

Board of Regents Meeting

August 8-9, 2018
Waco, Texas



OFFICE OF THE CHANCELLOR

3801 Campus Drive
Waco, Texas 76705

254-867-4891
254-867-3960

July 24, 2018

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

RE: *Action Items for the Board of Regents' Meeting on August 8-9, 2018*

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the August 8-9, 2018 meetings. These materials have been reviewed and approved by the appropriate staff members as indicated.

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

Sincerely,



Michael L. Reeser
Chancellor & CEO

/mjj

Attachments

August 1, 2018

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

SUBJECT: *Quarterly Control & Compliance Attestation*

Regents:

This letter is a component of the reports produced by the College concurrent with every quarterly Board meeting. I understand that you and the Board of Regents rely on these various reports to assist with your governance responsibilities, specifically including, but not limited to, your responsibilities to the Governor's Office, Legislative Budget Board, and the Texas Higher Education Coordinating Board.

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

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

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

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

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

3. I have maintained adequate internal control over financial reporting, effective and efficient operations, and regulatory compliance within my areas of operating responsibility as of June 30, 2018 based on criteria established by prudent risk management practices.
4. There have been no changes in internal control that might negatively affect the effectiveness of such controls, including any corrective actions taken with regard to related deficiencies and weaknesses previously identified. I have resolved, or am currently in the process of resolving, all such issues identified and communicated to me during previous audits (internal or external).
5. All material transactions have been communicated to the Chief Financial Officer for recording and disclosure in the financial statements and/or Board reports.
6. The following, to the extent applicable, have been appropriately identified and communicated for proper recording and disclosure:
 - a. Related-party transactions associated with vendor relationships; and
 - b. Significant contractual obligations, or other contingent liabilities.
7. Violations or possible violations of laws or regulations whose effects should be considered for disclosure due to their level of impact have been communicated to you, our General Counsel, the Internal Audit Director, or the Audit Committee.
8. The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
9. Other than those previously disclosed, no events have occurred subsequent to June 30, 2018 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

Wednesday, August 8, 2018

When	What	Where	Dress	Who
12:00 p.m.	Lunch	Houston Room <i>Transportation Provided departing Hilton Waco</i>	Business Casual	Regents, Leadership Team, & invited guest(s)
1:00 p.m.	Budget Meeting	Austin Room	Business Casual	Regents, Leadership Team, & invited guest(s)
3:00 p.m..	Ad Hoc Committee Meeting	Crockett Room <i>Transportation Provided Following Meeting</i>	Business Casual	Chairman Hatchel, Regents Honey, Skinner, Andarza; Mike Reeser & Jonathan Hoekstra
6:00 p.m.	Reception	Houston Room <i>Transportation Provided departing Hilton Waco</i>	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)
6:30 p.m.	Dinner	Houston Room	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)
7:30 p.m.	Special Meeting	Houston Room <i>Transportation Provided Following Meeting</i>	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)

Thursday, August 9, 2018

When	What	Where	Dress	Who
8:00 a.m.	Breakfast	Houston Room <i>Transportation Provided departing Hilton Waco</i>	Business Casual	Regents, Leadership Team, & invited guest(s)
9:00 a.m.	Student Learning Working Group Meeting	Mike Reeser's Conference Room	Business Casual	Regent Abad (Chair), Jeff Kilgore & invited guest(s)
	Strategic Relations Working Group Meeting	Goliad Conference Room	Business Casual	Regent Cleveland (Chair), Ray Rushing, Gail Lawrence, Roger Miller, & invited guest(s)
	Audit Working Group Meeting	Gonzales Conference Room	Business Casual	Regent Andarza (Chair), Jason Mallory, & invited guest(s)
	Facilities Working Group Meeting	Gail Lawrence's Conference Room	Business Casual	Regent Skinner (Chair), Rick Herrera, Ray Fried, & invited guest(s)
	Fiscal Affairs Working Group Meeting	Jonathan Hoekstra's Conference Room	Business Casual	Regent Honey (Chair), Jonathan Hoekstra & invited guest(s)
10:30 a.m.	Audit Committee Meeting	Austin Room	Business Casual	Regents, Leadership Team, Guest(s), & public citizens
11:30 a.m.	Lunch	Houston Room	Business Casual	Regents, Leadership Team & Guest(s)
12:30 p.m.	The Board of Regents Meeting	Austin Room <i>Transportation Provided Following Meeting</i>	Business Casual	Regents, Leadership Team, Guest(s), & public citizens (closed-captioned & web-broadcast)

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



JOHN B. CONNALLY TECHNOLOGY CENTER

* Yellow box indicates reserved parking area for Regents.

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

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



For more information about
reserving your space today,
contact **Cory Childs** at
cory.childs@tstc.edu or
call **254-867-3897**.

TEXAS STATE TECHNICAL COLLEGE

**Board of Regents Meeting
Special Meeting**

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

Wednesday, August 8, 2018

7:30 p.m.

AGENDA

- I. Meeting Called to Order**
- II. Determination of Quorum**
- III. Resolution for Retiring Regent**
- VI. 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.

TEXAS STATE TECHNICAL COLLEGE

Board of Regents Meeting

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

Thursday, August 9, 2018

12:30 p.m.

AGENDA

- I. Meeting Called to Order**
- II. Invocation**
- III. Determination of Quorum**
- IV. Adoption of Agenda**
- V. Approval of Minutes of May 9 & 10, 2018 Meetings**
- VI. Approval of Minutes of June 4, 2018 Executive Committee Meeting**
- VII. Recognition of Guests**
- VIII. Chancellor's Comments**
- IX. Committee Reports & Minute Orders**

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

Committee Chair 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. Lunch will be at approximately noon.

Minute Orders:

Proposed MO#

None

Reports:

1. TSTC Board of Regents Honor Graduates Spring 201831
Jeff Kilgore
-

b. Committee for Strategic Relations
Curtis Cleveland, Chair

Committee Chair Comments

Minute Orders:

Proposed MO#

None

Reports:

1. Board Self-Assessment Process
Ray Rushing - Oral Report
-

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

Committee Chair Comments

Minute Orders:

Proposed MO#

- 10-18(c) TSTC Waco Water Project Acceptance36
- 11-18(c) TSTC Harlingen Engineering Center Phase II Acceptance37

Reports:

1. Major Facility Projects Status Update40
Ray Fried

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. Lunch will be at approximately noon.

d. **Audit Committee**

Ivan Andarza, Chair="Crgz"O gcf g."O go dgt

Committee Chair Comments

Minute Orders:

Proposed MO#

12-18(c) Revision of Proposed Audit Plan for Fiscal Year 2018 A-3

13-18(c) Proposed Audit Plan for Fiscal Year 2019 A-4

Reports:

1. Status of Fiscal Year 2018 Audit Schedule & Other Projects A-14

Jason Mallory

2. Summary of Audit Reports A-17

Jason Mallory

3. Follow-up Scheduled & Status A-25

Jason Mallory

4. PCI Compliance Audit A-37

Jason Mallory

5. Marshall: Internal Network Penetration Test..... A-45

Jason Mallory

6. Safety & Security Audit A-51

Jason Mallory

7. TAC 202 Follow-up Audit..... A-64

Jason Mallory

8. Fixed Asset Control Follow-up Audit..... A-66

Jason Mallory

9. Final Report – A Compliance Desk Review of Texas Educational Opportunity Grant
..... A-69

Jason Mallory

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. Lunch will be at approximately noon.

10. Audit Delegation Request 719-FY18-001	A-72
	<i>Jason Mallory</i>
11. Attestation Disclosures.....	A-75
	<i>Jason Mallory</i>

e. Committee for Fiscal Affairs

Keith Honey, Chair; Pat McDonald, Member; Alex Meade, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

14-18(c) Amendments to the 2015 Operating Lease for the Industrial Technology Center, Related Parking, and Other Ancillary Facilities in Fort Bend County from the TSTC Foundation by Texas State Technical College for a Remaining Term of Eight Years	42
15-18(c) Lease Renewal of Office Space to the Texas Parks and Wildlife Department on the Campus at Texas State Technical College in Brownwood	45
16-18(c) Lease Renewal of Storage Space to the Texas Parks and Wildlife Department on the Campus at Texas State Technical College in Brownwood	48
17-18(c) Schedule of Tuition and Fees Effective Fall 2019 Semester.....	51
18-18(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2018 Semester	54
19-18(c) Data Center Equipment Upgrade	59
24-18(c) Ratification of Executive Action 09-18	60

Reports:

1. Comparison of Budget to Expenditures and Encumbrances, September 1, 2017 through June 30, 2018	61
	<i>Jonathan Hoekstra</i>
2. TSTC Full Time Equivalent (FTE)	64
	<i>Jonathan Hoekstra</i>

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3. Pledged Collateral – Collateral Pledge for Deposits in Excess of \$250,000, May 31, 2018	66
<i>Jonathan Hoekstra</i>	
4. Quarterly Investment Report, May 31, 2018	67
<i>Jonathan Hoekstra</i>	

X. Consent Agenda Items

10-18(c) TSTC Waco Water Project Acceptance	36
11-18(c) TSTC Harlingen Engineering Center Phase II Acceptance	37
12-18(c) Revision of Proposed Audit Plan for Fiscal Year 2018	A-3
13-18(c) Proposed Audit Plan for Fiscal Year 2019	A-4
14-18(c) Amendments to the 2015 Operating Lease for the Industrial Technology Center, Related Parking, and Other Ancillary Facilities in Fort Bend County from the TSTC Foundation by Texas State Technical College for a Remaining Term of Eight Years	42
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18-18(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2018 Semester	54
19-18(c) Data Center Equipment Upgrade	59
24-18(c) Technical Review of Executive Action 09-18.....	60
20-18(c) Operating Budget for Fiscal Year 2019	B-2
21-18(c) Appropriation Transfers for Fiscal Year 2019	B-6

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. Lunch will be at approximately noon.

(Consent Agenda Continued)

22-18(c) Allocation of Higher Education Assistance Funds for Fiscal Year 2019.....B-8

23-18(c) Reallocation of Higher Education Assistance Funds for Fiscal Year 2018B-11

XI. Unfinished Business

XII. New Business

XIII. Public Comments

XIV. Closed Meeting

- a. Public remains seated.
- b. Chair announces: The meeting of the TSTC Board of Regents held at Connally Meeting & Conference Center, Waco, Texas on Wednesday, February 7, 2018, 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 time.
- c. The Open Meeting takes a recess and the Regents retire to the Crockett Room to conduct the Closed Meeting.
- d. The Closed Meeting is called to Order and a Quorum is determined.
- e. 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.”*

- f. 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.”

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. Lunch will be at approximately noon.

g. 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.”

h. Chair adjourns the Closed Meeting.

i. The Board returns to Austin Room.

j. Open Meeting reconvenes.

XV. Action

Possible action from Closed Meeting

XVI. Chancellor’s Comments

XVII. Board Comments

XVIII. 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. Lunch will be at approximately noon.



**Texas State Technical College
Orientation Meeting of the Board of Regents
Minutes
Wednesday, May 9, 2018
Texas State Technical College
Brazos Center
26706 Southwest Freeway
Rosenberg, TX 77471**

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Special Meeting of the Board of Regents was called to order at 9:03 a.m., May 9, 2018, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Tiffany Tremont, Pat McDonald, Curtis Cleveland and Alex Meade.

Members Absent: Tony Abad, Keith Honey, Ellis Skinner and Ivan Andarza.

NEW REGENT ORIENTATION

CHANCELLOR'S COMMENTS

BOARD ROLES/RESPONSIBILITIES – Ray Rushing

TSTC OVERVIEW – Gail Lawrence

TSTC FOUNDATION – Jeff Kilgore

TSTC INTEGRATED MARKETING – Jeff Kilgore

INSTRUCTION – Dr. Elton Stuckly, Jr.

SKILLS ENGINE – Michael Bettersworth

FINANCE (INCLUDING STRATEGIC PLANNING) – Jonathan Hoekstra

FACILITIES – Rick Herrera



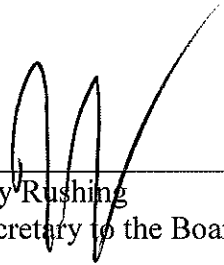
INTERNAL AUDIT – Jason Mallory

LEGISLATIVE PROCESS – Roger Miller

LEGAL/SEXUAL HARASSMENT – Ray Rushing

CHAIRMAN'S COMMENTS

The meeting adjourned at 3:35 p.m.



Ray Rushing
Secretary to the Board of Regents

**Texas State Technical College
Special Meeting of the Board of Regents
Minutes
Wednesday, May 9, 2018
Texas State Technical College
Brazos Center
26706 Southwest Freeway
Rosenberg, TX 77471**

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Special Meeting of the Board of Regents was called to order at 8:04 p.m., May 9, 2018, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Ellis Skinner, Tiffany Tremont, Keith Honey, Pat McDonald, Curtis Cleveland and Alex Meade.

Members Absent: Ivan Andarza, Tony Abad.

SWEARING IN OF NEW REGENTS

Chairman John Hatchel called on Honorable Judge Susan G. Lowery to swear in Texas State Technical College's two new Regents, Ms. Tiffany Tremont and Mr. Pat McDonald.

RESOLUTION(S) FOR RETIRING REGENT(S)

Chairman John Hatchel called on Chancellor Mike Reeser to honor Regent Joe M. Gurecky with a Resolution of Appreciation. Regent Joe Hearne will be honored at a similar ceremony in the near future. Moved and passed by acclamation.

CONSIDERATION OF ASSET NAMING

MINUTE ORDERS


Proposed MO#

05-18 Consideration of Asset Naming

Moved and passed by acclamation.

“The Board of Regents approves naming the machining lab in the Industrial Technology Center located at TSTC in Fort Bend County the Joe M. Gurecky Machining Laboratory.”

The meeting adjourned at 8:25 p.m.



Ray Rushing
Secretary to the Board of Regents

**Texas State Technical College
Audit Committee Meeting
Minutes
Thursday, May 10, 2018
Texas State Technical College
Brazos Center
26706 Southwest Freeway
Rosenberg, TX 77471**

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at 10:57 a.m., May 10, 2018, by Committee Chair Andarza.

DETERMINATION OF QUORUM

Members Present: Ivan Andarza.

Members Absent: None.

Other Regents Present: John Hatchel, Ellis Skinner, Tiffany Tremont, Keith Honey, Pat McDonald, Curtis Cleveland and Alex Meade.

MINUTE ORDERS

None.

REPORTS

The following reports were presented to the Committee:


1. Status of Fiscal Year 2018 Audit Schedule & Other Projects
2. Summary of Audit Reports
3. Follow-up Schedule & Status
4. Benefits Proportionality Audit
5. Selected Higher Education Institutions' Compliance with Benefits Proportional Requirements
6. State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2017
7. Departmental Audit: Provost's Office EWCHEC
8. Departmental Audit: Welding EWCHEC

9. Attestation Disclosures

DIRECTIVES

1. Chair Andarza requested a dashboard report on TAC 202.
2. Chancellor asked that TAC 202 reports be an annual report at the November Board of Regents Meeting.

The meeting adjourned at 11:12 a.m.



Ray Rushing
Secretary to the Board of Regents

**Texas State Technical College
Board of Regents Meeting
Minutes
Thursday, May 10, 2018
Texas State Technical College
Brazos Center
26706 Southwest Freeway
Rosenberg, TX 77471**

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents was called to order at 11:15 a.m., May 10, 2018, by Chair John Hatchel.

INVOCATION

Mr. Jonathan Hoekstra delivered the invocation.

DETERMINATION OF QUORUM

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

Members Absent: Tony Abad.

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

ADOPTION OF AGENDA

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

APPROVAL OF MINUTES

Upon a motion by Regent Andarza and second by Regent Meade, the Minutes of the February 7, 2018, Board of Regents and Audit Committee Meetings were approved unanimously.

RECOGNITION OF GUESTS

Joe M. Gurecky.

CHAIRMAN COMMENTS

Chair John Hatchel welcomed the new members of the Board of Regents.

CHANCELLOR'S COMMENTS

COMMITTEE REPORTS AND MINUTE ORDERS

Chairman Hatchel reported that the Chair for the Committee for Student Learning and Student Development, Regent Abad was unable to attend and that there were no minute orders or reports from that committee.

- a. Committee for Student Learning and Student Development (Tony Abad – Chair), Tiffany Tremont**

Committee Chair Comments

Minute Orders:

Proposed MO #

None.

Reports:

None.

- b. Committee for Strategic Relations (Curtis Cleveland – Chair)**

Committee Chair Comments

Minute Orders:

Proposed MO #

None.

Reports:

None.

- c. Committee for Facilities (Ellis Skinner – Chair), Curtis Cleveland**

Committee Chair Comments

Minute Orders:

Proposed MO #

06-18(c) Accept Abilene Industrial Technology Center

07-18(c) Approve the Concept of Sweetwater Housing Renovation

Reports:

1. Major Facility Projects Status Update

Ray Fried

2. Progress Report/Photos (Oral Report)

Ray Fried

d. Audit Committee (Ivan Andarza – Chair)

Committee Chair Comments

Minute Order:

Proposed MO #

None.

REPORTS

The following reports were presented to the Committee:

1. Status of Fiscal Year 2018 Audit Schedule & Other Projects
2. Summary of Audit Reports
3. Follow-up Schedule & Status
4. Benefits Proportionality Audit
5. Selected Higher Education Institutions' Compliance with Benefits Proportional Requirements
6. State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2017
7. Departmental Audit: Provost's Office EWCHEC
8. Departmental Audit: Welding EWCHEC
9. Attestation Disclosures

**e. Committee for Fiscal Affairs (Keith Honey – Chair), Alex Meade,
Pat McDonald**

Committee Chair Comments

Minute Orders:
Proposed MO #

08-18(c) (As Amended) Selection of Authorized Brokers

Reports:

1. Comparison of Budget to Expenditures and Encumbrances, September 1, 2017 through March 31, 2018
Jonathan Hoekstra
2. TSTC Full Time Equivalent (FTE)
Jonathan Hoekstra
3. Pledged Collateral - Collateral Pledged for Deposits in Excess of \$250,000, February 28, 2018
Jonathan Hoekstra
4. Quarterly Investment Report, February 28, 2018
Jonathan Hoekstra

CONSENT AGENDA ITEMS

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

- 06-18(c) Accept Abilene Industrial Technology Center
"The Board of Regents approves the Acceptance of the Abilene Industrial Technology Center."
- 07-18(c) Approve the Concept of Sweetwater Housing Renovation
"The Board of Regents approves the Concept of Sweetwater Housing Renovation."
- 08-18(c) (As Amended) Selection of Authorized Brokers
"The Board of Regents approves the Selection of Authorized Brokers (as amended)."

UNFINISHED BUSINESS

Mr. Jonathan Hoekstra presented a follow-up video report on the Strategic Plan.

NEW BUSINESS

A. Nominations for Executive Committee Place 2.

Regent Keith Honey nominated Regent Curtis Cleveland.

Regent Skinner moved, passed by acclamation.

B. Appointments for Ad Hoc Committee for the purpose of reviewing and amending the Bylaws.

Keith Honey, Alex Meade and Tiffany Tremont.

PUBLIC COMMENTS

None.

CLOSED MEETING

The meeting of the TSTC Board of Regents held at Texas State Technical College Fort Bend in the Brazos Center, Rosenberg, Texas on Thursday, May 10, 2018, 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 12:11 p.m.

The Open Meeting takes a recess and the Regents retire to conference room 108 to conduct the Closed Meeting.

The Closed Meeting is called to Order and a Quorum is determined.

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."*

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."

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."

Chair adjourns the Closed Meeting at 12:48 p.m.

The Board returns to the Brazos Center Multipurpose Room.

OPEN MEETING

The Board of Regents reconvened into Open Meeting at 12:55 p.m. Chair John Hatchel announced that there were no reports from the Closed Session Meeting.

ACTION ON CLOSED MEETING

None.

CHANCELLOR COMMENTS

BOARD COMMENTS

Chair John Hatchel announced that he has appointed Regent Alex Meade to the Audit Committee.

ADJOURN

Chair Hatchel announced that the next Board of Regents meetings are scheduled for August 8th & 9th, 2018 at the TSTC Waco Campus.

The meeting adjourned at 12:59 p.m.


Ray/Rushing

Secretary to the Board of Regents



**TEXAS STATE TECHNICAL COLLEGE
Board of Regents Executive Committee
Teleconference Meeting Minutes**

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

Monday, June 4, 2018

1:00pm

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Executive Committee Teleconference was called to order at 3:03 p.m., June 4, 2018, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Ivan Andarza, Curtis Cleveland

Members Absent: Ellis Skinner, Keith Honey

EXECUTIVE ACTION ITEMS

Proposed EA#

09-18 Selection of Independent Public Accounting Firm

Upon a motion by Curtis Cleveland and second by Ivan Andarza, the proposed Executive Action was unanimously approved.

BOARD COMMENTS

None.

The meeting adjourned at 3:15 p.m.



Ray Rushing
Secretary to the Board of Regents



Executive Committee Meeting Date: June 4, 2018

Proposed Executive Action #: 09-18

Proposed By: Jason D. Mallory, Director of Audits

Subject: Selection of Independent Certified Public Accounting Firm

Background: Texas State Technical College (TSTC or College) was accredited as a single, statewide college by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) in 2015. After this initial accreditation, the first reaffirmation must be done within 5 years. Accordingly, the College is preparing for this reaffirmation review to begin in 2019 for submission to the SACSCOC Board of Directors in 2020.

SACSCOC standards require the College to provide financial statements for the most recent fiscal year during the review that are audited by an independent certified public accounting firm. They also require a similar external verification of compliance to the standards for programs operated under Title IV of the Higher Education Act of 1965 (federal financial aid programs).

Administration seeks to engage the independent certified public accounting firm of BKD, LLP to perform a Single Audit so they can offer an opinion on the College's financial statements for the year ended August 31, 2018, as well as our compliance to the OMB Uniform Guidance for Federal Awards standards. This will satisfy the SACSCOC requirements stated above.

Justification: Six accounting firms submitted qualifications and bids to a public request we made in April 2018. Three of those firms have a local presence in Waco, and three have a national presence. All bids were considered by a committee made up of accounting and internal audit staff. Firms were evaluated on their perceived ability to provide the audit within budget and the stated deadline, reputation, quality of work, cost, and other factors. The committee conducted face to face interviews of the audit staff of the four firms rated the highest during an initial review of qualifications.

The committee determined that BKD, LLP best satisfied its evaluation criteria and the College's needs. They provide audit, tax, and consulting

services to approximately 130 public and private colleges and universities nationwide. They actively participate in regional and national associations related to higher education, as well as similar organizations dedicated to the governmental sector. In addition, they are the 5th largest provider of Single Audits nationally, with 440 entities served.

The audit team will consist of a Partner, a Senior Manager, two Managers, and an Audit Associate, with 50 years of combined experience. All but the Audit Associate are CPAs. The audit will be primarily performed by persons from the Waco and San Antonio offices.

Finally, BKD indicated that they could complete the audit and issue a report by February 15, 2019. Our deadline is March 1, 2019. The cost to provide these services would be \$117,700, made up a flat fee of \$105,000, a 4% administrative fee of \$4,200, and up to \$8,500 in reimbursable travel costs. This fee is contingent upon no additional work being necessary to render their opinion.

**Additional
Information:**

The State Auditor's Office on March 30, 2018, approved this audit to be delegated to an external firm by. Furthermore, the bidding and evaluation process was guided by a Certified Texas Procurement Manager to ensure all relevant purchasing and contracting rules are followed.

Fiscal Implications:

\$117,700 from the FY 2019 budgeted funds.

Attestation:

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

Attachment(s):

None

**Recommended
Executive Action:**

"The Executive Committee approves hiring BKD, LLP at a cost of \$117,700 to perform a Single Audit for fiscal year 2018."

Recommended By:



Jason D. Mallory, Director of Audits

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Committee for Student Learning and Student Development

[Tony Abad (Chair), Tiffany Tremont, Jeff Kilgore]

Committee Chair Comments

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Proposed MO

None.

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Jeff Kilgore



**TSTC Board of Regents Honor Graduates
— Spring 2018 —**

TSTC Waco

Ms. Veronica Angeles Dental Assistant	CER1	Mr. Hadley G. O'Hair Laser Electro-Optics	AAS
Mr. Javier A. Carranza Biomedical Equipment Technology & Medical Imaging Systems Technology	AAS	Mr. Wendiinko G. Oudraogo Medical Imaging Systems Technology	AAS
Mr. John C. Curtis Diesel Equipment Technology – Heavy Truck Specialization & Off Highway Specialization	AAS	Ms. Ana Pat Dental Assistant	CER1
Mr. Kyle King Aircraft Powerplant Technology	AAS	Ms. Crystal E. Patterson Dental Assistant	CER1
Mr. Eric A. Kliss Biomedical Equipment Technology & Medical Imaging Systems Technology	AAS	Mr. Isaac T. Plumlee Biomedical Equipment Technology	AAS
Ms. Cynthia M. Martinez Dental Assistant	CER1	Ms. Shiann K. Pruitt Dental Assistant	CER1
Mr. Brian T. Mitchell Turfgrass & Landscape Management	AAS	Ms. Natalia Sanchez Dental Assistant	CER1
Mr. Jeffrey C. Montgomery Electrical Lineworker	CER1	Ms. Courtney L. Seelhorst Building Construction Tech – Project Management & Inspection	AAS
Ms. Cynthia Natal Cloud & Data Center Management	AAS	Mr. Jonah W. Swandt Robotics Technology	AAS
Mr. Mark E. Nelson Pharmacy Technician	CER2	Mr. Ryan J. Taylor Structural & Pipe Welding	CER2
		Ms. Tabatha L. Tolbertt Pharmacy Technician	CER2

Ms. Sydney M. Vanwinkle
Pharmacy Technician CER2

Mr. Virgil Vasiu
Computer Networking & Systems
Administration – CISCO Specialist AAS

Ms. Jessica R. Willette
Cloud & Data Center Management AAS

TSTC Harlingen

Mr. Daniel Agado, III
Wind Energy Technology AAS

Mr. Luis A. Briceno
Dental Assistant CER1

Mr. Martin A. Cardenas
Automotive Technology AAS

Ms. Areli Castillo
Architectural Design & Engineering
Graphics Technology AAS

Ms. Gabriela M. Chacon-Garza
Dental Hygiene AAS

Mr. Juan M. Dominguez
HVAC Tech – Residential Light
Commercial Specialization AAS

Mr. Bryson B. Kolek
Wind Energy Technology AAS

Mr. Adrian Lopez
Architectural Design & Engineering
Graphics Technology AAS

Ms. Katherine V. Padilla
Biology AS

Ms. Kristen S. Perales
Building Construction Tech –
Management Specialization AAS

Mr. Clayton E. Peterson, III
Physics & Mathematics AS

TSTC Sweetwater

Ms. Mikelle A. Bailey
L.V.N. – R.N. Transition AAS

Mr. Andrew C. Chavarria
Wind Energy Technology AAS

Ms. Rose M. Sims
L.V.N. – R.N. Transition AAS

TSTC Abilene

Ms. Brooke A. Bailey
Health Information Technology AAS

Ms. Shaina D. Barrera
Medical Office Specialist CER2

Mr. Austin L. Clark
Emergency Medical Services - EMT CER1

Mr. Cameron D. Hartgraves
Computer Networking & Systems
Administration AAS

Mr. Stephen Heckler
Computer Networking & Systems
Administration AAS

Mr. James M. Mancine
Chemical Dependency Counseling AAS

Ms. Emily Payson
Digital Arts AAS

TSTC Marshall

Mr. Marco A. Lopez
Biomedical Equipment Technology AAS

Mr. Kevin B. Ponder
Process Operations AAS

Mr. Troy Purma
Industrial Maintenance – Electrical
Specializations AAS

Ms. Mary E. Ramo AAS
Computer Aided Drafting & Design
Technology

Mr. Neal A. Shadid
Diesel Equipment Technology –
Off Highway Specialization

Mr. Patrick L. Young AAS
Electrical Line worker Technology

TSTC North Texas

Mr. Robert A. Derk
Logistics Technology

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Committee for Strategic Relations

[Curtis Cleveland (Chair), Gail Lawrence, Roger Miller, Ray Rushing]

Committee Chair Comments

Minute Orders:

Proposed MO

None.

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[Ellis Skinner (Chair), Curtis Cleveland, Rick Herrera, Ray Fried]

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Ray Fried

Board Meeting Date: August 9, 2018 **Proposed Minute Order #:** 10-18(c)

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

Subject: **Acceptance of the Replacement of Water and Sewage System infrastructure at Texas State Technical College in Waco, Excluding the area dedicated for Family Housing.**

Background: By Minute Order 07-16, The Board of Regents approved the Project Budget for the replacement of the Water and Sewage System Infrastructure at Texas State Technical College in Waco, excluding the area dedicated for Family Housing. Replacement of the infrastructure is on schedule for this project and is near completion.

Justification: The anticipated completion of the Replacement of the Water and Sewage System infrastructure will be August 2018.

Additional Information: TSTC is experiencing the desired results including increased domestic water quality, reduced maintenance, and minimized sewer infiltration as a result of the project. All flushing of hydrants to achieve water quality has ceased.

Action Schedule:

Approve Concept	MO 47-14
Approve Budget	MO 07-16
Accept Project	MO 10-18(c)

Fiscal Implications: Funds available as currently budgeted.

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

Attachment(s): None

Recommended Minute Order: “The Board of Regents authorizes the Chancellor or his designee to accept the Replacement of Water and Sewage System infrastructure at Texas State Technical College in Waco upon receipt of the Certificate of Substantial Completion. The Board of Regents Authorizes the Chancellor or designee to pay the contractor ninety-five percent of the construction cost pending final acceptance. Upon receipt of Certificate of Final Completion, the Board of Regents authorizes the Chancellor or his designee to make final payment due to the contractor in the full amount.”

Recommended By:



Ray Fried, Associate Vice Chancellor for Facilities, Planning, Construction, and Maintenance

Board Meeting Date: August 9, 2018 **Proposed Minute Order #:** 11-18(c)
Proposed By: Rick Herrera, Vice Chancellor and Chief Student Services Officer

Subject: **Acceptance of Phase II renovation and repurposing of the Engineering Center building 20 PM on the TSTC Harlingen Campus.**

Background: This project continues the renovation and repurposing of Building 20PM for use as flexible laboratory and instruction space to deliver Engineering related programs.
Phase I of this project created instructional space for programs in the areas of Biomedical Technology, Wind Energy Technology, and Mechatronics. The completion of Phase II will create laboratories for two existing technical programs, Chemical Technology relocating from building 200 J, and Industrial Systems Technology relocating from Building 200G. The AC/DC Circuits Analysis and Biomedical Technology will be relocated in Phase II resulting in improved logistics.

Justification: Phase II of Building 20 PM will be complete and ready for occupancy the first day of class on August 27th, 2018.

Additional Information This project will increase the number of students completing associate's degrees and certificates in engineering and technical fields by providing state of the art facilities meeting industry needs for a trained and skilled workforce.

Fiscal Implications: Fund available as currently budgeted.

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

Attachment(s): Photos (2 ea.)

Action Schedule:	Approve Concept	MO 34-13
	Approve Budget	MO 55-15
	Accept Project	MO 11-18(c)

Recommended Minute Order: "The Board of Regents authorizes the Chancellor or Designee to accept the Engineering Center Phase II project upon Substantial Completion and to pay the contractor ninety-five percent of the construction cost pending final acceptance. Upon receipt of notification of final acceptance, the Board of Regents authorizes the Chancellor or his designee to make final payment due to the contractor in the full amount."

Recommended By:



Ray Fried, Associate Vice Chancellor for Facilities, Planning, Construction, and Maintenance.





Texas State Technical College
Major Facility Projects-Status Update August 2018

	Project Name	Campus	Managing Campus	Delivery Method	Fund Source		Cost Allocation		Required Approvals		% Complete		
1	Renovation of Building 20PM Engineering Center (Phase II)	Harlingen	Harlingen	Construction Manager At Risk	Tuition Revenue Bond	\$ 3,750,000	Architect/Engineer	\$ 250,000	Approve Concept	MO 34-13	95%		
							Construction	\$ 3,400,000	Approve Budget	MO 55-15			
							Owners Cost	\$ 100,000	Approved MO amount	\$ 3,750,000			
					Subtotal Funds	\$ 3,750,000	Subtotal Construction	\$ 3,750,000	Acceptance	MO 11-18(c)			
					Additional Information								
		TPFA	\$ 459,000	IT, FFE, Equip.	\$ 459,000								
		Total Funds	\$ 4,209,000	Total Cost	\$ 4,209,000								
2	Replace Water and Sewer Infrastructure on Main Campus	Waco	Waco	Competitive Sealed Proposal	HEAF Bonds	\$ 8,700,000	Architect/Engineer	\$ 1,169,871	Approve Concept	MO 47-14	98%		
							Construction	\$ 7,400,010	Approve project & Budget	MO 07-16			
							Owners Cost	\$ 130,119	Approved MO amount	\$ 8,700,000			
					Total Funds	\$ 8,700,000	Total Cost	\$ 8,700,000	Accept project	MO 10-18(c)			
3	Accept real property and Construct TSTC Abilene Industrial Technology Center	Abilene	Sweetwater	Construction Manager At Risk	Tuition Revenue Bond	\$ 12,000,000	Architect/Engineer	\$ 917,475	Approve Concept	MO 49-14	100%		
					HEAF Bonds	\$ 46,321	Construction	\$ 11,033,407	Issue Bonds	Spring 2016			
							Const. Auxiliary Services	\$ -	Approved MO Amount	\$12,000,000			
							Owners Cost	\$ 95,439	Approve Project and Budget	MO 08-16			
					Subtotal Funds	\$ 12,046,321	Subtotal Construction	\$ 12,046,321	Approve Land Purchase from Donation	MO 68-16			
					Additional Information							Accept Project	MO 05-18
							Gifts and donations	\$ 465,000	Land purchase	\$ 465,000			
							TPFA	\$ 3,860,000	Equipment, FFE, IT	\$ 3,860,000			
		Total Funds	\$ 16,371,321	Total Cost	\$ 16,371,321								
4	TSTC Monument and Wayfinding Project	Statewide	Statewide	Construction Manager at Risk	HEAF Bond	\$ 780,000	Owners reserve	\$ 610,839	Approve Project and Budget	MO 03-17	8%		
							Abilene Monument	\$ 46,321	Approved MO	\$780,000			
							Waco Monument	\$ 73,840					
							Marshall Monument	\$ 49,000					
		Total Funds	\$ 780,000	Total Cost	\$ 780,000								
5	Rework and Replace Paving	Sweetwater	Sweetwater	RFQ	HEAF Bond	\$ 40,000	Engineering / Design	\$ 40,000	Approve Concept and design project	MO 07-17	90%		
6	Sweetwater Housing Study and Renovation Project	Sweetwater	Sweetwater	Request For Qualifications	Insurance Proceeds	\$ 70,000	Study, Design, and opinion of cost	\$ 70,000	Approve Concept	MO 06-18	0%		
						\$ 25,386,321	\$ 25,386,321						

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Committee for Fiscal Affairs

[Keith Honey (Chair), Alex Meade, Pat McDonald, Jonathan Hoekstra]

Committee Chair Comments

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Board Meeting Date: August 9, 2018

Proposed Minute Order #: 14-18(c)

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

Subject: **Amendments to the 2015 Operating Lease for the Industrial Technology Center, Related Parking, and Other Ancillary Facilities in Fort Bend County from The TSTC Foundation by Texas State Technical College for a Remaining Term of Eight Years.**

Background: On April 23, 2015, The Board of Regents approved an Operating Lease (2015 Operating Lease) for the Industrial Technology Center, Related Parking, and Other Ancillary Facilities at Texas State Technical College (TSTC) in Fort Bend County from The TSTC Foundation (the Foundation). Under this original Operating Lease Agreement, TSTC leases and operates the building from the TSTC Foundation for a term of ten years beginning on or around June 15, 2015, with an annual lease payment of \$100,000 for a total of \$1,000,000.

The Operating Lease does not provide any type of extension options at the end of the ten-year term, and the ownership of the facility remains with The TSTC Foundation when the lease terminates, which forces a renegotiation for TSTC's continued occupancy at that time. The lease contains an option for TSTC to purchase the facility from the Foundation at any time by paying to the Foundation the greater of (i) fair market value of the building and site work, or (ii) the outstanding amount due on the bank loan. The outstanding amount due on the bank loan as of May 31, 2018 is approximately \$21.1 million. Total cost to construct the building and site work in 2015 was approximately \$26 million.

The proposed amendments to the Operating Lease increase the rent paid by the College to the Foundation to \$912,500 for the remaining eight annual installments of the term for a total of \$7.3 million. In exchange for the increased rent, the Foundation agrees to transfer ownership of the building and site work to the College at the end of the term.

Justification: The amendments to the operating lease practically equate to TSTC purchasing the facility at a very deep discount, which will increase the net assets of the College significantly. Also, permanent resolution regarding the expiration of the lease term eliminates all uncertainty about future cost, ownership, and occupancy variables.

Additional Information: The 2015 Operating Lease requires the Henderson Wessendorf Foundation, George Foundation and American Bank to all approve any amendments to the original lease. These three parties will formally approve the amendments prior to final execution by TSTC and the TSTC Foundation.

Action Schedule:	Approve Operating Lease from TSTC Foundation	MO 18-15
	Approval of Lease Amendments by Local Fort Bend Foundations	June 2018
	Approval of Lease Amendments by Bank	June 2018
	Meeting of Joint Working Committee of TSTC Regents and	
	TSTC Foundation Board Members to Discuss Proposed Amendments	July 2018
	Approval of Amendments by TSTC Foundation Board of Directors	July 2018
	Increased Rent Cost Included in TSTC FY 2019 Budget	August 2018
	Approve Amendments to Operating Lease from TSTC Foundation	MO 14-18(c)

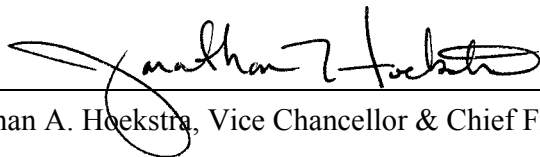
Fiscal Implications: Under the amended Operating Lease Agreement, TSTC is to lease and operate the building from The TSTC Foundation for a remaining term of eight years beginning on or around September 1, 2018 with an annual lease payment of \$912,500 for a total of \$7,300,000. At the end of the term, ownership of the facility 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

Recommended Minute Order: “The Board of Regents approves the amendments to the 2015 Operating Lease for the Industrial Technology Center, Related Parking, and Other Ancillary Facilities at Texas State Technical College in Fort Bend County from The TSTC Foundation for a remaining term of eight years in accordance with the terms and conditions in the lease, as amended, and authorizes the Chancellor, or his designee, to execute the Lease Amendments with The TSTC Foundation.”

Recommended By:



Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer

July 9, 2018

Mr. Michael Reeser
Chancellor
Texas State Technical College
Waco, Texas 76705

Re: Amendments to the 2015 Operating Lease for the Industrial Technology Center, Related Parking, and Other Ancillary Facilities in Fort Bend County

Dear Mr. Reeser:

The Board of Regents approved an Operating Lease for the Industrial Technology Center (ITC), Related Parking and Other Ancillary Facilities at Texas State Technical College Fort Bend County from The TSTC Foundation for a ten-year term on April 23, 2015. The annual lease payment is \$100,000 and does not provide any extension options at the end of the term. The current agreement also leaves ownership with the TSTC Foundation upon completion of the lease.

The outstanding amount owed to the bank as of May 31, 2018 is approximately \$21.1 million. The proposed amendments to the Operating Lease Agreement will increase the rent paid by the College to the Foundation to \$912,500 for the remaining eight annual installments of the term for a total of \$7.3 million with the transfer of ownership of the building and site work to the College at the end of the term. The total of \$7.3 million in payments will result in the ownership of a facility that cost \$26 million to construct.

Having reviewed the lease in question, it is my opinion that the lease is in accordance with Texas State law and TSTC policy. Further, the amendments will provide TSTC with an overall significant reduction in the total amount paid for the ITC building and related ancillary facilities in Fort Bend and is in the best interest of TSTC students as well as the State of Texas.

I am available if you have any questions or need additional information.

Respectfully submitted,


Ray Rushing
General Counsel, TSTC

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer



Board Meeting Date: August 9, 2018

Proposed Minute Order #: 15-18(c)

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

Subject: **Lease Renewal of Office Space to the Texas Parks and Wildlife Department on the Campus at Texas State Technical College in Brownwood.**

Background: By Minute Order #97-08, the Board approved acceptance of real property from the City of Brownwood and the Economic Development Corporation for the campus at Texas State Technical College (TSTC) in Brownwood. At the time of donation, the City of Brownwood and the Texas Parks and Wildlife Department (TP&W), through the State Facilities Commission, were in a lease agreement where TP&W leased 2,265 square feet in the facility at an annual rate of \$7.50 per square foot (SF) for a three-year term. The lease transferred to TSTC and the arrangement has been renewed for three-year extensions twice. This proposed lease renewal with the TP&W is at the same annual rate for a five-year term.

Justification: TSTC Administration recommends the lease agreement with the TP&W, a State Agency, who will continue to use the space to facilitate day-to-day operations and meet operational needs.

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.

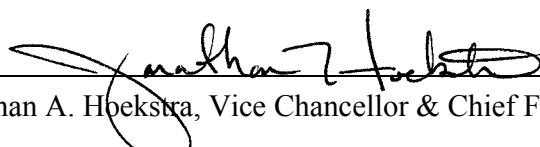
Fiscal Implications: The lease is for 60 months, expiring the end of August 2023, with the College receiving \$1,415.63 of monthly rental income.

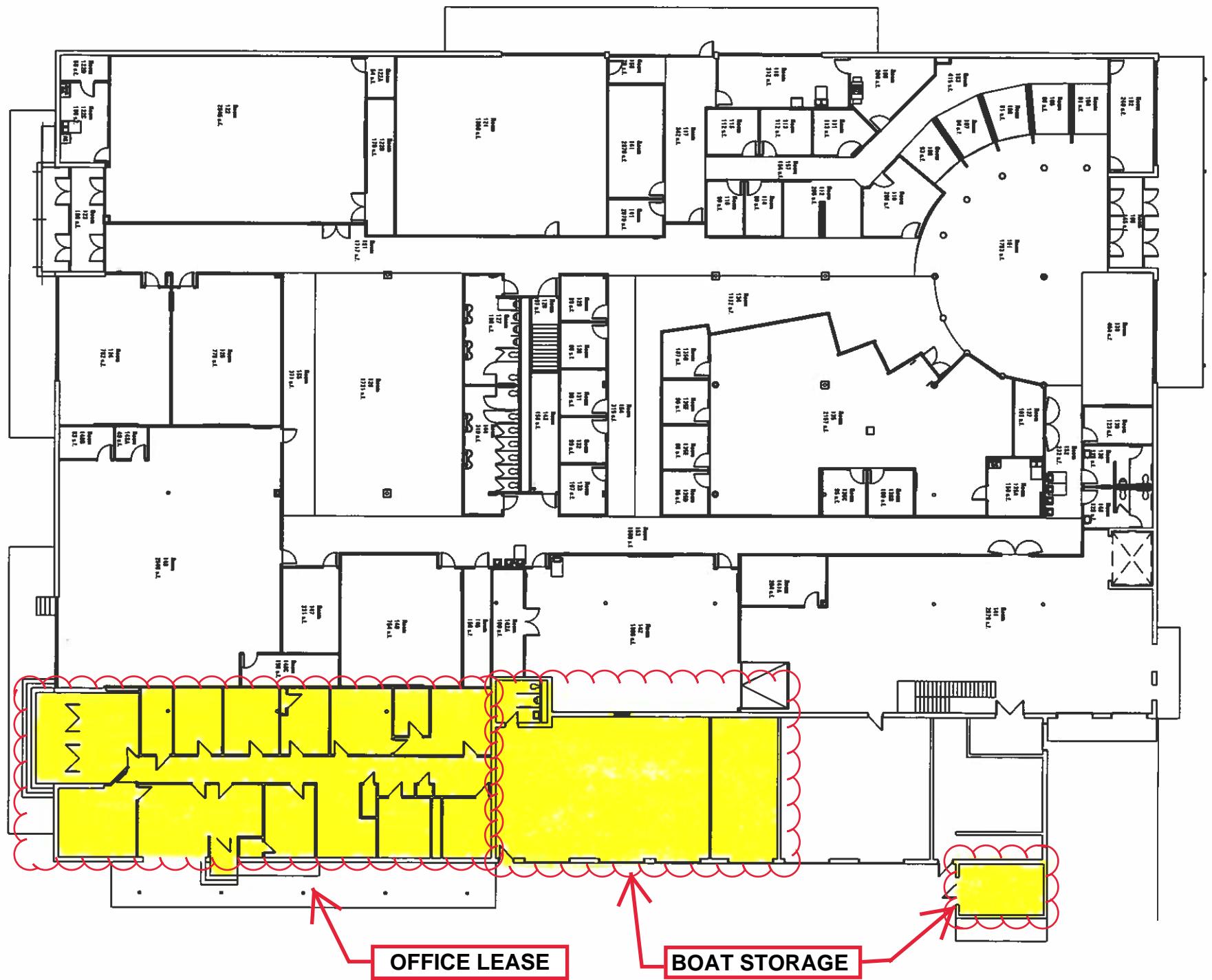
Attestation: This Minute Order is in compliance with all applicable laws and regulations.

Attachment: Letter from General Counsel and Building Floor Plan

Recommended Minute Order: "The Board of Regents approves the lease agreement for 2,265 square feet of office space to the Texas Parks and Wildlife Department on the campus at Texas State Technical College in Brownwood and authorizes the Chancellor or his designee to execute the lease agreement with the Texas Parks and Wildlife Department."

Recommended By:


Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer



Brownwood Building 2

Office of the
**VICE CHANCELLOR & CHIEF LEGAL OFFICER/
GENERAL COUNSEL**
3801 Campus Drive
Waco, Texas 76705

254-867-3662
F: 254-867-3979

July 9, 2018

Mr. Michael Reeser
Chancellor
Texas State Technical College
Waco, Texas 76705

Re: Lease Renewal of Office Space to Texas Parks and Wildlife Department on the Texas
State Technical College Brownwood Campus

Dear Mr. Reeser:

Texas Parks and Wildlife (TP&W) has been leasing office space at Texas State Technical College Brownwood Campus since TSTC accepted the real property donation from the City of Brownwood and the Economic Development Corporation which included the lease contract. TSTC proposes a renewal of the lease for a five-year term at the original rate of \$7.50 per square foot, receiving \$1,415.63 rental income monthly.

Having reviewed the lease in question, it is my opinion that the lease is in accordance with Texas State law and TSTC policy. Further, the office space at the Brownwood campus is not needed for instructional or training purposes and is in the best interest of TSTC students as well as the State of Texas.

I am available if you have any questions or need additional information.

Respectfully submitted,



Ray Rushing
General Counsel, TSTC

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer



Board Meeting Date: August 9, 2018 **Proposed Minute Order #:** 16-18(c)
Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

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

Background: In 2010, Texas State Technical College (TSTC) entered into a lease agreement for 1,800 square feet of storage space to the Texas Parks and Wildlife Department (TP&W) on the campus at TSTC in Brownwood. The space is primarily used to store trapping equipment and small boats. The lease has been extended three times for two-year terms at each extension. The proposed lease renewal with the TP&W is at the same monthly rate for a term of twenty-four months.

Justification: TSTC Administration recommends the lease agreement to the TP&W, a State Agency, who will continue to use the space to meet storage needs.

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.

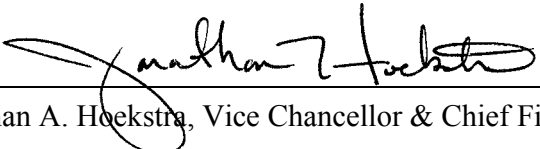
Fiscal Implications: The lease is for twenty-four months, expiring the end of September 2020, with the College receiving \$180 of monthly rental income.

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

Attachment: Letter from General Counsel and Building Floor Plan

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

Recommended By:


Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer

July 9, 2018

Mr. Michael Reeser
Chancellor
Texas State Technical College
Waco, Texas 76705

Re: Lease of Storage Space to Texas Parks and Wildlife on the Texas State Technical College
Brownwood Campus

Dear Mr. Reeser:

Texas Parks and Wildlife (TP&W) has been leasing storage space at Texas State Technical College Brownwood Campus since 2010. This has also provided law enforcement presence at the campus. TSTC administration proposes to lease the storage space to TP&W for another twenty-four (24) month period at a rate of \$180 per month.

Having reviewed the lease in question, it is my opinion that the lease is in accordance with Texas State law and TSTC policy. Further, the space at the Brownwood campus is not needed for instructional or training purposes and is in the best interest of TSTC students as well as the State of Texas.

I am available if you have any questions or need additional information.

Respectfully submitted,



Ray Rushing
General Counsel, TSTC

cc: Jonathan Hoekstra
Vice Chancellor & Chief Financial Officer

Texas State Technical College
Schedule of Tuition and Fees
Effective Fall 2019

State Tuition/semester credit hour		Fall 2018	Proposed Fall 2019	Remarks
Texas Resident	*	\$25/sem credit hour (\$50 min-no max)	\$25/sem credit hour (\$50 min-no max)	State Tuition will be a fixed rate of \$25/semester credit hour for Texas resident students; tiered pricing applies to Designated Tuition.
Non-Resident - All Courses	*	\$ 170	\$ 170	
Benefits-Eligible TSTC Employees & Dependents	*	\$25/sem credit hour (\$50 min-no max)	\$25/sem credit hour (\$50 min-no max)	

*Does not apply to Continuing Education Courses

Designated Tuition/semester credit hour		Fall 2018	Proposed Fall 2019	Remarks
Texas Resident/Non-Resident - Tier 1	*	\$ 244	\$ 244	Courses are priced within tiers based on student demand for courses, industry demand for skills, available capacity to offer programs, regional competition and demand, among other factors.
Texas Resident/Non-Resident - Tier 2	*	\$ 191	\$ 200	
Texas Resident/Non-Resident - Tier 3	*	\$ 172	\$ 180	
Texas Resident/Non-Resident - Tier 4		\$ 150	\$ 157	
Texas Resident/Non-Resident - Tier 5		\$ 119	\$ 125	
TSTC Employees & Dependents	*	\$ -	No change.	

*Does not apply to Continuing Education Courses

Corporate College/Continuing Ed(CE)		Fall 2018	Proposed Fall 2019	Remarks
Texas Resident	**	\$.50-\$16 per contact hour	No change.	
Non-Resident & Out-of-State Worker	**	At least twice the CE tuition rate for the associated cross-listed course section	No change.	
Continuing Education Surcharge		Varies by course or course section	No change.	

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

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

Texas State Technical College
Schedule of Tuition and Fees
Effective Fall 2019

Student Fees (collected at registration)	Fall 2018	Proposed Fall 2019	Remarks
Allied Health Insurance	Cost of Insurance	No change	Required for certain Allied Health programs. Includes malpractice insurance and/or needlestick insurance.
Audit Fee	Applicable tuition plus \$25 per semester credit hour	No change	
Background Security Check	Cost	No change	
Credit Award Evaluation Fee	\$25 per eval.	No change	
Dental Hygiene Clinical Fee	\$100 per clinical course	No change	Applies to Preclinical Dental Hygiene, Clinical Dental Hygiene I, Clinical Dental Hygiene II, and Clinical Dental Hygiene III.
Digital Materials Fee	Varies. Cost plus admn fee	No change	
Non-Resident E-Learning Fee	\$300 per semester credit hour	No change	
Required Vaccines	Cost	No change	
Student Medical Health and/or Accident Insurance	Cost of Insurance	No change	Optional coverage.

Other Student Charges	Fall 2018	Proposed Fall 2019	Remarks
Application Fee	Up to \$100 per application	No change	
Diploma Reprint Fee	N/A	\$ 50	Per reprint.
External Certification of Specialty	Cost or Market Price	No change	
Fines	Handicap parking violation - \$100, Moving violation - \$40, Other offenses 1st Offense - \$25 2nd Offense - \$50 3rd Offense - \$100	No change	Other offenses include, but are not limited to: housing violations, code-of-conduct violations, smoking in a non-designated area, and other parking violations.
Installment Plan Fee	\$25 per semester	No change	
Installment Plan Late Fee	\$25 after 7 business days	No change	
Late Graduation Fee	\$100 after graduation application deadline	Eliminated	
Late Registration Fee	\$100 after close of registration	Eliminated	
Library Fines	Books & magazines - \$0.10/day, Videos/DVDs - \$1/day, Lost items - replacement cost + 10% processing fee	No change	
Locker Rental Fee	\$25/semester	No change	Voluntary fee to reserve a locker for a semester.
Returned Check Charge	\$50 per check	No change	
Student ID Card Replacement Fee	\$10 per card	No change	

Board Meeting Date: August 9, 2018 **Proposed Minute Order #:** 18-18(c)

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

Subject: **Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2018 Semester**

Background: The Texas State Technical College (TSTC) campus in Waco includes family housing units referred to as the Brazos Community. TSTC has historically covered costs associated with water, sewage, and trash collection for students residing in the Brazos Community. Recently hired outside consultants have indicated that these units are priced at the low end of market, even without factoring in the additional benefit of TSTC absorbing the cost of certain utilities. The proposed increase in fees charged students residing in the Brazos Community is based off data provided by the City of Waco and represents a pass-thru of the associated utility costs. We began charging nonstudent residents, which account for approximately 40 % of the overall residency, the assessed cost of these certain utilities in March 2018 and we have not had any noted runoff due to passing on these costs.

Justification: TSTC administration recommends charging for these certain utilities considering:

- TSTC family housing rates are on the low end of market pricing;
- Water, sewage, and trash collection rates continue to increase; and
- Competitors pass on these related costs either directly or indirectly.

Additional Information: None

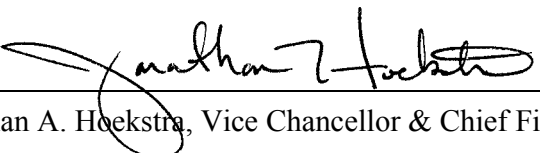
Fiscal Implications: Passing on water, sewage, and trash collection costs to all family housing residents will improve overall earnings. Additionally, these monies can be used to address deferred maintenance and/or other needs.

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

Attachment(s): Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2018 Semester
Letter from General Counsel

Recommended Minute Order: “The Board of Regents approves the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2018 Semester.”

Recommended By:


Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer

Campus	Description	Fall 2017	Fall 2018
Waco	Single Student Housing		
	Red River Apartments		
	Air Conditioned, 2 bedrooms Double Occupancy Single Occupancy	\$1320 \$1720	\$1320 \$1720
	Residence Hall (Lavaca)		
	Air Conditioned, Room Single Occupancy	1440 semester	1440 semester
	Application Fee	\$20	\$20
	Deposit	\$150	\$150
	Lavaca Internet Charge (optional)	\$60 semester	\$60 semester
	Moving Charge*	\$50	\$50
	<i>*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.</i>		
	Lost Key Charge - Outside door	30	30
	Family Housing		
	Housing-Wood Frame		
	2 Bedroom Duplex		
	Student	\$425 monthly	\$425 monthly
	Education Related	\$510 monthly	\$510 monthly
	Other	\$600 monthly	\$600 monthly
	3 Bedroom Duplex		
	Student	\$470 monthly	\$470 monthly
	Education Related	\$550 monthly	\$550 monthly
	Other	\$635 monthly	\$635 monthly
	2 Bedroom Single		
	Student	\$440 monthly	\$440 monthly
	Education Related	\$570 monthly	\$570 monthly
	Other	\$620 monthly	\$620 monthly
	3 Bedroom Single		
	Student	\$505 monthly	\$505 monthly
	Education Related	\$590 monthly	\$590 monthly
	Other	\$660 monthly	\$660 monthly
	4 Bedroom Single		
	Student	\$540 monthly	\$540 monthly
	Education Related	\$625 monthly	\$625 monthly
	Other	\$700 monthly	\$700 monthly

Housing-Brick Veneer		
3 Bedroom Small		
Student	\$590 monthly	\$590 monthly
Education Related	\$670 monthly	\$670 monthly
Other	\$750 monthly	\$750 monthly
4 Bedroom Small		
Student	\$615 monthly	\$615 monthly
Education Related	\$695 monthly	\$695 monthly
Other	\$780 monthly	\$780 monthly
3 Bedroom Large		
Student	\$615 monthly	\$615 monthly
Education Related	\$695 monthly	\$695 monthly
Other	\$780 monthly	\$780 monthly
4 Bedroom Large		
Student	\$650 monthly	\$650 monthly
Education Related	\$730 monthly	\$730 monthly
Other	\$810 monthly	\$810 monthly
4 Bedroom Extra Large		
Education Related	\$750 monthly	\$750 monthly
Other	\$845 monthly	\$845 monthly
Family Housing (Renovated in FY 2010 or Later)		
Housing-Wood Frame		
2 Bedroom - Duplex		
Student	\$555 monthly	\$555 monthly
Education Related	\$650 monthly	\$650 monthly
Other	N/A	N/A
3 Bedroom - Duplex		
Student	\$605 monthly	\$605 monthly
Education Related	\$700 Monthly	\$700 Monthly
Other	N/A	N/A
3 Bedroom Single		
Student	\$650 monthly	\$650 monthly
Education Related	\$740 monthly	\$740 monthly
Other	N/A	N/A
4 Bedroom Single		
Student	\$685 monthly	\$685 monthly
Education Related	\$780 monthly	\$780 monthly
Other	N/A	N/A
Housing-Brick Veneer		
3 Bedroom Small		
Student	\$700 monthly	\$700 monthly
Education Related	\$840 monthly	\$840 monthly
Other	N/A	N/A
3 Bedroom Large		
Student	\$725 monthly	\$725 monthly
Education Related	\$875 monthly	\$875 monthly
Other	N/A	N/A

4 Bedroom Small		
Student	\$725 monthly	\$725 monthly
Education Related	\$875 monthly	\$875 monthly
Other	N/A	N/A
4 Bedroom Large		
Student	\$750 monthly	\$750 monthly
Education Related	\$910 monthly	\$910 monthly
Other	N/A	N/A
4 Bedroom Extra Large		
Education Related	\$935 monthly	\$935 monthly
Other	N/A	N/A
Application Fee	\$20	\$20
Per Person over 17 years old		
Deposit	Equal to One month's Rent	Equal to One month's Rent
Transfer Charge	\$250	\$250
Water/Sewage/Trash Collection costs for Brazos Community Housing	N/A	\$70 mo./duplex \$90 mo./house
Pet Fee (non-refundable)	No Pets in Housing	No Pets in Housing
Pet Deposit (refundable)	No Pets in Housing	No Pets in Housing
Lost Key Charge - Outside door	\$30	\$30
Moving Charge*		
Length of Residency		
Less than 12 months	Not Allowed	Not Allowed
At least 12 months, but less than 24 months	\$250	\$250
24 months or more	\$250	\$250
*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.		

July 13, 2018

Mike Reeser
Chancellor, TSTC System
3801 Campus Drive
Waco, Texas 76705

Re: Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2018 Semester.

Dear Chancellor Reeser:

As requested, I have reviewed the request by Jonathan Hoekstra that cost increases to TSTC for student housing in the Brazos Community housing units on the Waco Campus be passed on to the students residing in the Brazos Community housing.


The increased costs in question are due to increases in the cost of water, sewage and trash collection. Also, these increased costs are currently passed on to the nonstudent residents, which comprise approximately 40% of the residents of the Brazos Community housing units.

The support for the increased rates for student housing in the Brazos Community housing units comes from the fact that TSTC housing rates are on the low end of market pricing, city service rates continue to increase, and competitors pass on these related increased costs to renters.

The request to increase the rental rates of students living in the Brazos Community housing units by passing on the increased costs of water, sewage and trash collection is in compliance with all applicable laws and regulations and is in the best interest of TSTC students as well as the State of Texas.

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

Sincerely,



Edward C. Vallejo
Associate General Counsel

cc: Ray Rushing, J.D., Vice Chancellor / General Counsel
Jonathan Hoekstra, Vice Chancellor / Chief Financial Officer
Madelynne Johnston, Executive Assistant to the Chancellor



Board Meeting Date: August 9, 2018 **Proposed Minute Order #:** 19-18(c)
Proposed By: Shelli Scherwitz, Senior Executive Director Support Operations
Subject: **Financing of Data Center Equipment to Replace Obsolete Equipment at Texas State Technical College in Waco and Harlingen.**

Background: State agencies may utilize lease financing to finance equipment when the life and benefit of the asset extends over multiple years. This arrangement levels out cash flow requirements associated with capital costs and matches the expense to the associated periods of use.

The components for TSTC's data center replacement project have been procured from approved vendors, and the administration recommends financing the purchase under a lease financing arrangement with Dell Financial Services in order to budget the cash flow over the useful life of the equipment. The combined lease financing to fund the equipment purchases will be in the amount of \$1,330,000.

Justification: TSTC uses data center servers for mission-critical applications and resources to allow for password replication and information storage across the state. There are two systems: one in Waco for daily use and one in Harlingen as a disaster recovery replica. The current system is beyond vendor support agreements.

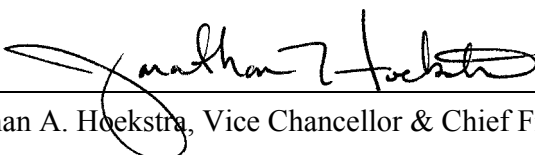
Additional Information: A lease for an amount of \$250,000 or more or for a term of 5 years or more requires Bond Review Board approval.

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

Attachment(s): None

Recommended Minute Order: "The Board of Regents approves the financing of equipment in an amount not to exceed \$1,400,000 to replace the data center equipment for Texas State Technical College in Waco and Harlingen, and authorizes the Chancellor or his designee to submit an application for approval to the Texas Bond Review Board and to obtain lease purchase financing from Dell Financial Services."

Recommended By:


Jonathan A. Hoekstra, Vice Chancellor & Chief Financial Officer



Board Meeting Date: August 9, 2018 **Proposed Minute Order #:** 24-18(c)
Proposed By: Jason D. Mallory, Director of Audits

Subject: **Ratification of Executive Action 09-18**

Background: As part of the SACSCOC reaffirmation process to begin in 2019, the College must have its fiscal year 2018 financial statements and compliance to OMB Uniform Guidance for Federal Awards standards audited by an independent auditor. Administration seeks to engage the independent certified public accounting firm of BKD, LLP to perform a Single Audit for fiscal year 2018. This will satisfy the SACSCOC requirements.
This request was presented to and approved by the Executive Committee on June 4, 2018, because the College would realize a cost savings from the firm by allowing them to start in July. We would also better ensure the audit would be completed by the required March 2019 deadline.

Justification: Six accounting firms submitted proposals to perform the required audit. Three had a presence in Waco, and three were national firms. A committee comprised of accounting and internal audit staff evaluated each proposal, and performed face to face interviews with four of the firms. The committee determined that BKD, LLP best satisfied its evaluation criteria and the College's needs. BKD, LLP is a national accounting firm, the 5th largest provider in the nation of Single Audits, and has extensive experience auditing colleges and universities.

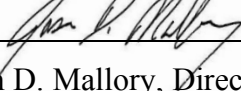
Additional Information: The State Auditor's Office on March 30, 2018, approved this audit to be delegated to an external firm. The bidding and evaluation process was guided by a Certified Texas Procurement Manager to ensure all relevant purchasing and contracting rules are followed.

Fiscal Implications: Funds Available as Budgeted for Fiscal Year 2019.

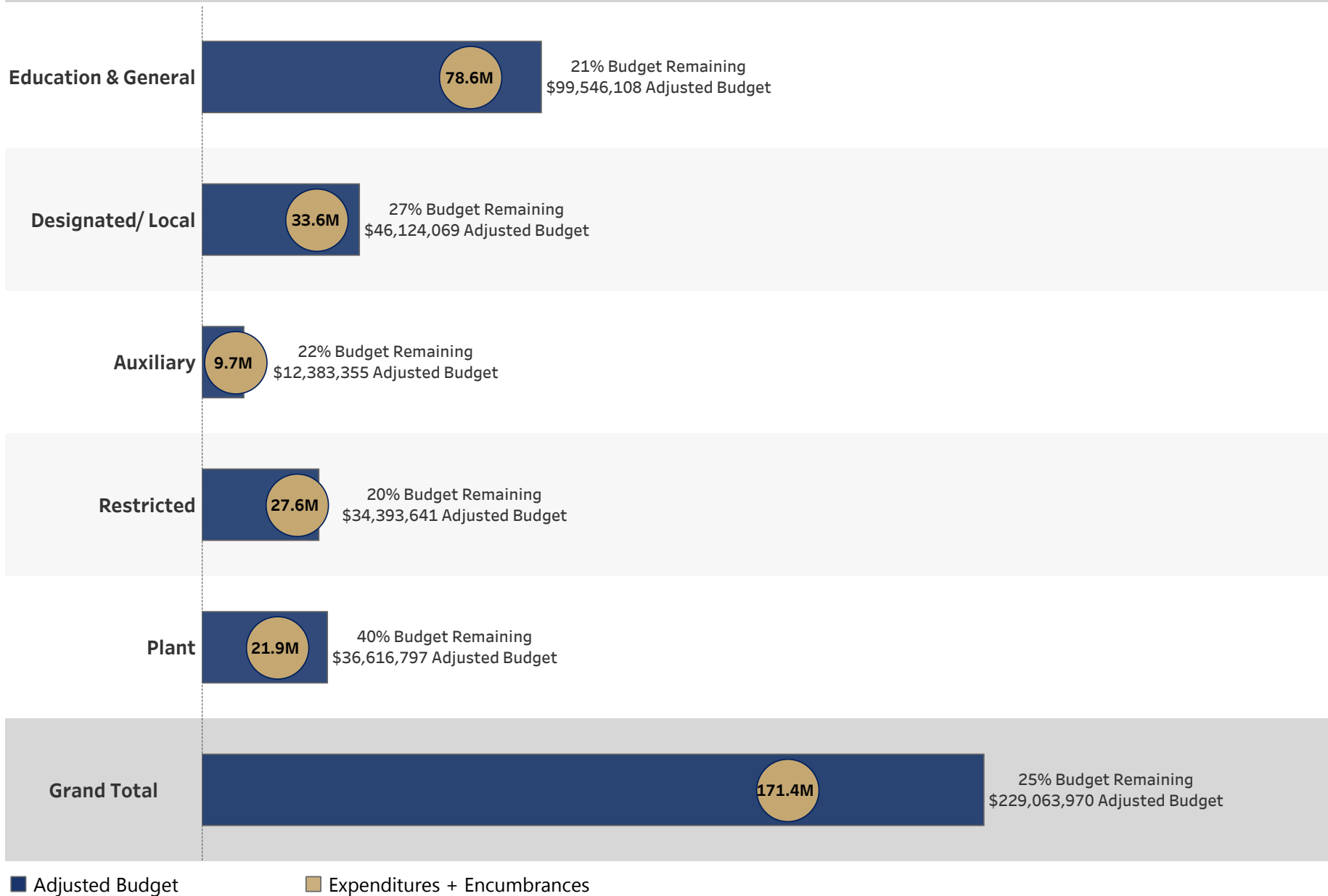
Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): None

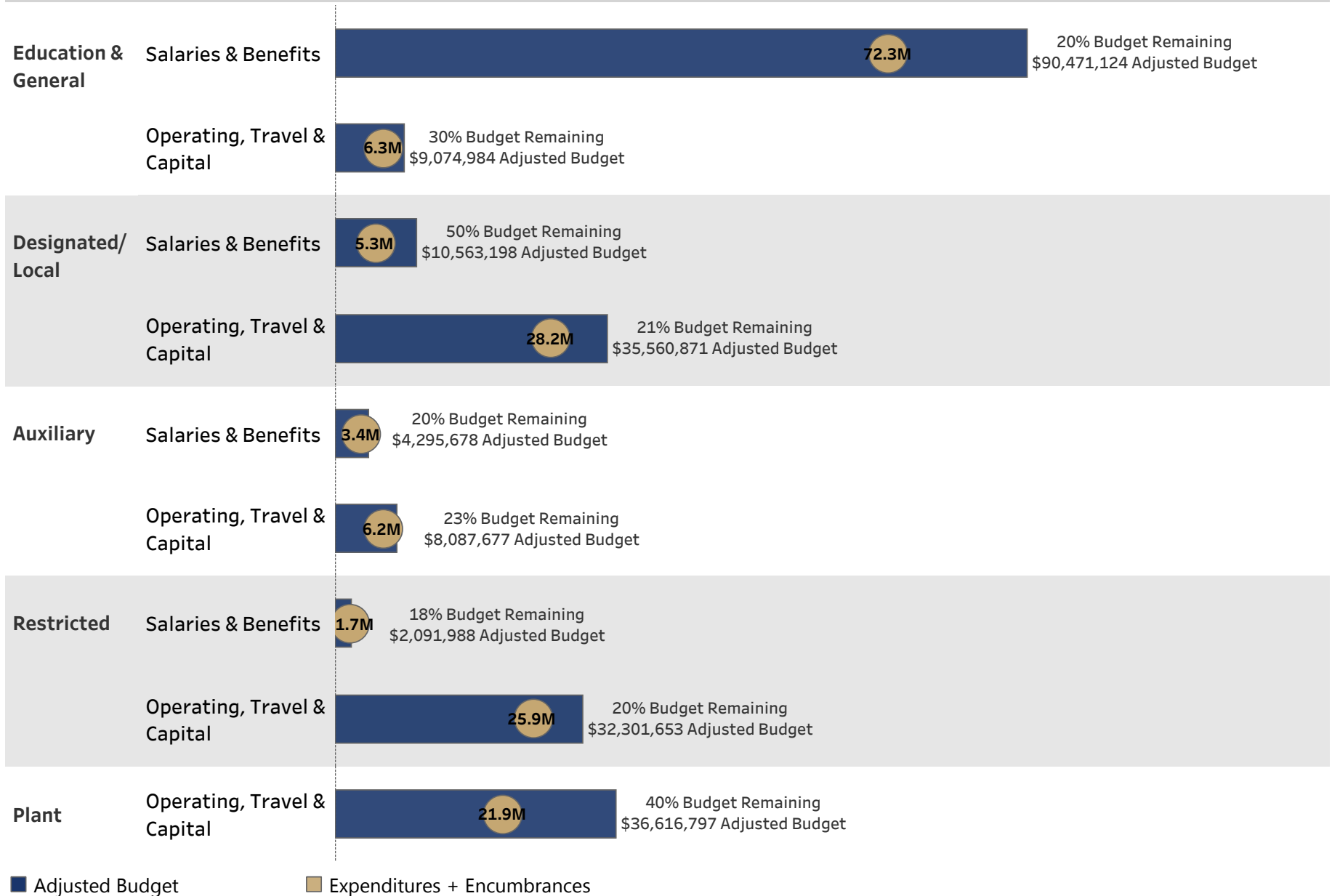
Recommended Minute Order: "The Board of Regents ratifies the Executive Action 09-18."

Recommended By: 
Jason D. Mallory, Director of Audits

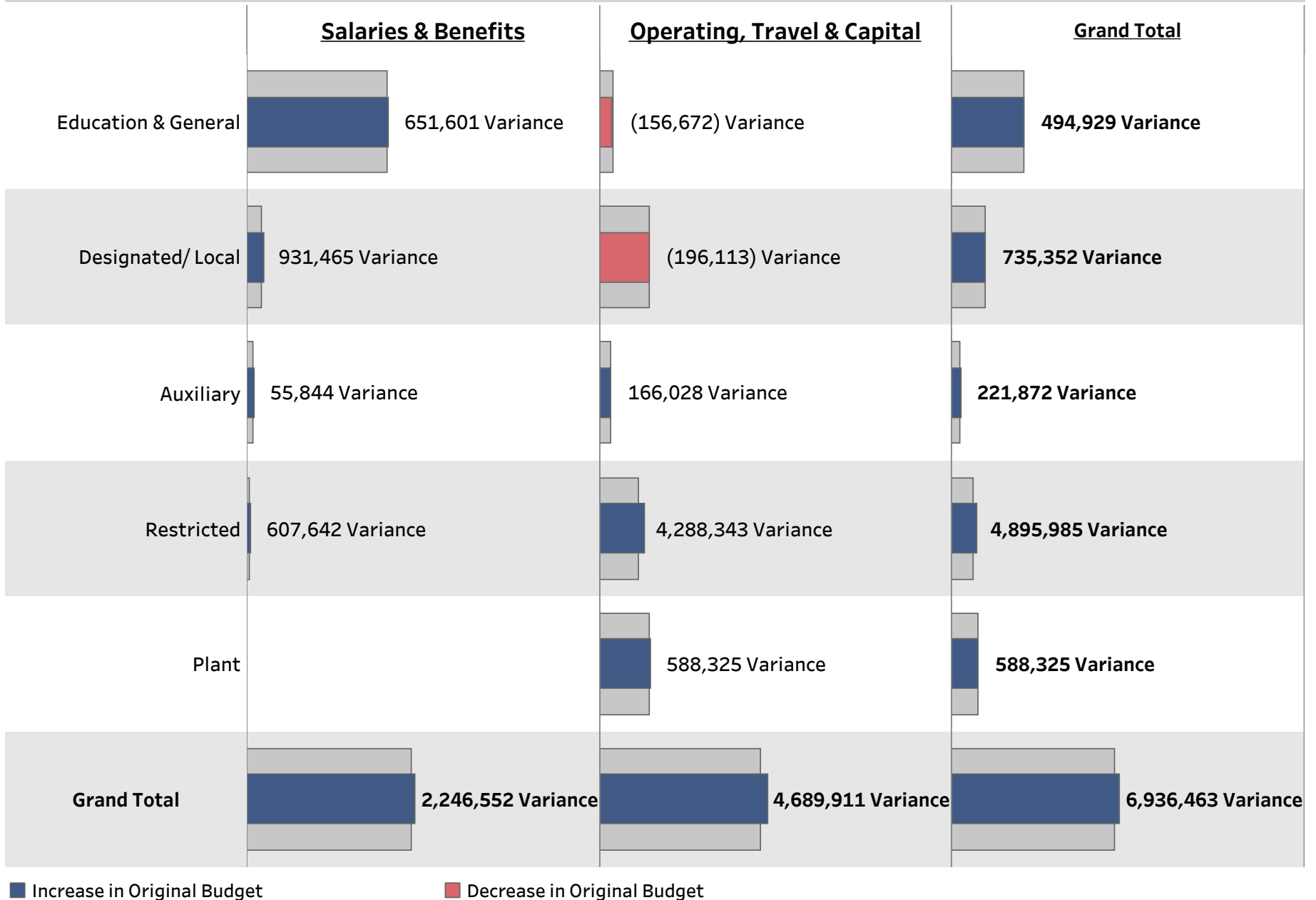
Texas State Technical College
Variance of Adjusted Budget to Original Budget
September 1, 2017 - June 30, 2018



Texas State Technical College
Variance of Adjusted Budget to Original Budget
September 1, 2017 - June 30, 2018

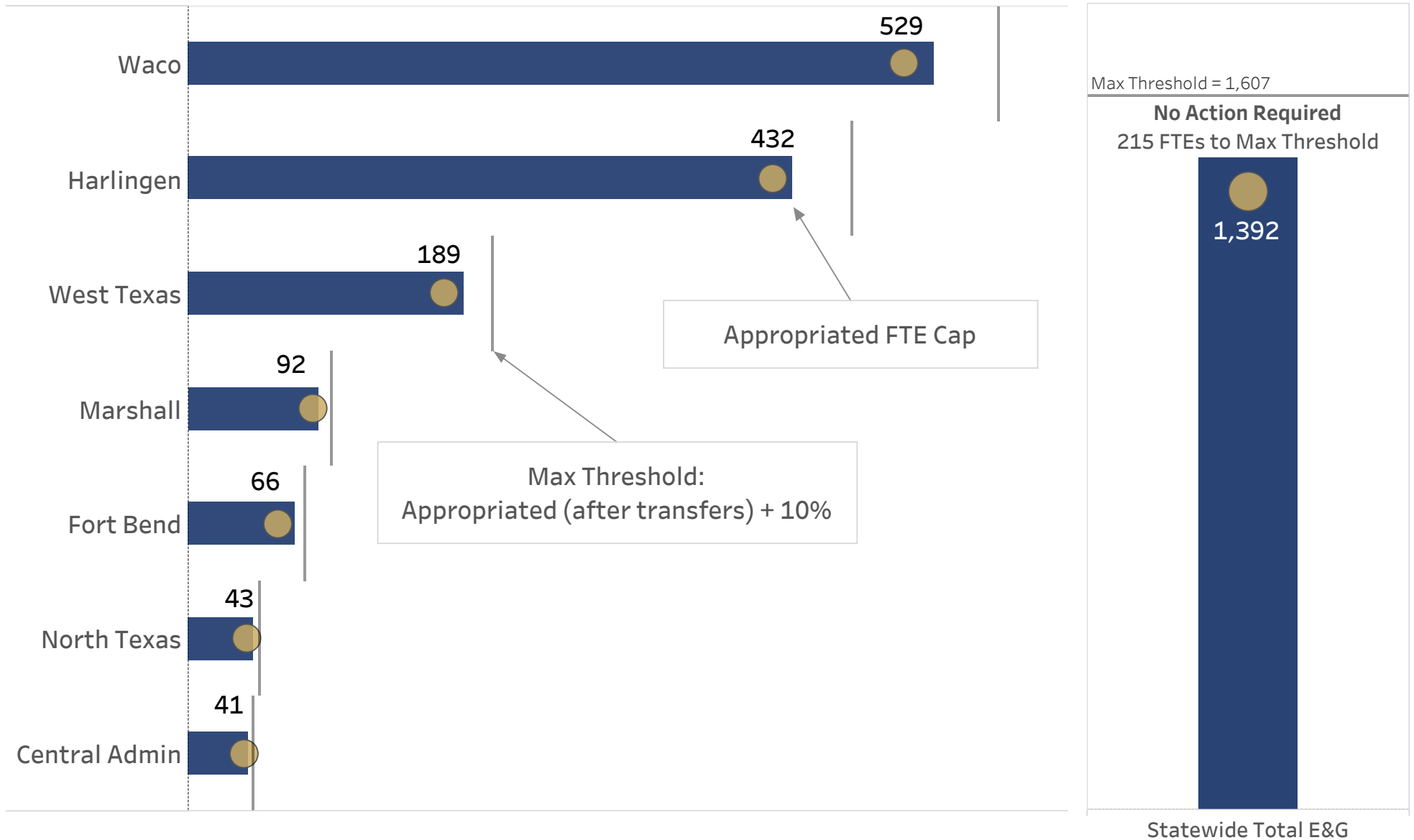


Texas State Technical College
Variance of Adjusted Budget to Original Budget
September 1, 2017 - June 30, 2018



Texas State Technical College
State Appropriated Employees - Full Time Equivalent
FY 2018 - As of May 31, 2018

The number of Full Time Equivalent employees is within the max threshold of 1607 by 215 FTEs, therefore no action is required.



Texas State Technical College

Variance of FTEs by Funding Source

As of May 31, 2018



This illustration demonstrates the total FTEs in each funding source by fiscal year. The line graph (and labels) represent the FTE variance from FY 2014.

TEXAS STATE TECHNICAL COLLEGE

PLEDGED COLLATERAL REPORT

May 31, 2018

	A	B	C	D	E	F	G	H	I
		PORTFOLIO				SECURITY ON DEPOSITS			
	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	MONEY MARKETS AND TIME DEPOSITS	TOTAL DEPOSITS AND INVESTMENTS	SIPC/FDIC** COVERAGE	REQUIRED COLLATERAL	COLLATERAL AT MARKET VALUE May	SUFFICIENT (INSUFFICIENT)	
DEPOSITORY-LOCATION									
1 BANK OF AMERICA - WACO	-	-	10,000	10,000	10,000	-	-	-	
2 BRECKENRIDGE INTERBANK	-	52,185	-	52,185	52,185	-	-	-	
3 CITIZENS NATIONAL BANK - RED OAK	-	52,290	-	52,290	52,290	-	-	-	
4 COMPASS BANK - WACO	-	-	1,640,102	1,640,102	500,000	1,140,102	1,675,000	534,898	
5 FIRST COMMUNITY BANK - SAN BENITO	-	-	172,345	172,345	172,345	-	52,125	52,125	
6 FIRST NATIONAL BANK ALBANY / BRECKENRIDGE	-	-	199,215	199,215	199,215	-	-	-	
7 FIRST NATIONAL BANK OF CENTRAL TX- WACO	34,378	33,134,569	2,460,076	35,629,023	500,000	35,129,023	40,631,801	5,502,778	
8 FROST NATIONAL BANK	62,390	293,411	-	355,801	250,000	105,801	1,188,493	1,082,692	
9 VERITEX COMMUNITY BANK (Formerly Liberty Bank)	-	-	10,000	10,000	10,000	-	-	-	
10 PROSPERITY BANK (Formerly American State Bank)	-	52,939	-	52,939	52,939	-	1,481,000	1,481,000	
11 TEXAS BANK - BROWNWOOD	-	54,722	-	54,722	54,722	-	-	-	
12 TEXAS BANK & TRUST - LONGVIEW	-	66,563	-	66,563	66,563	-	-	-	
13 TEXAS FIRST STATE BANK	-	-	250,000	250,000	250,000	-	1,599,898	1,599,898	
14 TEXAS NATIONAL BANK - SWEETWATER	-	209,558	-	209,558	209,558	-	-	-	
15 TEXASTERM - Other*			6,002,896	6,002,896	N/A	N/A	N/A	N/A	
16	96,768	33,916,237	10,744,634	44,757,639	2,379,817	36,374,926	46,628,317	10,253,391	
17 TEXASTERM - TRB Bonds*			1,561,843	1,561,843	N/A	N/A	N/A	N/A	
18 TEXASTERM - HEAF Bonds*			3,295,453	3,295,453	N/A	N/A	N/A	N/A	
19 TEXPOOL - TOTAL* (Other & TRB Bonds)			1,894,168	1,894,168	N/A	N/A	N/A	N/A	
20 TEXPOOL - TOTAL* (Other & HEAF Bonds)			620,319	620,319	N/A	N/A	N/A	N/A	
21			7,371,783	7,371,783					
22 TOTAL	96,768	33,916,237	18,116,417	52,129,422	2,379,817	36,374,926	46,628,317	10,253,391	

* No collateral required.

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

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
May 31, 2018

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS & AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
1 Bank of America - Waco Total				10,000	10,000	08/10/18	0.05%		Waco	5	365
2 Breckenridge InterBank Total			52,185		52,185		0.25%	Operating	Breck		
3 Citizens National Bank - Red Oak			52,290		52,290		0.24%	Operating	North TX	9	
4 Compass Bank - Waco				250,000	250,000	06/20/18	1.25%		Waco	4	365
5	*			250,000	250,000	07/19/18	1.35%		Waco	4	365
6				245,000	245,000	05/24/19	2.35%		Waco	4	365
7	*			895,102	895,102	04/11/19	2.00%		System Op	8	365
8 Compass Bank - Waco Total		0	0	1,640,102	1,640,102						
9 First Community Bank- San Benito				40,120	40,120	12/18/18	1.11%		Harl	6	334
10				132,225	132,225	09/12/18	1.11%		Harl	6	335
11		0	0	172,345	172,345						
12 First National Bank, Albany/Breckenridge	*			65,000	65,000	04/06/19	1.00%		Breck	5	365
13	*			100,000	100,000	04/14/19	1.00%		Swee	4	365
14	*			34,215	34,215	04/14/19	1.00%		Abilene	5	365
15 First National Bank, Albany/Breck Total		0	0	199,215	199,215						
16 First National Bank of Central TX, Waco			18,994,991		18,994,991		1.50%	Operating	Statewide		
17		34,378	247,689		247,689		1.50%	Operating	Waco		
18					34,378		0.00%	Fed Funds	Waco		
19			53,126		53,126		1.50%	Operating	System Op		
20			1,251,956		1,251,956		1.50%	HEAF	System Op		
21			1,504,953		1,504,953		1.50%	Bond Proceeds	System Op		
22			11,081,854		11,081,854		1.50%	TRB	System Op		
23				195,553	195,553	12/01/18	1.00%	Bond Proceeds	System Op	5	365
24				1,020	1,020	MMKT	1.50%	Payroll	Waco	3	
25				111,192	111,192	MMKT	1.50%		System Op	4	
26	*			704,201	704,201	MMKT	1.50%		Waco	3	
27	*			341,442	341,442	MMKT	1.50%		System Op	3	
28	*			24,438	24,438	MMKT	1.50%		Harl	3	
29				201,149	201,149	MMKT	1.50%		Harl	8	
30	*			273,411	273,411	MMKT	1.50%		Swee	4	
31				242,560	242,560	MMKT	1.50%		Marshall	5	
32				3,319	3,319	MMKT	1.50%		NTX	3	
33				361,791	361,791	MMKT	1.50%		System Op	3	
34 FNB of Central TX Total		34,378	33,134,569	2,460,076	35,629,023				Waco	3	
35 Frost Bank		62,390			62,390		0.00%	Operating	Fort Bend		
36			293,411		293,411		1.22%	Operating	Harl		
37 Frost Bank Total		62,390	293,411	0	355,801						
38 Veritex Community Bank (Formerly Liberty Bank-N. Richland Hills)				10,000	10,000	09/07/18	0.75%		Waco	5	731
39 Prosperity Bank (Formerly American State Bank-Abilene)			52,939		52,939		0.20%	Operating	Abilene		

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
May 31, 2018

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS & AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
40 Texas Bank- Brownwood Total			54,722		54,722	08/08/18	0.64%	Operating	Swee		
41 Texas Bank and Trust - Longview		0	66,563	0	66,563		0.10%	Operating	Marshall		
42 Texas First State Bank				250,000	250,000		1.25%		Waco	3	365
43 Texas National Bank- Sweetwater			209,558		209,558		1.96%	Operating	Swee		
44 TexasTerm - Other Total	*	0	0	6,002,896	6,002,896		1.75%		System Op	3	
45 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	13,795	13,795		1.75%		Harlingen	8	
46 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	1,548,048	1,548,048		1.75%		Abilene	8	
47 TexasTerm TRB Bonds - Total		0	0	1,561,843	1,561,843						
48 TexasTerm - Ser 2016 HEAF Bond Proceeds	*	0	0	3,295,453	3,295,453		1.75%		Waco	8	
49 TexasTerm - Ser 2016 HEAF Bond Proceeds		0	0	0	0		1.75%		Harlingen	8	
50 TexasTerm HEAF Bonds - Total		0	0	3,295,453	3,295,453						
51 TexPool - Other Total		0	0	1	1		1.72%		System Op	8	
52 TexPool - Ser 2016 TRB Bond Proceeds		0	0	1,894,167	1,894,167		1.72%		Harlingen	8	
53 TexPool - Ser 2016 TRB Bond Proceeds		0	0	0	0		1.72%		Abilene	8	
54 TexPool - Total		0	0	1,894,168	1,894,168						
55 TexPool - Other Total		0	0	1	1		1.72%		System Op	4	
56 TexPool - Ser 2016 HEAF Bond Proceeds		0	0	0	0		1.72%		Waco	8	
57 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	620,318	620,318		1.72%		Swee	8	
58 TexPool - Ser 2016 HEAF Bond Proceeds		0	0	0	0		1.72%		Marshall	8	
59 TexPool - Total		0	0	620,319	620,319						
60 TOTAL ALL INVESTMENTS		96,768	33,916,237	18,116,417	52,129,422						

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
May 31, 2018

A	B	C	D	E	F	G	H	I	J	K	L
DEPOSITORY-LOCATION		REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS & SHORT TERM INVESTMENTS	TOTAL DEPOSITS AND INVESTMENTS	MATURITY DATE	RATE	ACCOUNT TYPE	CAMPUS	FUND NO.	DAYS MAT
61 TIME DEPOSITS BY FUND:	FUND NO.										
62 DESIGNATED FUNDS	3			7,907,229							
63 AUXILIARY ENTERPRISES FUNDS	4			1,157,342							
64 ENDOWMENT FUNDS	5			588,179							
65 RESTRICTED FUNDS	6			172,345							
66 UNEXPENDED PLANT FUNDS	8			8,291,322							
67				18,116,417							
68 TIME DEPOSITS BY LOCATION:											
69 SYSTEM OPERATIONS				7,606,540							
70 WACO				4,978,989							
71 HARLINGEN				2,446,187							
72 WEST TEXAS				2,568,730							
73 MARSHALL				273,411							
74 NORTH TEXAS				242,560							
75				18,116,417							
76 WEIGHTED AVERAGE RATE OF INTEREST				1.69%							
BENCHMARK - TREASURY BOND YIELDS AS OF											
77 5-31-18											
78 1-YEAR				2.23%							
79 WEIGHTED AVERAGE MATURITY (CD'S)				364							
80 INTEREST RECEIVED AND ACCRUED ON CASH IN BANK AND INVESTMENTS FY 18				452,084							
81 INVESTMENT ACTIVITY FY18											
82 Balance February 28, 2018				15,258,932							
83 Interest Added to Investments				48,331							
84 Time Deposits Increase (Decrease)				(356,501)							
85 TexPool Funds-Other Increase (Decrease)											
86 TexPool Funds-TRB Increase (Decrease)											
87 TexPool Funds-HEAF Bonds Increase (Decrease)											
88 TexasTerm Funds-Other Increase (Decrease)				6,000,000							
89 TexasTerm Funds-TRB Increase (Decrease)				(3,000,000)							
90 TexasTerm Funds-HEAF Bonds Increase (Decrease)				(875,000)							
91 Money Market-Loc Rev Bonds Increase (Decrease)				(54,620)							
92 Money Market Funds-Other Increase (Decrease)				1,095,275							
93 Balance May 31, 2018				18,116,417							

* Investment Changes March, April and May, 2018

ALL INVESTMENTS ARE SHOWN AT COST. MARKET VALUE EQUALS COST DUE TO THE TYPE OF INVESTMENT. THE BALANCES ARE PER THE BANK AS OF THE REPORT DATE.

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

Albert Srubar, Comptroller

Date

Jonathan Hoekstra, Vice Chancellor for Finance

Date