS Series 2008A Bonds, Taxable (Clean Energy)	72,500	other discretionary funds
		line-item appropriation (35%)
RFS Series 2011 Bonds (Tuition / Local Revenue)	2,199,582	partner contributions (45%)
		other discretionary funds (20%)
RFS Series 2011A Bonds (Local Revenue)	365,788	other discretionary funds
Constitutional Appropriation Series 2016 Bonds (HEAF)	2,976,725	pledged appropriation
RFS Series 2016 Bonds (Tuition / Local Revenue)	5,236,381	line-item appropriation (57%)
		other discretionary funds (43%)
RFS Series 2020 Bond (Local Revenue)	628,283	other discretionary funds
Texas Public Finance Authority Lease Purchases	3,689,968	other discretionary funds
Other Lease Purchases	1,839,539	other discretionary funds
State Energy Conservation Office (SECO) Loans	819,585	other discretionary funds
Governor's Office Loan (Hangar - Waco)	153,720	other discretionary funds
TOTAL:	\$ 17,982,071	

**Texas State Technical College
Summary of Outstanding Debt as of 8/31/20**

	Outstanding Principal	Interest Rate	Maturity Date
Bonds			
RFS Series 2008A Bonds, Taxable (Clean Energy)	142,857	1.00%	December 2021
RFS Series 2011 Bonds (Tuition / Local Revenue)	17,045,000	3.75% - 5.00%	August 2036
RFS Series 2011A Bonds (Local Revenue)	3,320,000	3.00% - 4.00%	August 2031
Constitutional Appropriation Series 2016 Bonds (HEAF)	15,560,000	4.00% - 5.00%	October 2025
RFS Series 2016 Bonds (Tuition / Local Revenue)	50,835,000	2.00% - 5.00%	October 2035
RFS Series 2020 Bond (Local Revenue)	<u>30,000,000</u>	2.53%	August 2036
Total Bonds	<u>116,902,857</u>		
Lease Purchases			
TSTC Foundation, 2003 (Housing - Marshall)	739,628	3.75%	October 2023
TSTC Foundation, 2018 (ITC - Fort Bend)	4,943,187	3.00%	September 2025
TSTC Foundation, 2020 (Housing - Waco)	1,100,850	3.75%	August 2046
TSTC Foundation, 2019 (GMC Yukon)	30,979	4.95%	May 2023
TSTC Foundation, 2017 (Ford F-150)	3,709	4.50%	January 2021
TSTC Foundation, 2018 (Ford Expedition)	29,200	4.50%	March 2022
Dell Financial Services, 2018 (Computer Equipment)	491,704	7.06%	September 2022
Texas Public Finance Authority (402 leases)	<u>6,834,537</u>	various	various through 2026
Total Lease Purchases	<u>14,173,794</u>		
State Energy Conservation Office (SECO) Loans			
2010 - Waco	2,177,144	2.00%	August 2024
2011 - Harlingen	<u>561,539</u>	3.00%	February 2023
Total SECO Loans	<u>2,738,682</u>		
Governor's Office Loan (Hangar - Waco)	1,120,000	5.50%	January 2030
Total Outstanding Debt:	<u>\$ 134,935,334</u>		

Total Outstanding Debt as of August 31:

2016	129,785,251
2017	125,791,712
2018	126,189,894
2019	116,149,484
2020	134,935,334

TSTC Bond Ratings as of 8/31/20

TSTC Bond Series	Fitch	S&P	Moody's	Rating Description	
2016 HEAF	AAA	AAA	Aaa	Investment Grade	Prime
	AA+	AA+	Aa1		High Grade
	AA	AA	Aa2		
AA-	AA-	Aa3			
2009, 2011 2011A, 2016 RFS bonds	A+	A+	A1		Upper Medium Grade
	A	A	A2		
	A-	A-	A3		
	BBB+	BBB+	Baa1	Lower Medium Grade	
	BBB	BBB	Baa2		
	BBB-	BBB-	Baa3		
	BB+	BB+	Ba1	Below Investment Grade (Speculative)	Below Investment Grade / Speculative
	BB	BB	Ba2		
	BB-	BB-	Ba3		
	B+	B+	B1		Highly Speculative
	B	B	B2		
	B-	B-	B3		
	CCC+	CCC+	Caa1		Substantial Risks / Extremely Speculative
	CCC	CCC	Caa2		
	CCC-	CCC-	Caa3		
	CC	CC	Ca	Default Imminent	
	C	C			
	DDD	SD	C		
	DD	D		In Default	

Rating Outlook Summary:

2016 HEAF Bonds: Rated on the credit of the State of Texas, as debt service funds are appropriated by the state's constitution. Outlook from both Fitch and Moody's is **STABLE**.

Revenue Financing System (RFS) Bonds: . Moody's and S&P rate all four issuances of RFS bonds; Fitch rates Series 2016 only. Outlook from all three agencies is **STABLE**.

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Keith Honey, Chair; Ron Widup, Member

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Ray Fried

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Ray Fried





Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 44-20(c)

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

Subject: **Accept the Project to Renovate the Exterior of the ACT Building at Texas State Technical College in Waco**

Background: By MO 40-20 (c) The Texas State Technical College Board of Regents approved the project and budget to renovate the ACT Building on the Waco Campus which houses the HVAC Technology Program. The building exterior is being renovated to meet the standards of quality for the Waco Campus.

Justification: The project will be completed by the contractor in accordance with the contract documents.

Additional Information: The project is scheduled to be completed in December of 2020.

Action Schedule:

Approve Project and Budget	MO 40-20(c)
Accept Project	MO 44-20(c)

Fiscal Implications: Funds are available as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: "The Texas State Technical College Board of Regents authorizes the Chancellor, or his designee, to accept the project for the exterior renovation of the ACT Building at Texas State Technical College in Waco upon final completion."

Recommended By:

[ORIGINAL SIGNED BY]
Raymond D. Fried, Associate Vice Chancellor Facilities Planning and Construction



Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 45-20(c)

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

Subject: **Accept the Project to Expand the Industrial Technology Center for Welding Technology at Texas State Technical College in Ft. Bend County**

Background: By MO 05-20(c) the Texas State Technical College Board of Regents approved the project and budget to expand the Industrial Technology Center (ITC) for welding technology at the Ft. Bend Campus. The expansion increased the capacity by adding an additional 80 welding booths.

Justification: The project will be completed by the contractor in accordance with the contract documents.

Additional Information: The project budget was increased from \$6,000,000 to \$6,250,000 to add a Commercial Driver’s License (CDL) course at the Ft. Bend Campus. The CDL license adds a valuable skillset and credential to the Electrical Lineworker Technology graduates.

Action Schedule:

Approve Concept	MO 45-19(c)
Approve Project and Budget	MO 05-20(c)
Accept Phase One Electrical Lineworker Facility	MO 36-20(c)
Accept Phase Two ITC Welding Expansion	MO 45-20(c)

Fiscal Implications: Funds available as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: “The Texas State Technical College Board of Regents authorizes the Chancellor, or designee, to accept the project for the construction of the expansion of the Industrial Technology Center for Welding Technology at Texas State Technical College in Ft. Bend County upon final completion.”

Recommended By:

[ORIGINAL SIGNED BY]
Raymond D. Fried, Associate Vice Chancellor Facilities Planning and Construction



Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 46-20(c)

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

Subject: **Approve the Amended Project Scope and Budget to Renovate the Industrial Technology Center at Texas State Technical College in Waco**

Background: The project scope and budget for the Industrial Technology Center (ITC) demolition and renovation project were developed pre-COVID-19 to house the administrative staff being displaced by the abatement and demolition project and the Precision Machining Technology program located in the west end of the ITC building.

Operating under the New TSTC will alter future facility needs which has caused a change in the design and construction of this space. It is prudent to cease the construction of administrative offices until the needs of the New TSTC can be more accurately defined.

Justification: Renovation of the Precision Machining Technology lab was included in the original ITC project. Moving forward with the construction of this renovation will provide a Performance Based Education (PBE) lab by creating open flexible space with embedded faculty offices, success coach office and computer lab.

Additional Information: The cost for the original design and pre-construction services totals \$496,800. The budget for the PMT PBE renovation is \$1,653,200 for a total amended project budget of \$2,150,000.

The abatement and demolition of the west end of ITC will be funded from the abatement and demolition special appropriation and is not included in the renovation project budget.

Action Schedule:

Approve Project Concept	MO 09-20(c)
Approve Project, Budget and Contract > \$1M	MO 22-20(c)
Approve Amended Project Scope and Budget	MO 46-20(c)

Fiscal Implications: Funds available as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the amended project scope and budget for the renovation of the Industrial Technology Center at Texas State Technical College in Waco."

Recommended By:

[ORIGINAL SIGNED BY]

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



Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 47-20(c)

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

Subject: **Approve the Project and Budget for the Campus Wide Drainage Improvement Project at Texas State Technical College in Waco**

Background: The majority of the existing water drainage system at Texas State Technical College in Waco was built as part of the original air force base. Due to multiple changes in the configuration of the Waco Campus, the system is no longer adequate. The campus floods when it rains creating a safety and maintenance issue and it imposes challenges when designing new facilities.

Walker Partners has completed a comprehensive site drainage study identifying ten projects totaling \$4,163,000 that will improve the drainage on the Waco Campus. The highest priority project is north of Griffith Hall which will divert water to Airline Drive along 8th street.

The balance of the drainage project may be completed in a series of smaller sub projects.

Justification: Constructing the site drainage improvement projects will help to eliminate flooding over roads and will improve the safety and appearance of the campus by eliminating some intrusive open cut ditches.

Additional Information: The highest priority project has a budget of \$688,000 and will be funded by the special appropriations Abate and Demolition project approved by MO 38-19(c).

In addition, site drainage improvements will be included in the reclamation plan of the demolished pre-1965 houses and will be included in the Abatement and Demolition Project which was approved by MO 38-19(c).

Additional projects will be added as funds become available.

Action Schedule: Approve Project and Budget MO 47-20(c)

Fiscal Implications: Funds to be budgeted as available.

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

Attachment(s): None.

**Recommended
Minute Order:**

“The Texas State Technical College Board of Regents approves the project and budget for the campus wide drainage improvements project at Texas State Technical College in Waco and authorizes the Chancellor, or designee, to execute contracts for the design and performance of the work.”

Recommended By:

[ORIGINAL SIGNED BY]

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



Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 48-20(c)

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

Subject: **Approve the Project and Budget to Renovate the Residential Heating Ventilation and Air-conditioning Lab at Texas State Technical College in Harlingen**

Background: By Minute Order 39-20(c) the Board of Regents approved the amended project budget and scope for the renovation of the HVAC labs in building 20HI. The MO deferred the residential heating ventilation and air-conditioning (HVAC) lab to a later date.

Justification: The commercial HVAC lab will be completed in February 2021 and will be used to teach the residential HVAC courses for the spring and summer 2021 semesters, therefore, opening a timeframe to renovate the residential HVAC lab. Renovation of the lab will prepare the facility for Performance Based Education (PBE).

Additional Information: The project will be completed for occupancy in the Fall of 2021. The project budget is \$600,000.

Action Schedule: Approval of Project and Budget MO 48-20(c)

Fiscal Implications: Funds as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: “The Texas State Technical College Board of Regents approves the project and budget to renovate the residential heating ventilation and air-conditioning lab at Texas State Technical College in Harlingen and authorizes the Chancellor or designee to execute contracts for the construction of the project.”

Recommended By: [ORIGINAL SIGNED BY]
Raymond D. Fried, Associate Vice Chancellor Facilities Planning and Construction

Major Projects Report
November 2020

#	Project Name	Campus	Managing Campus	Delivery Method	Fund Source	Cost Allocation	Required Approvals	% Complete
1	Rework and Replace Paving on Sweetwater Campus	Sweetwater	Sweetwater	RFQ / RFP	HEAF Bond \$ 40,000 HEAF Bond \$ 460,000 Total Funds \$ 500,000	Engineering / Design \$ 40,000 Construction Cost \$ 460,000 Total Budget \$ 500,000	Approve Concept MO 07-17(c) Approve Project and Budget MO 18-19(c) Pause Project 7/22/2020 Project Complete PAUSE	10%
2	Abate and Demo Airbase Buildings on Waco Campus	Waco	Waco	RFQ / RFP	Appropriations \$ 29,644,640 Total Funds \$ 29,644,640	Contracted and Obligated to date \$ 9,531,000 Owners Reserve (Balance) \$ 20,113,640 Total Budget \$ 29,644,640	Approve Concept MO 14-19(c) Approve A/E Contract < \$1M EA 29-19 Approve Project and Budget MO 38-19(c) Approve Abatement and Demo MO 08-20(c) Complete Project August 2025	10%
3	Renovate Building 20HI HVAC Lab in Harlingen	Harlingen	Harlingen	IDIQ / RFP	Local Funds \$ 580,000 Additional Funds \$ 700,000 Total Funds \$ 1,280,000	A/E Design \$ 46,051 Construction Cost \$ 533,949 Additional Budget Required \$ 700,000 Total Budget \$ 1,280,000	Approve Project and Budget MO 17-19(c) Approve Amended Budget MO 39-20(c) Completion Date February 2021	75%
4	Ft Bend ITC Welding/ Diesel and Electrical Line Worker Technology	Ft Bend	Fort Bend	CMR	Appropriations / Gifts / \$ 6,250,000 Total \$ 6,250,000	A/E Design \$ 397,700 Construction Costs \$ 5,370,000 Owner Costs \$ 482,300 Total Budget \$ 6,250,000	Approve Project Concept MO 45-19(c) Approve Project, Budget and Contract > \$1M MO 05-20(c) Accept Lineworker Project MO 36-20(c) Accept Welding Expansion MO 45-20(c) Complete Welding November 2020	98%
5	Renovate the West End of the ITC Building in Waco	Waco	Waco	CMR	Bonds and Appropriations \$ 2,150,000 Total \$ 2,150,000	A/E Original Scope \$ 476,800 Contractors PreCon Services \$ 20,000 A/E Services Amended Scope \$ 143,500 Construction Contract Amended Scope \$ 1,440,000 Owners Cost \$ 69,700 Total Budget \$ 2,150,000	Approve Project Concept MO 09-20(c) Approve Project, Budget and Contract > \$1M MO 22-20(c) Approve Amend Project Scope and Budget MO 46-20(c) Complete Project Fall 2021	23%
6	Renovate Exterior of ACT Building	Waco	Waco	Bid	Appropriations \$ 510,000 Total \$ 510,000	A/E Design \$ 13,800 Construction Budget \$ 483,880 Owners Cost \$ 12,320 Total Budget \$ 510,000	Approve Project and Budget MO 40-20(c) Accept Project MO 44-20(c) Complete Project December 2020	95%
7	Campus Wide Drainage Project	Waco	Waco	Competitive Sealed Proposal	TBD Total Funds \$ 4,163,000 Appropriations \$ 600,000 Total \$ 4,163,000	Engineering Design \$ 442,000 Construction Costs \$ 3,678,000 Owner Costs \$ 43,000 Total Budget \$ 4,163,000	Approve Project and Budget MO 47-20(c) Complete 2A Project Fall 2021	0%
8	Renovate Residential HVAC Lab for PBE	Harlingen	Harlingen	CMR	Appropriations \$ 600,000 Total \$ 600,000	A/E Design \$ - Construction Budget \$ 550,000 Owners Cost \$ 50,000 Total Budget \$ 600,000	Approve Project and Budget MO 48-20(c) Complete Project August 2021	0%

TSTC Statewide Maintenance and Deferred Maintenance for FY 21

CAMPUS	TOTAL MAINTENANCE	MAINTENANCE BUDGETED	DEFERRED MAINTENANCE
HARLINGEN	\$755,200	\$150,494	\$604,706
WEST TEXAS	\$2,469,000	\$546,300	\$1,922,700
MARSHALL	\$125,000	\$33,030	\$91,970
FORT BEND	\$109,000	\$51,300	\$57,700
NORTH TEXAS	\$75,000	\$27,000	\$48,000
WACO	\$707,140	\$297,900	\$409,240
Totals	\$4,240,340	\$1,106,024	\$3,134,316

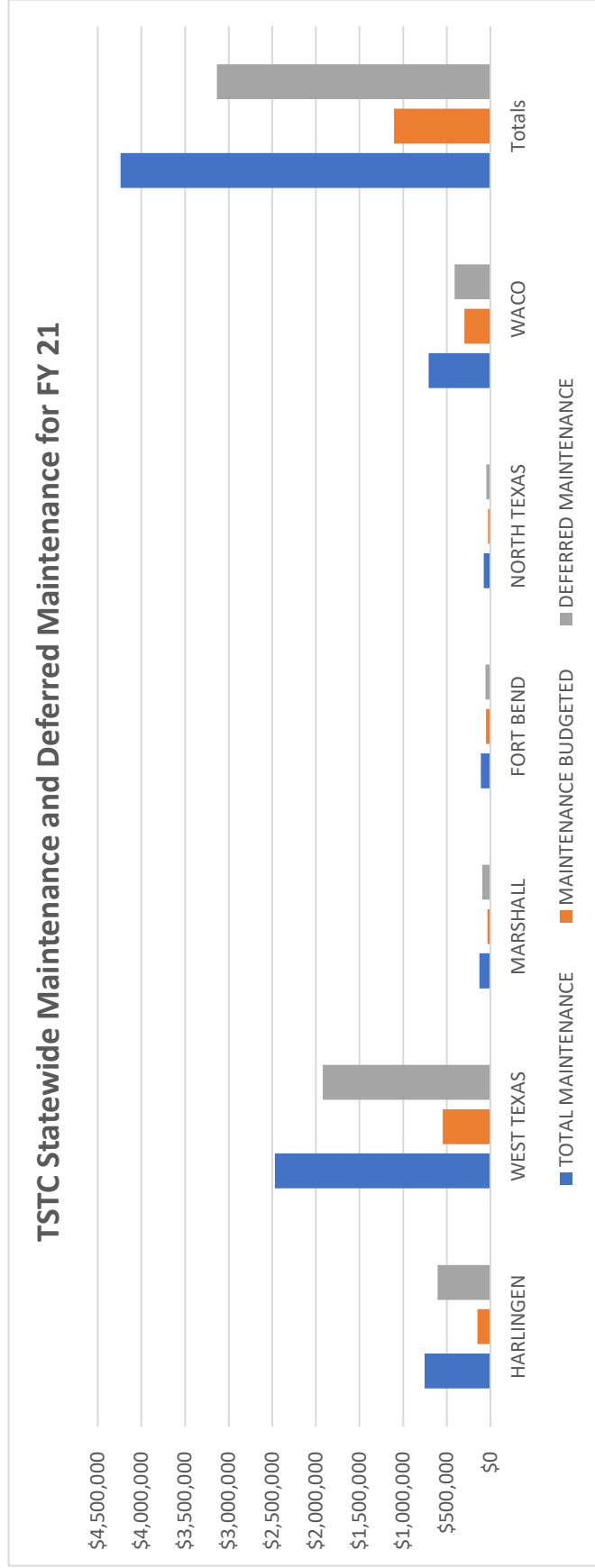


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Committee for General Administration
Pat McDonald, Chair; Tony Abad, Member

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Proposed MO#

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Gail Lawrence

Reports:

Legislative Report.....Oral
Roger Miller





Board Meeting Date: November 12, 2020 **Proposed Minute Order #:** 49-20(c)

Proposed By: Gail Lawrence, Executive Vice Chancellor & Chief of Staff

Subject: **Approve The TSTC Foundation Operating Plan for the Period September 1, 2020 to August 31, 2021**

Background: The TSTC Foundation, chartered for the sole purpose of assisting Texas State Technical College (TSTC) and its students, seeks the approval of its operating plan for Fiscal Year 2021. The TSTC Foundation and TSTC administration have reviewed and recommend approval of the plan.

Justification: The special provisions relating only to components of Texas State Technical College in the General Appropriations Act, approved by the Texas Legislature biennially, contain the provision that the TSTC Board of Regents must approve a satisfactory annual operating plan for a foundation that uses any of the College's assets or facilities.

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): The TSTC Foundation Annual Operating Plan September 1, 2020 – August 31, 2021.

Recommended Minute Order: "The Texas State Technical College Board of Regents approves The TSTC Foundation Operating Plan for the period September 1, 2020 to August 31, 2021."

Recommended By: [ORIGINAL SIGNED BY]
Gail Lawrence, Executive Vice Chancellor & Chief of Staff

TEXAS STATE TECHNICAL COLLEGE

THE TSTC FOUNDATION

And

ADVANCEMENT

Annual Operating Plan 2020-2021

TEXAS STATE TECHNICAL COLLEGE
THE TSTC FOUNDATION *and*
ADVANCEMENT
Annual Operating Plan 2020-2021

Introduction

The TSTC Foundation was created to be independent of the TSTC state organization to accomplish a number of objectives that could not be done otherwise. Among other things, when individuals or business organizations wish to contribute money or other resources to TSTC, The Foundation can accept the gift and offer a tax deduction. Additionally, The TSTC Foundation can assist TSTC by providing funding for scholarships and other important purposes, investing gifts and donations, building relationships and collaborating with individuals and outside entities, and by providing financing arrangements for capital purposes.

The TSTC Foundation, created in 2000, is recognized by the United States Internal Revenue Service as a 501(c)3 non-profit organization, and is purposed to “promote the interests and general welfare of all components of the Texas State Technical College System, to encourage the development of community support for technical education across Texas; to contact legislators and other governmental agencies in support of TSTC’s role and mission; to influence public opinion in support of technical education in general and Texas State Technical College in particular.”

The relationship between The TSTC College and The TSTC Foundation is specified in writing in the form of a mutually-approved operating agreement. In this agreement, The Foundation agrees to provide support to the College in accordance with the provisions of its Articles of Incorporation, Charter and Bylaws. This includes, but is not limited to, raising, receiving, acknowledging, investing, accounting for and administering funds for the College to use for operational and educational purposes, as well as for legislative support.

With a unique, meaningful market offering and several markets available to it, The TSTC Foundation has high potential for producing significant funds for TSTC and its students. The key to realizing this potential is through disciplined execution of a few key, conventional strategies and investment in the effort.

Role of Advancement/The TSTC Foundation

Advancement is the strategic, integrated method of managing relationships to increase understanding and support among an educational institution’s key constituents, including alumni and friends, government policy makers, the media, members of the community and philanthropic entities of all types.

The primary core disciplines of educational advancement are alumni relations, communications, marketing and fundraising. Advancement professionals work on behalf of educational institutions to:

1. Secure private financial support from potential donors committed to the mission of the institution.
2. Engage alumni in the life of the institution as volunteers, advocates and supporters.
3. Promote or market the institution to prospective students, their parents and others.
4. Communicate about the institution with those who have a stake in its success, including community members, business leaders, government officials, the press and others.

The departments within Advancement at TSTC are:

1. Advancement Operations – event management, donor relations and stewardship, gift processing and accounting, alumni network, scholarship management and administration, database management and research.
2. Field Development – the process of gathering voluntary contributions of capital, cash or in-kind gifts from individuals, businesses, industry partners or charitable foundations.
3. Sponsored Programs - provides research administration support to serve TSTC and to enhance education through acquisition/administration of funds from sources outside the institution (grants, contracts, and other agreements from agencies, foundations, and private industry).

Goals for 2020-2021

Increase cash gifts by 5%.

Recover 10% of all lapsed donors.

Increase donor retention by 2%.

Strategies for 2020-2021

Advancement Operations:

1. Event Management
 - a. Grow the use of the TSTC Event Team through increased use of the Connally Conference & Meeting Center as well as through virtual events hosted for all departments to increase awareness of TSTC and The TSTC Foundation.

- b. Work closely with Field Development and Stewardship & Donor Relations to coordinate donor relations events in each region, both virtually and in person, on a monthly basis.
 - c. Continue high level of event management support, both in person and virtually, to the Chancellor's office, the TSTC Board of Regents meetings, Legislative Affairs and The TSTC Foundation's Board of Directors meetings.
2. Stewardship and Donor Relations
 - a. Develop and launch donor engagement plans for top tier donors through virtual events locally and statewide.
 - b. Manage and oversee the completion of the Fort Bend County donor recognition installation project.
 - c. Develop and launch individual named and endowed scholarship reports that aim to demonstrate the impact of gifts.
 - d. Continue to build publicity effort for new gifts statewide by developing story pipeline to include student scholarship recipient highlights.
 - e. Develop and launch student thank you video initiative as a standard donor thank you process.
 - f. Develop and implement an improved scholarship distribution and management plan.
 - g. Develop a digital conversion plan for all scholarship agreements.
 - h. Develop and implement a tracking system for private and corporate foundation grant administration.
 3. Alumni Network
 - a. Launch Alumni Legacy Scholarship campaign for the purposes of converting alumni to donors.
 - b. Continue sending alumni e-newsletter for the purposes of engaging and educating alumni.
 4. Database Management and Prospect Research
 - a. In collaboration with Field Development, complete a full contact profile including email address on all donors on respective portfolios and import into the Raiser's Edge.
 - b. Conduct quarterly updates in the Raiser's Edge database with address moves, deceased, and duplicate record clean up.
 - c. Proactively code constituent records appropriately for development of strategic reporting.
 - d. Implement mass solicitation program aimed at lower level giving with the primary purpose to increase number of annual donors.
 - e. Conduct quarterly data hygiene research and application to maintain a high standard of data integrity within the Raiser's Edge database.

Field Development:

1. Convert tracking and accountability procedures into the Raiser's Edge database.
2. Launch a tiered Annual Corporate Giving Campaign.
3. Implement mass solicitation campaign targeting alumni and lapsed donors.
4. Increase gifts from private foundations through staff and board member cultivation and collaboration with Office of Sponsored Programs.
5. Work closely with campus provost to maintain visibility and presence in local community through attendance at strategic and appropriate events that will increase TSTC brand.

Office of Sponsored Programs:

1. Continue proposal development team training, moving more specifically into EDA funding for brick and mortar projects, increased NSF funding and intentional alignment of proposal opportunity review in the context of the college's evolving strategic plans.
2. Continue to build the private and corporate foundation funding portfolio in support of the college's strategic initiatives and field development fundraising goals.

Conclusion

This presents The TSTC Foundation's operational plan for fiscal year 2021 in accordance with the operational agreement between TSTC and The TSTC Foundation. This operational plan is written to directly support the purpose of promoting the interests and welfare of Texas State Technical College, and to develop community and legislative support by raising and managing private resources supporting the mission and priorities of the College and to provide a margin of institutional excellence unavailable with state funds.

Texas State Technical College Board of Regents

Meeting Dates for Calendar Year 2021

Event	Date	Venue
Annual Board Retreat	Wednesday, February 10, 2021	TSTC in Waco
Winter Meeting	Thursday, February 11, 2021	TSTC in Waco
Spring Meeting	Thursday, May 12, 2021	TSTC in Waco
Summer Meetings	Wednesday, August 18, 2021 Thursday, August 19, 2021	TSTC in Waco
Fall Meeting	Thursday, November 10, 2021	TSTC in Waco