

Board of Regents Meeting

November 16, 2017
Waco, Texas



OFFICE OF THE CHANCELLOR

3801 Campus Drive
Waco, Texas 76705

254-867-4891
254-867-3973

November 2, 2017

Mr. Keith Honey, Chair
Members of the Board of Regents
Texas State Technical College
Waco, Texas 76705

SUBJECT: Action Items for the Board of Regents' Meeting on November 16, 2017

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the November 16, 2017 meeting. These materials have been reviewed and approved by the appropriate staff members as indicated.

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

Sincerely,



Michael L. Reeser
Chancellor & CEO

/cjs

Attachments

November 16, 2017

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

SUBJECT: *Quarterly Control & Compliance Attestation*

Regents:

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

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

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

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

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

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

3. I have maintained adequate internal control over financial reporting, effective and efficient operations, and regulatory compliance within my areas of operating responsibility as of September 30, 2017 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 September 30, 2017 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

SCHEDULE OF ACTIVITIES

TEXAS STATE TECHNICAL COLLEGE

Board of Regents

November 15-16, 2017

Waco, Texas

Wednesday, November 15, 2017

Reservations: **Hilton Waco**
3:00 p.m. 113 S. University Parks Dr.
Check-in Waco, TX 76701
Telephone: (254) 759-5517
6:00 p.m. **Reception**
7:00 p.m. **Dinner**
7:30 p.m. **Special Meeting of TSTC Board of Regents**

Thursday, November 16, 2017

The Board of Regents Meetings
8:00 a.m. **Breakfast**
9:00 a.m. **Board Working Group Meetings**
9:00 a.m. **Chairman's Coffee with the New Regents**
10:45 a.m. **Audit Committee Meeting**
11:30 a.m. **Lunch**
12:30 p.m. **Board of Regents Meeting**
5:15 p.m. **Ad Hoc Committee Working Session**

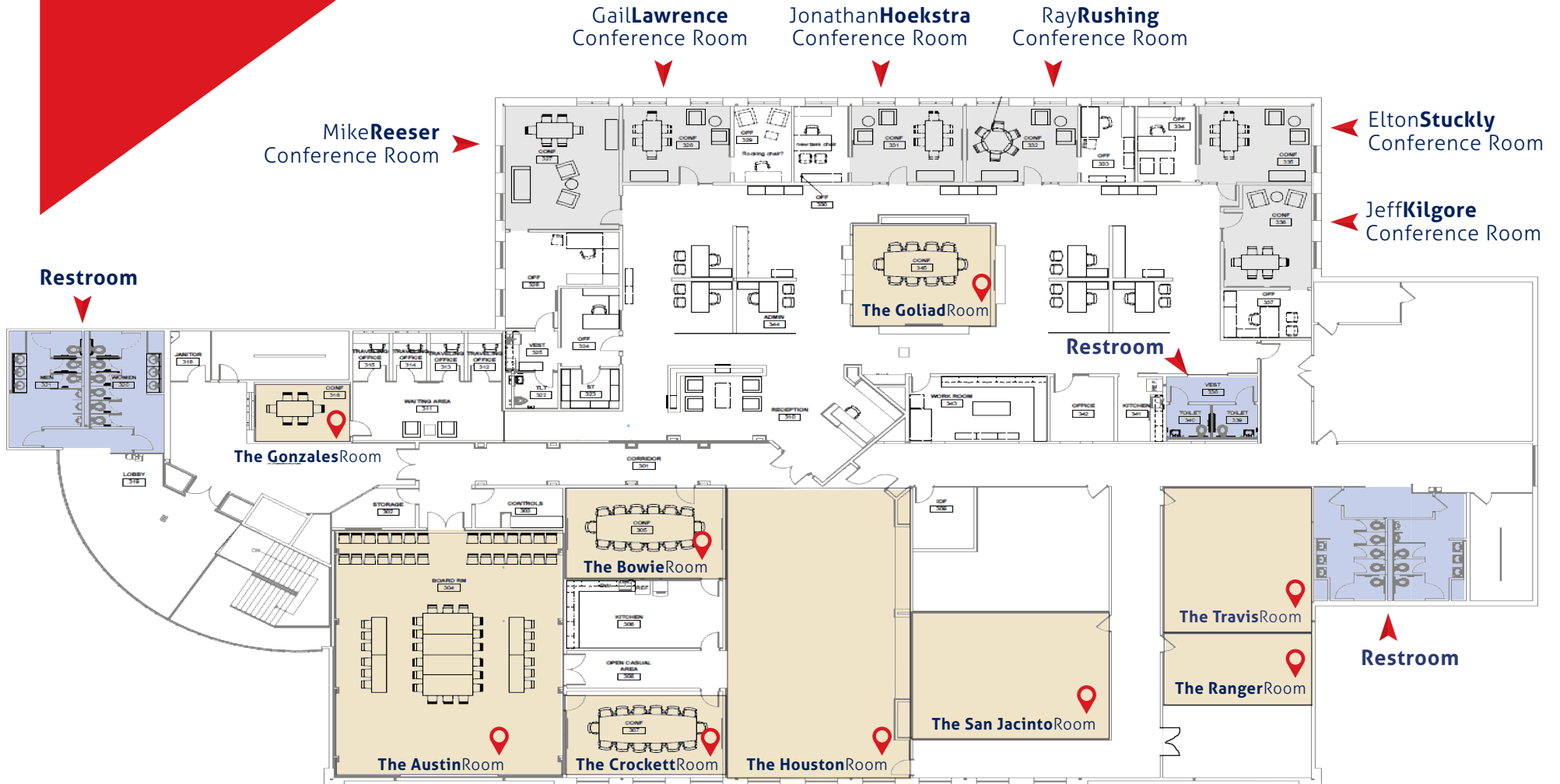
All events occur on the 3rd Floor of the John B. Connally Technology Center



* Yellow box indicates reserved parking area.

TSTC is located in the heart of Texas, between Dallas and Austin.

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 drives.



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**

Wednesday, November 15, 2017

7:30 p.m.

AGENDA

- I. Meeting Called to Order**
- II. Determination of Quorum**
- III. Representative Kyle Kacal, Gavel Presentation**
- IV. Resolutions/Gifts to Retiring Regents**
- V. Swearing In of New Regents**
- VI. Honoring of Table Makers**
- VII. Adjourn**

TEXAS STATE TECHNICAL COLLEGE

Board of Regents Meeting

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

Thursday, November 16, 2017

12:30 p.m.

AGENDA

- I. Invocation**
- II. Meeting Called to Order**
- III. Determination of Quorum**
- IV. Adoption of Agenda**
- V. Approval of Minutes of August 8 & 9, 2017 Meetings**
- VI. Recognition of Guests**
- VII. Chancellor's Comments**
- VIII. TSTC Foundation Operating Plan – Jeff Kilgore**
- IX. Committee Reports and Minute Orders**

- a. Committee for Student Learning and Student Development (Joe Gurecky – Chair)**

Committee Chair Comments

Minute Orders:

Proposed MO #

None.

Reports:

TSTC Board of Regents Honor Graduates Summer 201725

Elton E. Stuckly, Jr.

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

b. Committee for Strategic Relations (Joe Hearne – Chair), Ivan Andarza

Committee Chair Comments

**Minute Orders:
Proposed MO #**

38-17(c) Approval of The TSTC Foundation Operating Plan Update for the Period
September 1, 2017 to August 31, 2018.....29

Reports:

1. (Oral Report).....
Beth Wooten

c. Committee for Facilities (Ellis Skinner – Chair), John Hatchel]

Committee Chair Comments

**Minute Orders:
Proposed MO #**

39-17(c) Accept the Central Chiller Plant Design and Construction Phase Services at Texas
State Technical College in Harlingen40

40-17(c) Accept the Chilled Water Plant Project at Texas State Technical College in
Harlingen.....41

41-17(c) Accept the HVAC Replacement Project in Building 5SO1 Academics /
Technology Center / Learning Resource Center at Texas State Technical College
in Marshall45

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

42-17(c) Approval to grant an easement to The Trinity River Authority of Texas for the construction of a permanent sanitary sewer pipeline at Texas State Technical College in North Texas	47
--	----

Reports:

1. Major Facility Projects Status Update.....	51
	<i>Ray Fried</i>
2. Oral Report Progress Photos	
	<i>Ray Fried</i>

d. Audit Committee (Ivan Andarza – Chair), Joe Gurecky]

Committee Chair Comments

Minute Order:

Proposed MO #

None.

Reports:

Status of Fiscal Year 2017 Audit Schedule & Other Projects	A-3
Status of Fiscal Year 2018 Audit Schedule & Other Projects	A-6
Summary of Audit Reports	A-7
Follow-up Schedule & Status	A-9
Internal Audit Annual Report Fiscal Year 2017	A-14
Annual Statement on Quality Control.....	A-36
Annual Confirmation of Organizational & Individual Independence	A-37
Annual Review of Internal Audit Charter.....	A-38

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

Annual Compliance Audit of TEC §51.9337	A-43
Construction Audit of the Brazos Center.....	A-51
Public Funds Investment Act Audit.....	A-56
Audit of Select Controls on Demand Deposits	A-60
Final Program Review Determination	A-65
Attestation Disclosures	A-78

e. Committee for Fiscal Affairs (John Hatchel – Chair), Ellis Skinner]

Committee Chair Comments

Minute Orders:

Proposed MO #

43-17(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges and Deposits, Effective Spring 2018 Semester (Waco Campus only)	54
44-17(c) Schedule of Student Meal Plan Rates, Effective Spring 2018 Semester	59
45-17(c) Policy for Investments.....	61

Reports:

1. Auxiliary Reports – Fiscal Years 2013 - 2017.....	70
--	----

Jonathan Hoekstra

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

2.	Comparison of Budget to Expenditures and Encumbrances, September 1, 2016 through August 31, 2017.....	73
	<i>Jonathan Hoekstra</i>	
2.	TSTC Full Time Equivalent (FTE).....	76
	<i>Jonathan Hoekstra</i>	
4.	Pledged Collateral - Collateral Pledged for Deposits in Excess of \$250,000, August 31, 2017.....	79
	<i>Jonathan Hoekstra</i>	
5.	Quarterly Investment Report, August 31, 2017	80
	<i>Jonathan Hoekstra</i>	
6.	Semi-annual Report Certifying Debt Management Policy Compliance, August 31, 2017.....	83

X. Consent Agenda Items

- 38-17(c) Approval of The TSTC Foundation Operating Plan Update for the Period September 1, 2017 to August 31, 2018
- 39-17(c) Accept the Central Chiller Plant Design and Construction Phase Services at Texas State Technical College in Harlingen
- 40-17(c) Accept the Chilled Water Plant Project at Texas State Technical College in Harlingen
- 41-17(c) Accept the HVAC Replacement Project in Building 5SO1 Academics / Technology Center / Learning Resource Center at Texas State Technical College in Marshall
- 42-17(c) Approval to grant an easement to The Trinity River Authority of Texas for the construction of a permanent sanitary sewer pipeline at Texas State Technical College in North Texas
- 43-17(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges and Deposits, Effective Spring 2018 Semester (Waco Campus only)

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

44-17(c) Schedule of Student Meal Plan Rates, Effective Spring 2018 Semester

45-17(c) Policy for Investments

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 Thursday, November 16, 2017, 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)

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

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.”

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. Election of Officers

XVII. Chancellor Comments

Board of Regents Meeting Dates for 201887

Michael L. Reeser

XVIII. Board Comments

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 previous meetings. The estimated times are approximate and may be adjusted as required with no prior notice. Lunch will be at approximately noon.

MINUTES

TEXAS STATE TECHNICAL COLLEGE
Board of Regents Special Meeting
Texas State Technical College
John B. Connally Technology Center
Board Room

Wednesday, August 9, 2017

The special meeting of the Texas State Technical College Board of Regents was called to order at 1:08 p.m. August 10, 2017, by Chair Keith Honey.

DETERMINATION OF QUORUM

Members Present: Ivan Andarza, Penny Forrest, John Hatchel, Joe Hearne, Keith Honey, J.V. Martin, Joe Gurecky and Ellis Skinner

Members Absent: Linda McKenna

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

ADOPTION OF AGENDA

Upon motion by Mr. Hatchell and second by Mrs. Forrest, the Agenda was adopted unanimously.

STRATEGIC PLAN PRESENTATION

Reports

1. Situational Context (Oral Report).....Mike Reeser
2. Traditional College/Cohort Wages (Oral Report)Elton Stuckly &
Jeff Kilgore
3. Grow & Diversify Revenue Mix (Oral Report).....Jonathan Hoekstra &
Rick Herrera
4. Great Place to Work (Oral Report).....Ray Rushing &
Gail Lawrence

BUDGET OVERVIEW AND DISCUSSION

MINUTE ORDERS

- 34-17(c) Operating Budget for Fiscal Year 2018
- 35-17(c) Appropriation Transfers for Fiscal Year 2018
- 36-17(c) Allocation of Higher Education Assistance Funds for Fiscal Year 2018

The Open Meeting is recessed at 5:07 p.m. and reconvenes at 10:31 a.m. on August 10, 2017.

Upon a motion by Mr. Skinner and second by Mrs. Forrest, the following Minute Orders were approved unanimously:

34-17(c) Operating Budget for Fiscal Year 2018

“The Board of Regents approves the Operating Budget for Fiscal Year 2018.”

35-17(c) Appropriation Transfers for Fiscal Year 2018

“The Board of Regents approves the Appropriation Transfers for Fiscal Year 2018.”

36-17(c) Allocation of Higher Education Assistance Funds for Fiscal Year 2018

“The Board of Regents approves the Allocation of Higher Education Assistance Funds for Fiscal Year 2018.”

BOARD COMMENTS

None.

The meeting adjourned at 11:04 a.m.



Ray Rushing
Secretary to the Board of Regents



**Texas State Technical College
Board of Regents Meeting
Minutes
Thursday, August 10, 2017
Texas State Technical College
Statewide Conference Center
1651 E. Crest Drive
Waco, TX 76705**

The meeting of the Texas State Technical College Board of Regents was called to order at 11:23 a.m., August 10, 2017, by Chair Keith Honey.

DETERMINATION OF A QUORUM

Members Present: John Hatchel, Penny Forrest, Joe Gurecky, Joe Hearne, Keith Honey, Ivan Andarza, J.V. Martin and Ellis Skinner.

Members Absent: Linda McKenna.

ADOPTION OF AGENDA

Upon a motion by Mr. Martin and second by Mr. Hearne, the Agenda was adopted unanimously.

APPROVAL OF MINUTES

Upon a motion by Mr. Andarza and second by Mr. Gurecky, the Minutes of the May 3, 2017, Board of Regents meeting were approved unanimously.

RECOGNITION OF GUESTS

None.

CHANCELLOR'S COMMENTS

COMMITTEE REPORTS AND MINUTE ORDERS

a. Committee for Student Learning and Student Development



Minute Orders:

Proposed MO #

26-17(c) Declaration of the North Building known as 5N01 and the associated land in Marshall Texas as Surplus Property Not Needed for Educational and Training Purposes at Texas State Technical College

Reports:

TSTC Board of Regents Honor Graduates Spring 2017 *Elton E. Stuckly, Jr.*

b. Committee for Strategic Relations

1. No Activity

c. Committee for Facilities

Minute Orders:

Proposed MO #

27-17(c) Approve the Concept to Sell the North Building, known as 5N01, and the 10.456 Acres of Land on the TSTC Marshall Campus

34-17(c)-number amended to 37-17(c) Acceptance of Brazos Center Project at Texas State Technical College in Fort Bend

Reports:

1. MP1 Summary and Certified Reports
2. Major Facility Projects Status Update
3. Construction Progress *Oral Report*

Ray Fried

d. Audit Committee

Minute Order:

Proposed MO #

25-17(c) Proposed Audit Plan for Fiscal Year 2018

Reports:

Status of Fiscal Year 2017 Audit Schedule & Other Projects

Summary of Audit Reports

Follow-up Schedule & Status

Fort Bend: Diesel Instructional - Departmental Audit

Fort Bend: HVAC Instructional - Departmental Audit

OIT: TAC §202 Compliance Audit

Harlingen: Provost Office - Departmental Audit

Harlingen: Developmental Education - Departmental Audit

Trade Adjustment Assistance Community College and Career Training Grant –
Interim Evaluation Report

Trade Adjustment Assistance Community College and Career Training Grant –
Monitoring Report

Waco Police: CJIS Security Audit

Attestation Disclosures

e. Committee for Fiscal Affairs

Minute Orders:

Proposed MO #

- 28-17(c) Lease of 11,064 Square Feet of ACTI Hangar at the TSTC Waco Airport to Siemens Government Technologies
- 29-17(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2017 Semester
- 30-17(c) Revised Schedule of Charges for the Incidental Cost of Flight Instruction – Effective Fall 2017
- 31-17(c) Approve the Purchase of 5.57 Acres of Real Estate Adjacent to the Texas State Technical College Waco Airport
- 32-17(c) Reallocation of Appropriation Transfers for Fiscal Year 2017
- 33-17(c) Allocation of Higher Education Assistance Funds for Fiscal Year 2017

Reports:

1. Comparison of Budget to Expenditures and Encumbrances, September 1, 2016 through June 30, 2017

Jonathan Hoekstra

2. TSTC Full Time Equivalent (FTE)
Jonathan Hoekstra
3. Pledged Collateral - Collateral Pledged for Deposits in Excess of \$250,000,
May 31, 2017
Jonathan Hoekstra
4. Quarterly Investment Report, May 31, 2017
Jonathan Hoekstra

CONSENT AGENDA ITEMS

Upon motion by Mrs. Forrest and second by Mr. Hatchell, the Consent Agenda Items were approved unanimously:

- 25-17(c) Proposed Audit Plan for Fiscal Year 2018
“The Board of Regents approves the Proposed Audit Plan for Fiscal Year 2018.”
- 26-17(c) Declaration of the North Building known as 5N01 and the associated land in Marshall Texas as Surplus Property Not Needed for Educational and Training Purposes at Texas State Technical College
“The Board of Regents declares of the North Building known as 5N01 and the associated land in Marshall Texas as Surplus Property Not Needed for Educational and Training Purposes at Texas State Technical College.”
- 27-17(c) Approve the Concept to Sell the North Building, known as 5N01, and the 10.456 Acres of Land on the TSTC Marshall Campus
“The Board of Regents approves the concept to sell the North Building, known as 5N01, and the 10.456 Acres of Land on the TSTC Marshall Campus.”
- 28-17(c) Lease of 11,064 Square Feet of ACTI Hangar at the TSTC Waco Airport to Siemens Government Technologies
“The Board of Regents approves the lease of 11,064 Square Feet of ACTI Hangar at the TSTC Waco Airport to Siemens Government Technologies.”
- 29-17(c) Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2017 Semester

“The Board of Regents approves the schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2017 Semester.”

- 30-17(c) Revised Schedule of Charges for the Incidental Cost of Flight Instruction – Effective Fall 2017

“The Board of Regents approves the revised Schedule of Charges for the Incidental Cost of Flight Instruction – Effective Fall 2017.”

- 31-17(c) Approve the Purchase of 5.57 Acres of Real Estate Adjacent to the Texas State Technical College Waco Airport

“The Board of Regents approves the Purchase of 5.57 Acres of Real Estate Adjacent to the Texas State Technical College Waco Airport.”

- 32-17(c) Reallocation of Appropriation Transfers for Fiscal Year 2017

“The Board of Regents approves Reallocation of Appropriation Transfers for Fiscal Year 2017.”

- 33-17(c) Allocation of Higher Education Assistance Funds for Fiscal Year 2017

“The Board of Regents approves Allocation of Higher Education Assistance Funds for Fiscal Year 2017.”

- 34-17(c) Operating Budget for Fiscal Year 2018

“The Board of Regents approves the Operating Budget for Fiscal Year 2018.”

- 35-17(c) Appropriation Transfers for Fiscal Year 2018

“The Board of Regents approves the Appropriation Transfers for Fiscal Year 2018.”

- 36-17(c) Allocation of Higher Education Assistance Funds for Fiscal Year 2018

“The Board of Regents approves the Allocation of Higher Education Assistance Funds for Fiscal Year 2018”

- 37-17(c) Acceptance of Brazos Center Project at Texas State Technical College in Fort Bend

“The Board of Regents approves the Acceptance of Brazos Center Project at Texas State Technical College in Fort Bend.”

UNFINISHED BUSINESS

None

NEW BUSINESS

Executive Management Council Report.....

Rick Herrera

PUBLIC COMMENTS

Mrs. DLR Mayes made public comments.

CLOSED MEETING

Chair announced: The meeting of the TSTC Board of Regents held at Texas State Technical College Statewide Conference Center, Waco, Texas on Thursday, August 10, 2017, 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 12:53 p.m.

The Open Meeting is recessed and the Regents retire to the Crockett Room to convene 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."

The Chair adjourns the Closed Meeting at 3:14 p.m.

The Board returns to the Austin Room.

OPEN MEETING

The Board of Regents reconvened into Open Meeting at 3.20 p.m., and reported that no action was taken in the Closed Meeting.

ACTION ON CLOSED MEETING

None

CHANCELLOR COMMENTS


BOARD COMMENTS

None

ADJOURN

The next meeting of the Board of Regents is scheduled for November 16, 2017.

The meeting adjourned at 3:25 p.m.



Ray Rushing
Secretary to the Board of Regents

TABLE OF CONTENTS

Committee for Student Learning and Student Development

[Joe Gurecky (Chair)]

Committee Chair Comments

Minute Orders:

Proposed MO

None

Report:

1. TSTC Board of Regents Honor Graduates Summer 2017.....25
Elton E. Stuckly, Jr.



**TSTC Board of Regents Honor Graduates
— Summer 2017 —**

TSTC Waco

Mr. Broc J. Thiele Diesel Equipment Technology- Off Highway Specialization	AAS	Ms. Melanie J. Alberts Cyber Security; Cyber Security Digital Forensics Specialization	AAS
Mr. Seth A. Blanchard Energy Efficiency Specialist	CER1	Ms. April N. Kaderka Culinary Assistant	CER1
Mr. Daylon L. Rankin Computer Networking & Systems Administration-CISCO Specialist	AAS	Ms. Katarina N. Tanner Instrumentation Technology	AAS
Ms. Jaycie L. Walts Dental Assistant	CER1	Ms. Shelby D. Kaderka Culinary Assistant	CER1
Mr. Marcus M. Crespin Computer Maintenance Technology; Computer Networking & Systems Administration-CISCO Specialist; Home Integration Technology	AAS CER1	Mr. Rafael A. Mendez, IV Electrical Power and Controls	AAS
Mr. Joel D. Van Sant Cloud & Data Center Management; Computer Networking & Systems Administration-CISCO Specialist	AAS	Mr. Brandon K. Fisher Computer Networking & Systems Administration-CISCO Specialist	AAS
Mr. Curtis G. Persons, II Electrical Power and Controls	AAS	Ms. Katelyn M. Scott Environmental Technology – Compliance; Occupational Safety Compliance Technology	AAS
Mr. Nolan J. Maxwell Advanced Pipe Welding ESC	CER3	Mr. Bruce E. Bormann Biomedical Equipment Technology; Medical Imaging Systems Technology	AAS
Mr. Pablo Hernandez Plumbing & Pipefitting Technology	CER1	Mr. Jonathan C. McElmurry Computer Networking & Systems Administration-CISCO Specialist	AAS

TSTC Waco (continued)		Ms. Veronica C. Alaniz Education & Training	AAS
Mr. Alexander P. Boothe Land Surveying Technology	AAS	Mr. Osbaldo L. Garza Building Construction Technology	CER1
Mr. Mason D. Burke Electrical Lineworker	CER1	Ms. Mmachimerem O. Onyemelukwe Education & Training	AAS
Mr. Colt W. Hackney Diesel Equipment Technology- Heavy Truck	CER1	Mr. Matthew J. Hamm Wind Energy Technician	CER1
Mr. Michael J. Thomas Electrical Lineworker	CER1	Ms. Grecia W. Garcia Physics	AS
Mr. Hunter C. Hackney Diesel Equipment Technology- Heavy Truck	CER1	Ms. Carla L. Delgado Building Construction Technology	CER1
TSTC Fort Bend			
Mr. Domonic M. Majewski Electrical Lineworker	CER1	Mr. Trent J. Carter HVAC Technician	CER1
Mr. Christopher A. Bender Land Surveying Technology	AAS	Mr. Eleazar A. Dorantes Machining	CER1
Ms. Desiree' D. Murphy Dental Assistant	CER1	Mr. Justin J. Nieto Machining	CER1
TSTC Williamson Co.		Mr. Ramon Torres, Jr. Machining	CER1
Mr. Gabriel Martinez Industrial Maintenance – Mechanical Specialization	AAS	TSTC West Texas	
TSTC Harlingen		Ms. Nicole M. Wiley L.V.N.-R.N. Transition	AAS
Mr. Manuel Huerta Refrigeration Mechanic	CER1	TSTC Abilene	
Mr. Iasias B. Garza Automotive Technology	AAS	Mr. Cory J. Hall Chemical Dependency Counseling	CER1
Mr. Stephen Gonzales Architectural Design & Engineering Graphics Technology	AAS	Mr. Tanner A. Counts Aircraft Airframe Technology; Aircraft Powerplant Technology	AAS

TSTC Abilene (continued)

Mr. Mitch A. Baker **AAS**
Database and Web Programming

Ms. Lori A. Fiorello
Biomedical Equipment Technology

TSTC Marshall

Mr. Seth M Walker AAS
Biomedical Equipment Technology

Mr. Juan C. Sanchez CER1
Electrical Lineworker

Mr. Timothy G. Oliver AAS
Computer Aided Manufacturing Machinist

Mr. Jerry E. Pemberton, Jr. CER1
Diesel Equipment Technology-
Off-Highway Equipment

Mr. Robert D. Hanson CER1
Electrical Lineworker

TSTC North Texas

Mr. Christopher K. Adams AAS
Computer Networking & Systems
Administration

TABLE OF CONTENTS

Committee for Strategic Relations

[Joe Hearne (Chair), Ivan Andarza]

Committee Chair Comments

Minute Orders:

Proposed MO

38-17(c)	Approval of The TSTC Foundation Operating Plan Update for the Period September 1, 2017 to August 31, 2018.....	29
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Reports:

1.	(Oral Report).....	<i>Beth Wooten</i>
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Board Meeting Date: November 16, 2017

Proposed Minute Order #: 38-17(c)

Proposed By: Jeff L. Kilgore, Vice Chancellor & Chief Marketing Officer

Subject: Approval of The TSTC Foundation Operating Plan Update for the Period September 1, 2017 to August 31, 2018

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 the Fiscal Year 2018. The TSTC Foundation administration recommends 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: The TSTC System Administration has reviewed the plan and believes that the Board of Regents will find it to be acceptable and in the best interest of TSTC.

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, 2017 – August 31, 2018

Recommended Minute Order: "The Board of Regents of Texas State Technical College approves The TSTC Foundation Operating Plan for the period September 1, 2017 to August 31, 2018."

Recommended By:

A handwritten signature in cursive script, appearing to read "J. Kilgore", is written over a horizontal line.

Jeff L. Kilgore, Vice Chancellor & Chief Marketing Officer

TEXAS STATE TECHNICAL COLLEGE
THE TSTC FOUNDATION
and
ADVANCEMENT

Annual Operating Plan 2017-2018

TEXAS STATE TECHNICAL COLLEGE THE TSTC FOUNDATION

and ADVANCEMENT **Annual Operating Plan 2017-2018**

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©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 the 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, key influencers, prospective students, the media, members of the community and philanthropic entities of all types.

The primary core disciplines of educational advancement are:

1. Alumni Relations
2. Fundraising

3. Communications
4. Marketing

The areas that support Advancement are:

1. Operations: build/implement the infrastructure and streamline statewide processes.
 1. Enhance the donor intelligence system
 2. Measure/Increase constituent engagement statewide
2. Field Development: identify high potential donors and cultivate them for gifts based upon established baselines. Many fundraising “asks” are directed at scholarships and other gifts that directly benefit TSTC students.
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).

Advancement/The TSTC Foundation work toward the ultimate goals of engaging internal and external constituents in ways (financially and otherwise) that benefit the growth of TSTC, the training of its students and the economic development of state of Texas. Additionally, the TSTC Board of Directors serve as both independent advocates building relationships with individuals and outside entities to the benefit of TSTC and serves as the foundation of TSTC donors and volunteers statewide.

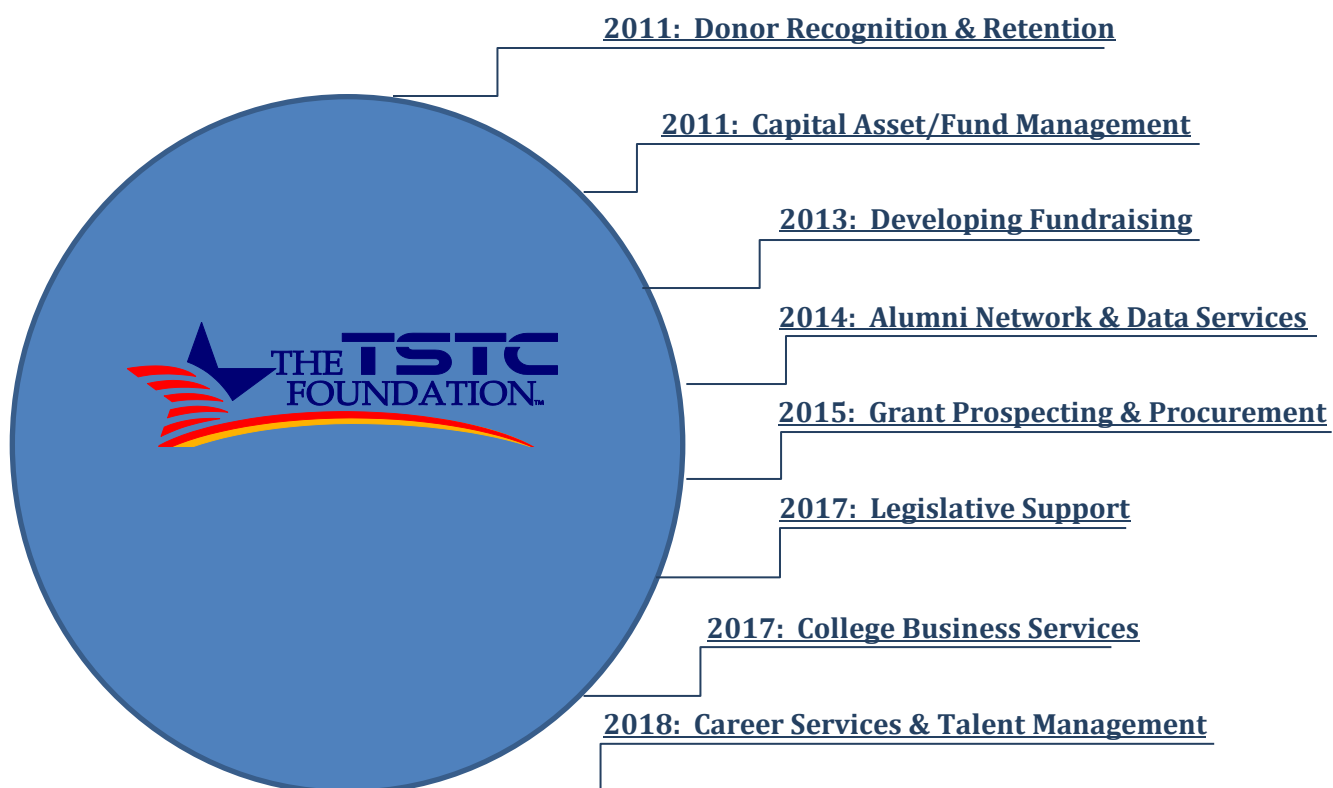
The integration of all marketing efforts also benefits the fundraising work by using the success in recruiting students and helping them to find outstanding jobs. In addition to that, some fundraising efforts are also aimed at getting resources for equipment and supplies that can improve the quality of instruction or improve the capacity of classes or programs. The resources that are provided by the State of Texas for TSTC are substantial and essential but gifts that are obtained by the fundraising efforts enable the organization to innovate and take advantage of opportunities that would not be possible otherwise. The future of TSTC largely depends upon the efforts of the fundraising group and The Foundation’s flexibility.

The TSTC Foundation assists and promotes the general welfare of TSTC by providing funding for unrestricted student and instructional aid funds, in-kind equipment donations from industry, student emergency relief funds, scholarships and other important resources.

The TSTC Foundation advances the cause of developing the skills of Texans to change their future and the economic strength of Texas. This is done by directing tax-free contributions to the individuals and areas of greatest needs, adding flexibility to the College’s ability to meet needs, granting more accessibility to students who might otherwise not be able to acquire workforce skills, ensuring the connection between the source and use of funds, efficient administration of fundraising activities, and introducing TSTC to new audiences.

The TSTC Foundation

“Growth of Purpose & Value”



Strategies for 2017-2018

Strategies:

1. Enhance donor recognition and retention program efforts.
2. Manage real and other assets and explore continued opportunities for the benefit of the college.
3. Increase the total amount of income and number of annual donors by 10%.
4. Increase alumni engagement 10%.
5. Increase amount of external funding (grants) awarded to TSTC Foundation by 10%.
6. Increase Legislative Affairs support services.
7. Grow unrestricted revenues by exploring, developing, and expanding business ventures with and on behalf of TSTC.
8. Increase industry/employer engagement and fundraising efforts.

❖ **Strategy 1: Enhance donor recognition and retention program efforts.**

Tactic a: Develop monthly engagement plan by region, targeting key donors, by planning specific appreciation opportunities that will include Leadership and the Chancellor as appropriate.

Tactic b: Institute new 'thank you' note policy that will include all Field Development Officers and the Chancellor as appropriate based on giving level.

Tactic c: Produce printed Annual Report to be mailed to all donors.

❖ **Strategy 2: Manage real and other assets and explore continued opportunities for the benefit of the college.**

Tactic a: Prudently manage and utilize endowments and other restricted funds to maximize financial aid to students and increase enrollment.

Tactic b: Provide flexibility to the college for financing, ownership and management of real estate and other fixed assets.

Tactic c: Actively evaluate growth and transition opportunities that can utilize the Foundation's structure to provide greater financial and other outcomes for the college.

❖ **Strategy 3: Increase the total amount of income and number of annual donors by 10%.**

Tactic a: Conduct quarterly mass solicitations to targeted constituencies.

Tactic b: Conduct multi-year fundraising campaign targeting scholarship and unrestricted gifts.

Tactic c: Increase constituent engagement in an effort to strategically align fundraising efforts.

Tactic d: Conduct annual wealth screening of all constituent records in the database.

Tactic e: Increase Field Development portfolios through prospect and donor research.

❖ **Strategy 4: Increase alumni engagement.**

Tactic a: Increase the number of alumni email addresses in the Raiser's Edge by completing annual alumni survey and attending strategic events such as commencements and Operation Graduations, in an effort to collect updated alumni data.

Tactic b: Send monthly alumni e-newsletter to promote The Alumni Network, The Alumni Job Network, auxiliary services, merchant discount program, and employer engagement.

Tactic c: Increase the number of alumni profiles in HireTSTC.

Tactic d: Increase alumni giving.

❖ **Strategy 5: Increase amount of external funding (grants) awarded to TSTC Foundation.**

Tactic a: Build working group to work with Texas Workforce Commission Skills Development and Skills for Small Business funding projects.

Tactic b: Facilitate involvement of executive leadership in the strategic pursuit and implementation of sponsored programs.

Tactic c: Transition the flow of grant awards on all private Foundation grants to The TSTC Foundation.

Tactic d: Deploy pre-award and post-award staff in service of all Advancement initiatives.

Tactic e: Actively pursue private Foundation grant funding that will support statewide fundraising initiatives.

❖ **Strategy 6: Increase Legislative Affairs support services.**

Tactic a: Provide support through strategic planning, production and execution of high-level, high-end events as directed by Legislative Affairs office.

Tactic b: Increase fundraising efforts to specifically raise unrestricted gifts that can be designated for the support of TSTC Legislative Affairs and associated activities.

Tactic c: Engage Foundation board members to serve as TSTC advocates in local communities in an effort to promote college needs and interests with TSTC elected official delegation.

Tactic d: Build a database of Foundation Board contacts or influencers to the state legislature.

❖ **Strategy 7: Explore, develop, and expand business ventures with and on behalf of TSTC**

Tactic a: Begin to explore rental of James B. Connally meeting space to external constituents.

Tactic b: Begin to support TSTC Guest Services by coordinating rental of Waco Inn.

Tactic c: Explore opportunities to develop TSTC's online bookstore.

Tactic d: Continue to be available to support capital/construction projects or new TSTC business lines.

❖ **Strategy 8: Increase industry/employer engagement and fundraising efforts.**

Tactic a: Increase support of TSTC Career Services/Talent Management activities.

Tactic b: Increase support and involvement with industry advisory groups, employers.

Tactic c: Increase number of alumni employer profiles in HireTSTC.

Tactic d: Increase involvement with industry/sector based professional organizations.

Conclusion

While this presents The TSTC Foundation's operational plan in accordance with the operational agreement between TSTC and The TSTC Foundation, it is strategically and functionally integrated with the overall Marketing Division efforts for 2017-2018.

These eight primary strategies continue the development of a foundation of a culture of philanthropy at TSTC.

Type of Gift

4-Year Trend
FY14 to FY17

Type of Gift	FY14	FY15	FY16	FY17
Capital	\$0.00	\$1,050,000.00	\$408,073.11	\$3,236,545.00
Gift in Kind	\$1,379,484.18	\$755,975.55	\$445,554.45	\$1,790,112.75
Cash	\$455,832.25	\$965,657.53	\$1,307,336.95	\$1,505,818.96
TOTAL	\$1,835,316.43	\$2,771,633.08	\$2,160,964.51	\$6,532,476.71

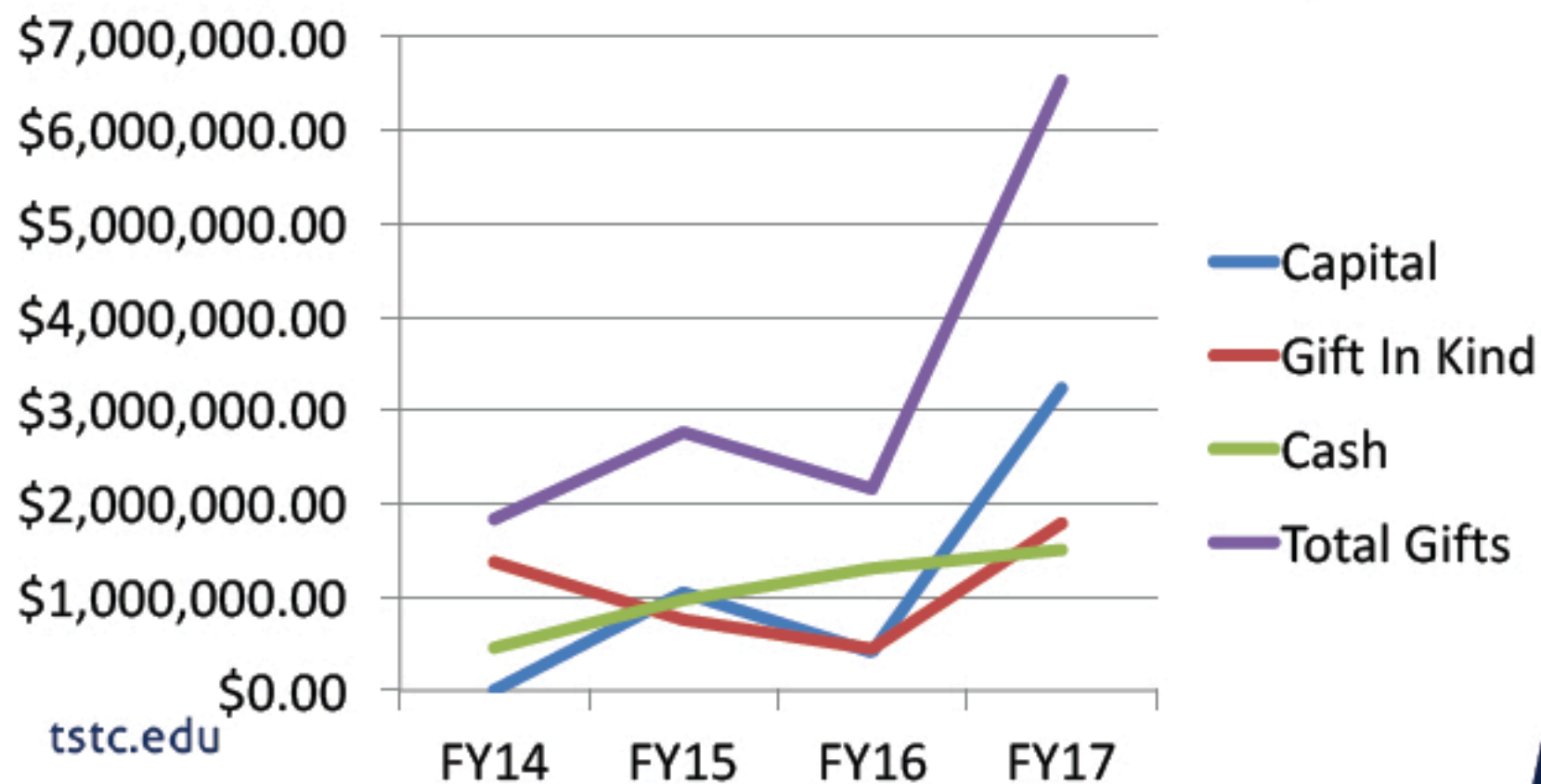


TABLE OF CONTENTS

Committee for Facilities

[Ellis Skinner (Chair), John Hatchel]

Committee Chair Comments

Minute Orders:

Proposed MO#

39-17(c)	Accept the Central Chiller Plant Design and Construction Phase Services at Texas State Technical College in Harlingen	40
40-17(c)	Accept the Chilled Water Plant Project at Texas State Technical College in Harlingen	41
41-17(c)	Accept the HVAC Replacement Project in Building 5SO1 Academics / Technology Center / Learning Resource Center at Texas State Technical College in Marshall	45
42-17(c)	Approval to grant an easement to The Trinity River Authority of Texas for the construction of a permanent sanitary sewer pipeline at Texas State Technical College in North Texas	47

Reports:

1.	Major Facility Projects Status Update.....	51
	<i>Ray Fried</i>	
2.	Oral Report Progress Photos	
	<i>Ray Fried</i>	

Board Meeting Date: November 16, 2017

Proposed Minute Order #: 39-17(c)

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

Subject: Accept the Central Chiller Plant Design and Construction Phase Services Conducted by Halff Associates at Texas State Technical College in Harlingen

Background: By Minute Order 19-14, the Board of Regents approved the concept to replace the aging Central Chiller Plant at the Harlingen campus and authorized the Chancellor or his designee to proceed with the engineering and design of the project.

Justification: This project will be completed and operational in December of 2017 including the Engineer's construction phase services.

Additional Information: None

Action Schedule:	Approval of Concept	May 2014	MO 19-14
	Accept Project	November 2017	MO 39-17

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 Board of Regents authorizes the Chancellor or his designee to accept the Central Chiller Plant Design and Construction Phase Services at Texas State Technical College in Harlingen and upon final completion of the project, the Board of Regents authorizes the Chancellor or his designee to make final payment due to the Engineer in the full amount."

Recommended By:



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

Board Meeting Date: November 16, 2017

Proposed Minute Order #: 40-17(c)

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

Subject: Accept the Chilled Water Plant Construction Project Completed by D. Wilson Construction Company at Texas State Technical College in Harlingen

Background: By Minute Order 48-16, the Board of Regents approved the budget to replace the aging TSTC Harlingen Central Chiller Plant with a new state-of-the-art facility. The existing central chiller plant at the Harlingen campus was obsolete and considered Critical Deferred Maintenance.

Justification: This project will be completed and operational in December of 2017 and will provide energy savings through the use of state-of-the-art equipment and thermal storage.

Additional Information: Halff Associates was selected to perform the design and design associated construction phase services.

Action Schedule:	Approval of Concept	May 2014	MO 19-14
	Approve Project Budget	August 2016	MO 48-16
	Accept Project	November 2017	MO 40-17

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): Photos

Recommended Minute Order: “The Board of Regents authorizes the Chancellor or his designee to accept the Chilled Water Plant at Texas State Technical College in Harlingen upon Substantial Completion and 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.”

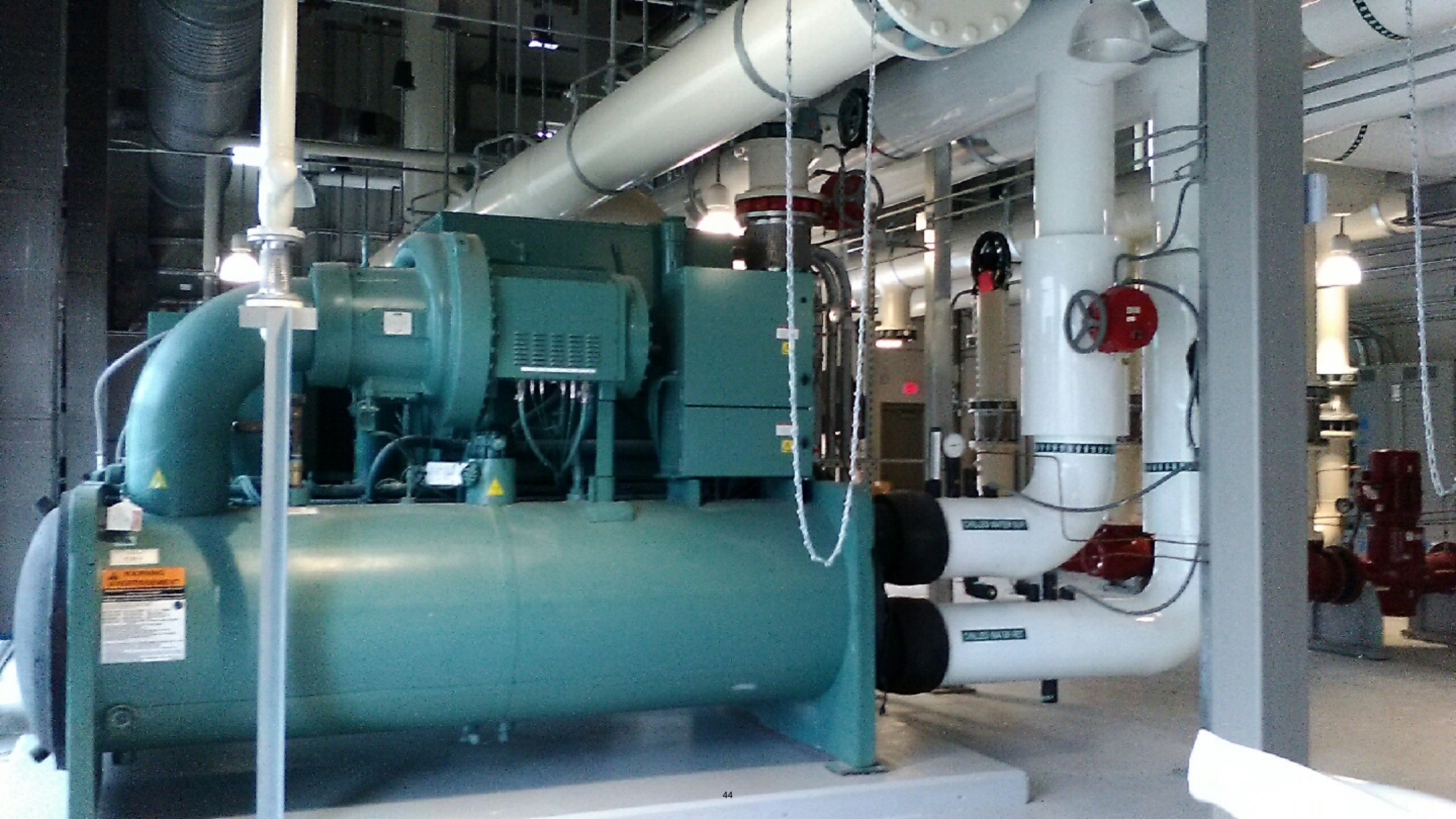
Recommended By:



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







Board Meeting Date: November 16, 2017

Proposed Minute Order #: 41-17(c)

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

Subject: Accept the HVAC Replacement Project in Building 5SO1 Academics / Technology Center / Learning Resource Center at Texas State Technical College in Marshall.

Background: The heating and air conditioning units in Building 5SO1 at the Marshall campus reached the end of their useful life and were no longer efficient and effective. By Minute Order 04-17 the Board of Regents approved the heating ventilation and cooling project and authorized the Chancellor or his designee to proceed with the project.

Justification: The projects also included lighting upgrades and energy savings measures in addition to the HVAC replacements to increase the energy savings. The project will be complete in January of 2018.

Additional Information: None

Action Schedule: Approve Project and Budget MO 04-17
Accept Project MO 41-17

Fiscal Implications: Fund 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 Board of Regents authorizes the Chancellor or his designee to accept the Heating Ventilation and Cooling project in Building 5SO1 at Texas State Technical College in Marshall upon substantial completion and to pay the contractor ninety-five percent of the construction cost pending final acceptance. Upon 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:

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

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

Board Meeting Date: November 16, 2017

Proposed Minute Order #: 42-17(c)

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

Subject: Approval to grant an easement to The Trinity River Authority of Texas for the construction of a permanent sanitary sewer pipeline at Texas State Technical College in North Texas.

Background: The Trinity River Authority of Texas (TRA) is proposing to construct a new permanent sanitary sewer pipeline on the eastern boundary of the North Texas Campus. The proposed route will require a 30' wide permanent easement totaling 0.839 acres, and a 30' wide temporary construction easement totaling 0.838 acres.

The Trinity River Authority of Texas will be required to restore the property to its original condition. This includes all ground cover, trees, and irrigation systems disturbed during construction and operation of the pipeline.

Justification: The proposed easement will not adversely affect the College's present or future use of the property.

Additional Information: None

Fiscal Implications: TRA will pay TSTC \$11,949 in consideration for the easement.

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

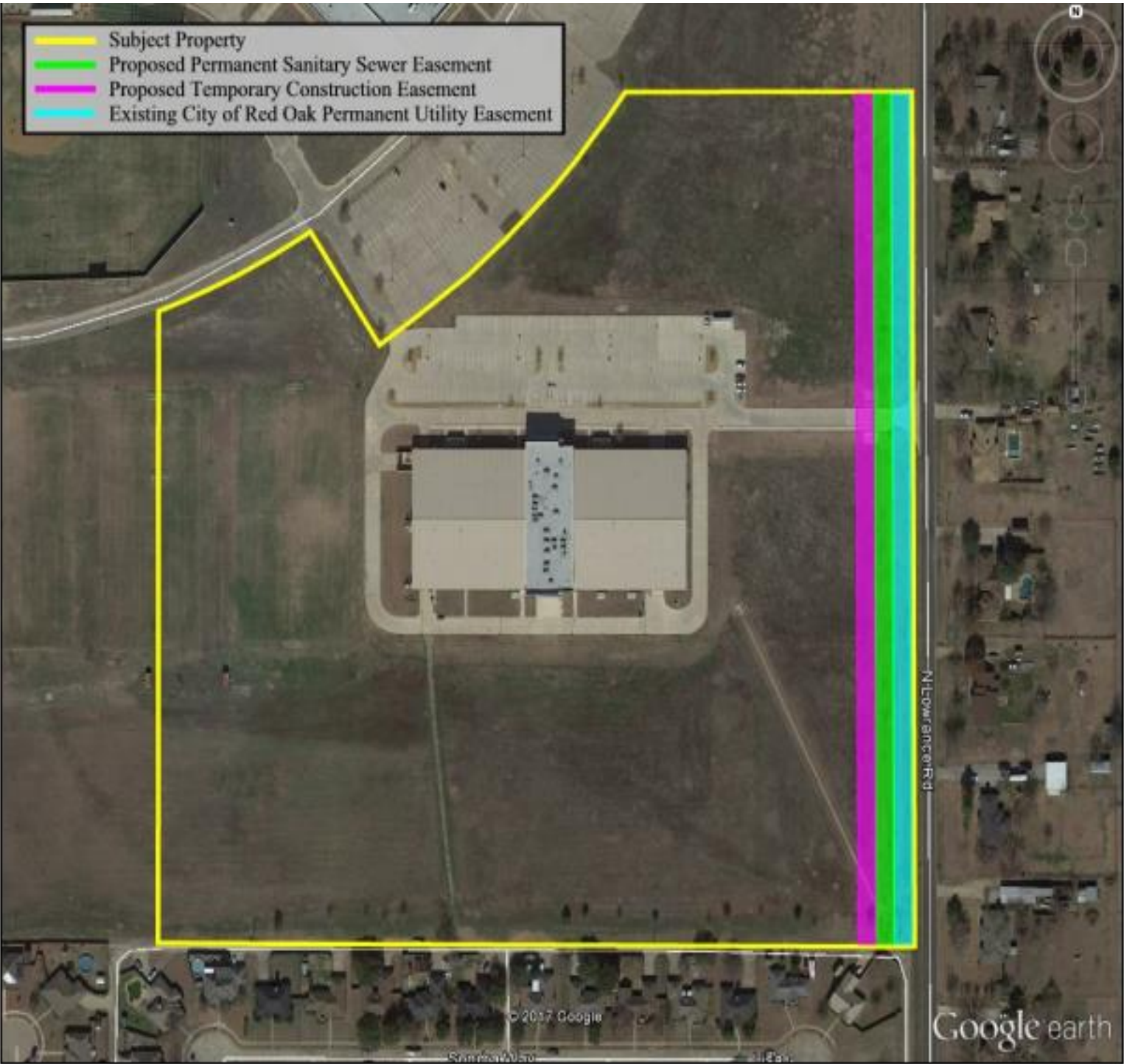
Attachment(s): Map of proposed easement, and letter from General Counsel

Recommended Minute Order: "The Board of Regents grants a 30 foot permanent easement totaling 0.839 acres to Trinity River Authority of Texas for the construction of a permanent sanitary sewer pipeline, along with a 0.838 acre temporary construction easement at Texas State Technical College North Texas, and authorizes the Chancellor or his designee to execute the easement agreement."

Recommended By:



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



November 2, 2017

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

RE: Approval to grant an easement to The Trinity River Authority at Texas State Technical College North Texas

Dear Chancellor Reeser:

As requested, I have considered the legal ramifications regarding the grant of an easement to The Trinity River Authority (TRA) for the construction of a permanent sanitary sewer pipeline across the property of Texas State Technical College North Texas.

The TRA is proposing the construction of a new permanent sanitary sewer pipeline along the eastern boundary of the TSTC North Texas Campus. The proposed route will require a thirty foot wide permanent easement totaling .839 acres. A temporary construction easement will be included in the grant.

The easement requires the TRA to restore the property to its original condition. Any trees which cannot be replaced in their original location within the permanent easement will be replaced elsewhere to TSTC's satisfaction, and the landscaping will likewise be replaced to TSTC's satisfaction. Any damage to the irrigation system will be immediately repaired, and the area will be irrigated until the trees and other landscaping are again established.

The proposed easement will not adversely affect TSTC's current or future use of the property. The appraised values, for compensation purposes, are \$9,434.00 for the permanent easement and \$2,515.00 for the temporary construction easement, for a total of \$11,949.00.

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

Respectfully submitted,



Susan Shafer
Associate General Counsel

cc: Jonathan Hoekstra, Chief Financial Officer
Ray Rushing, General Counsel of TSTC and Secretary of the Board of Regents
Cynthia Saunders, Manager of Board Support

Texas State Technical College
Major Facility Projects-Status Update November 2017

											%
Project Name		Campus	Managing Campus	Delivery Method	Fund Source		Cost Allocation		Required Approvals		Complete
1	Renovation of Building 20PM Engineering Center (Phase 2)	Harlingen	Harlingen	Construction Manager At Risk	Tuition Revenue Bond	\$ 3,750,000	Architect/Engineer	\$ 250,000	Approve Concept	MO 34-13	7%
							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	Fall 2018	
					Additional Information						
					TPFA	\$ 612,000	IT, FFE, Equip.	\$ 612,000			
					Total Funds	\$ 4,362,000	Total Cost	\$ 4,362,000			
2	Central Chiller Plant Engineering and design	Harlingen	Harlingen	Request for qualifications	Designated Tuition	\$ 40,000	Engineering / Design	\$ 578,330	Approve Concept and design project	MO 19-14	97%
					HEAF Bond	\$ 605,000	Owners Cost	\$ -	Approve Budget	MO 48-16	
					Transfer to project #3	\$ (45,500)			Approved MO amount	\$ 800,000	
					Transfer to project #3	\$ (21,170)			Accept Project	MO 39-17	
					Total Funds	\$ 578,330	Total Cost	\$ 578,330			
3	Replace Central Chiller Plant	Harlingen	Harlingen	Construction Manager At Risk	HEAF Bond	\$ 8,000,000	Construction	\$ 8,020,000	Approve Concept	MO 19-14	97%
					HEAF from project #2	\$ 45,500			Approve Budget	MO 48-16	
					Savings from project #2	\$ 21,170	Owners Cost	\$ 46,670	Approved MO amount	\$ 7,900,000	
					Total Funds	\$ 8,066,670	Total Cost	\$ 8,066,670	Accept Project	MO 40-17	
4	The Brazos Center	Fort Bend County	Harlingen	Construction Manager At Risk	Tuition Revenue Bond	\$ 14,950,000	A/E	\$ 998,619	Approve Concept	MO 46-14	99%
							Construction	\$ 13,384,448	Approve Budget	MO 56-15	
					Donation Grant Aux. Serv.	\$ 250,000	Owners Cost	\$ 816,933	Approved MO amount	\$ 14,950,000	
					Subtotal Funds	\$ 15,200,000	Subtotal Construction	\$ 15,200,000	Accept Project	MO 37-17	
					Additional Information						
					Equipment TPFA	\$ 2,947,000	IT / Equipment	\$ 2,947,000			
					Total Funds	\$ 18,147,000	Total Costs	\$ 18,147,000			
5	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	50%
							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	Summer 2018	
6	Accept real property and Construct TSTC West Texas Industrial Technology Center	Abilene	Sweetwater	Construction Manager At Risk	Tuition Revenue Bond	\$ 12,000,000	Architect/Engineer	\$ 917,475	Approve Concept	MO 49-14	25%
					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	Summer 2018	
					Gifts and donations	\$ 465,000	Land purchase	\$ 465,000			
					TPFA	\$ 3,540,000	Equipment, FFE, IT	\$ 3,540,000			
					Total Funds	\$ 16,051,321	Total Cost	\$ 16,051,321			

**Texas State Technical College
Major Facility Projects-Status Update November 2017**

	Project Name	Campus	Managing Campus	Delivery Method	Fund Source		Cost Allocation		Required Approvals	% Complete
7	TSTC Monument and Wayfinding Project	Statewide	Statewide	Construction Manager at Risk	HEAF Bond	\$ 780,000	Construction	\$ 780,000	Approve Project and Budget MO 03-17	6%
8	HVAC Replacement	Marshall	Marshall	Design Build Performance Contract	HEAF Bond	\$ 1,000,000	Construction	\$ 998,158	Approve Project and Budget MO 04-17	99%
					Under run	\$ (1,842)			Approved MO \$1,000,000	
					Total Funds	\$ 998,158	Total Cost	\$ 998,158	Accept Project MO 41-17	
9	Rehabilitation of Runways, Taxiways, and Apron at the TSTC Waco Airport	Waco	Waco	Design/Bid/Build	FAA/TxDOT Grant	\$ 5,668,209	Architect/Engineer	\$ 500,000	Concept MO 91-11	
					TSTC Airport Funds	\$ 629,801			Increase Contract amount MO 26-16	
					FAA/TxDOT Grant CO 1	\$ 971,675	Construction	\$ 5,798,010	CO #1	
					TSTC Airport Funds CO 1	\$ 107,964	Original Budget	\$ 6,298,010	Acceptance MO 44-16	100%
						\$ 7,377,649	CO #1	\$ 1,079,639		
								\$ 7,377,649		
10	Rework and Replace Paving	Sweetwater	Sweetwater	RFQ	HEAF Bond	\$ 40,000	Engineering / Design	\$ 40,000	Approve Concept and design project MO 07-17	5%
						\$ 65,101,128		\$ 65,101,128		

TABLE OF CONTENTS

Committee for Fiscal Affairs

[John Hatchel (Chair), Ellis Skinner]

Committee Chair Comments

Minute Orders:

Proposed MO#

43-17(c)	Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges and Deposits, Effective Spring 2018 Semester (Waco Campus only).....	54
44-17(c)	Schedule of Student Meal Plan Rates, Effective Spring 2018 Semester	59
45-17(c)	Policy for Investments.....	61

Reports:

1.	Auxiliary Reports – Fiscal Years 2013 - 2017.....	70
	<i>Jonathan Hoekstra</i>	
2.	Comparison of Budget to Expenditures and Encumbrances, September 1, 2016 through August 31, 2017.....	73
	<i>Jonathan Hoekstra</i>	
3.	TSTC Full Time Equivalent (FTE).....	76
	<i>Jonathan Hoekstra</i>	
4.	Pledged Collateral - Collateral Pledged for Deposits in Excess of \$250,000, August 31, 2017	79
	<i>Jonathan Hoekstra</i>	
5.	Quarterly Investment Report, August 31, 2017	80
	<i>Jonathan Hoekstra</i>	
6.	Semi-annual Report Certifying Debt Management Policy Compliance, August 31, 2017	83
	<i>Jonathan Hoekstra</i>	

Board Meeting Date: November 16, 2017

Proposed Minute Order #: 43-17(c)

Proposed By: Jonathan Hoekstra, Chief Financial Officer

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

Background: Rate increases are requested for student housing on the Texas State Technical College Waco campus. The proposed increases would place units more in line with market rates that have increased throughout the local market.

Justification: The rationale for raising rates associated with renovated, family-housing units at Waco includes:

- Relatively low family housing rates given the strong demand throughout the Waco market.
- Significant modifications needed to ensure tenant safety throughout our family-housing units.
- Proposed rates remain affordable and competitive for pricing in the region.

Additional Information: Significant modifications have begun within the family-housing units to ensure tenant safety and address State Fire Marshal's Office findings.

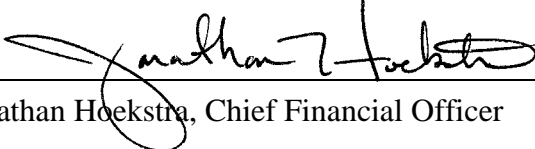
Fiscal Implications: Maintains fiscal equilibrium of housing operations.

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

Attachment(s): Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Spring 2018 Semester

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 Spring 2018 Semester."

Recommended By:



Jonathan Hoekstra, Chief Financial Officer

Waco Campus Housing Rates

Description	Fall 2017	Spring 2018
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Single Student Housing		
Application Fee	\$20	\$20
Deposit	\$150	\$150
Lavaca Internet Charge (optional)	\$60 semester	\$60 semester
Lost Key Charge - Outside door	\$30	\$30
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>		

Red River Apartments		
Air Conditioned, 2 Bedrooms		
Double Occupancy	\$1,320 Semester	\$1,320 Semester
Single Occupancy	\$1,720 Semester	\$1,720 Semester

Residence Hall (Lavaca)		
Air Conditioned, Room		
Single Occupancy	\$1,440 Semester	\$1,440 Semester

Description	Fall 2017	Spring 2018
Family Housing		
Application Fee Per Person over 17 years old	\$20	\$20
Deposit	Equal to One Month's Rent	Equal to One Month's Rent
Transfer Charge	\$250	\$250
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.		

Family 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

Description	Fall 2017	Spring 2018
Family 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

Description	Fall 2017	Spring 2018
Family Housing - Wood Frame (Renovated in FY 2010 or Later)		
2 Bedroom - Duplex Student Education Related	\$515 monthly \$600 monthly	\$555 monthly \$650 monthly
3 Bedroom - Duplex Student Education Related	\$560 monthly \$650 Monthly	\$605 monthly \$700 Monthly
3 Bedroom Single Student Education Related	\$600 monthly \$685 monthly	\$650 monthly \$740 monthly
4 Bedroom Single Student Education Related	\$635 monthly \$720 monthly	\$685 monthly \$780 monthly

Family Housing - Brick Veneer (Renovated in FY 2010 or Later)		
3 Bedroom Small Student Education Related	\$645 monthly \$780 monthly	\$700 monthly \$840 monthly
3 Bedroom Large Student Education Related	\$670 monthly \$810 monthly	\$725 monthly \$875 monthly
4 Bedroom Small Student Education Related	\$670 monthly \$810 monthly	\$725 monthly \$875 monthly
4 Bedroom Large Student Education Related	\$695 monthly \$845 monthly	\$750 monthly \$910 monthly
4 Bedroom Extra Large Education Related	\$865 monthly	\$935 monthly

Board Meeting Date: November 16, 2017

Proposed Minute Order #: 44-17(c)

Proposed By: Jonathan Hoekstra, Chief Financial Officer

Subject: Schedule of Student Meal Plan Rates Effective Spring 2018 Semester

Background: Certain students that reside on Texas State Technical College campuses are required to purchase meal plans during their first two semesters. Historically, student meal plans across TSTC's residential campuses have varied in price point and methodology.

Justification: Administration recommends shifting to a declining balance meal plan methodology across all TSTC residential campuses. The new standard for meal plans at the Harlingen, Sweetwater, and Waco campus cafes allow students enrolled in meal plans more flexible options. In addition, TSTC can apply an appropriate margin across the variety of choices offered to students to drive better financial results for the food service operation.

Additional Information: None

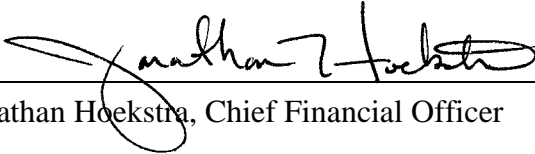
Fiscal Implications: Maintains fiscal equilibrium of cafeteria operations.

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

Attachment(s): Schedule of Student Meal Plan Rates Effective Spring 2018 Semester

Recommended Minute Order: "The Board of Regents approves the Schedule of Student Meal Plan Rates Effective Spring 2018 Semester."

Recommended By:



Jonathan Hoekstra, Chief Financial Officer

Schedule of Student Meal Plan Rates Effective Spring 2018 Semester

Statewide Meal Plan Rates, Effective Spring 2018

Campus	Description	Rate
All Residential Campuses (Harlingen, Sweetwater, Waco)	Meal Plan 1	\$650 *
	Meal Plan 2	\$1,200 *
	Meal Plan 3	\$1,650 *

Statewide Meal Plan Rates, Effective Fall 2017

Waco	Meal Plan 1	\$500 *
	Meal Plan 2	\$1,000 *
	Meal Plan 3	\$1,500 *

Harlingen	Meal Plan 1 (70 breakfasts)	\$280
	Meal Plan 2 (70 lunches)	\$420
	Meal Plan 3 (140 meals)	\$700

West Texas	21 Meals	\$148.75
	70 Meals	\$488.75
	150 Meals	\$1,032.75
	Full Meal Plan (225 Meals)	\$1,253.75
	Resident Nursing Meal Plan	\$1,032.75

* Declining balance meal plan program. Students begin each semester with a set amount of funds that are electronically added to their account. Purchases are deducted from their account based on the value of the meal items selected. Meal plan dollars expire the last class day of each semester. Meal plans have no cash value at semester's end and are not transferable to others or to future semesters.



Board Meeting Date: November 16, 2017

Proposed Minute Order #: 45-17(c)

Proposed By: Jonathan Hoekstra, 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.

SHORT-TERM VERSUS LONG-TERM PORTFOLIO

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

funds, endowment funds, plant funds for future capital projects, and reserve funds.

SHORT-TERM PORTFOLIO DIVERSIFICATION

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

Maturity Scheduling:

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

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

LONG-TERM PORTFOLIO DIVERSIFICATION

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

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

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

THE COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS AND OPERATING ACCOUNTS

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

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

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

QUALIFIED INSTITUTIONS

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

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

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

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

ETHICAL GUIDELINES FOR INVESTMENTS

1. Section 51.923 of the Education Code permits an institution of higher education to contract with a non-profit corporation even though one or more members of the governing board of the institution of higher education also serves as a member, director, officer or employee of such a non-profit corporation. This section further permits an institution of higher education to contract with a business entity even though one or more members of the governing board of the institution

of higher education have an interest in the business entity if the interest is not a substantial interest. An interest is a substantial interest if: (1) the board member owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; (2) funds received by the member from the business entity exceed 10 percent of the member's gross income for the previous year; (3) the member is an officer of the business entity or a member of the governing board of the business entity; or (4) an individual related to the member in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has an interest in the business entity as described above. If a board member has a substantial interest in a business entity as described in this paragraph, the institution of higher education can still contract with that business entity provided that the board member discloses such interest to the board and refrains from voting on the contract or transaction requiring board approval.

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

COLLATERAL

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

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

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

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

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

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

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

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

Each month the Accounting and Reporting Office receives from each depository financial institution a listing of all pledged collateral. The

Accounting and Reporting Office will compare the financial institution report to TSTC's report to determine any changes. The Accounting and Reporting Office will send all changes to the IIE (Independent Investment Evaluator). The IIE will update their records, review market values and will furnish an updated Pledged Collateral Report to TSTC.

AUTHORIZED INVESTMENTS

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

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

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

2. Obligations of, or Guaranteed by Governmental Entities

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

3. TexPool, an authorized AAA rated local government investment pool and other similar Texas public funds investment pools investing in government securities and repurchase agreements as approved by the Board, rated no less than AAAM or equivalent and seeking to maintain a constant dollar net asset value.
4. Repurchase agreements (“Repos”) with a defined termination date, collateralized by Treasury and Federal Agency securities listed in items “a,” “b” and “c” above, collateralized initially at a minimum market value of 102 percent of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation.

UNAUTHORIZED INVESTMENTS

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

LIQUIDITY

The TSTC Investment Officer shall insure that:

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

YIELD

The TSTC Investment Officer shall insure that:

1. The yield on investments is negotiated at the time of purchase and that it reflects market conditions and yields available; and,

2. The investment portfolio consists of an appropriate mix of short-term interest-earning instruments that benefit from anticipated market conditions and that achieve the best allowable yield.

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

GIFTS AND BEQUESTS

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

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

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

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

INVESTMENT OFFICER

The 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 Comptroller is designated as an alternate investment officer of TSTC who may act on investment decisions in the absence of the designated investment officer. The designated investment officers, acting in accordance with the System Operating Standard for Investments and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported

immediately and that appropriate action is taken to control adverse developments. Should the 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."

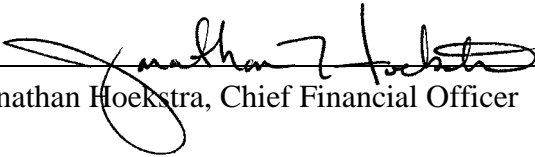
The prudent investor rule shall be applied in the context of managing the overall portfolio, rather than an individual investment.

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

INVESTMENT TRAINING

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

Recommended By:


Jonathan Hoekstra, Chief Financial Officer

Texas State Technical College
Auxiliary Reports - Bookstore
Fiscal Years 2013-2017

		2013		2014		2015		2016		2017	
Revenue		5,055,191		3,927,859		4,781,441		4,483,150		4,403,575	
Expenditures	Cost of Goods Sold	3,748,047	74%	2,894,389	74%	3,356,371	70%	3,206,094	72%	3,493,918	79%
	Salaries & Benefits	659,214	13%	638,750	16%	650,518	14%	657,235	15%	768,976	17%
	Freight	105,476	2%	103,883	3%	92,929	2%	72,293	2%	74,451	2%
	Utilities	30,290	1%	34,941	1%	33,436	1%	28,583	1%	28,384	1%
	Fees & Other Charges	27,922	1%	45,065	1%	30,145	1%	26,538	1%	32,329	1%
	Other	21,470	0%	69,065	2%	38,781	1%	27,686	1%	76,205	2%
	Maintenance	11,954	0%	17,515	0%	21,761	0%	15,175	0%	16,594	0%
	Rental of Space	24,000	0%	24,000	1%	24,000	1%	24,000	1%	24,000	1%
Total Expenditures		4,628,373		3,827,607		4,247,940		4,057,604		4,514,858	
Net Operating Revenues before Capital		426,817	8%	100,252	3%	533,501	11%	425,546	9%	(111,283)	-3%
Capital	Bond Proceeds Revenue	-		-		-		-		-	
	Capital Expenditures	(8,808)		(16,407)		(27,613)		(38,520)		(17,473)	
Net Capital Investments		(8,808)		(16,407)		(27,613)		(38,520)		(17,473)	
Net Revenues after Capital Investments		418,009	11%	83,846	3%	505,887	15%	387,026	12%	(128,756)	-4%

Texas State Technical College
Auxiliary Reports - Food Service
Fiscal Years 2013-2017

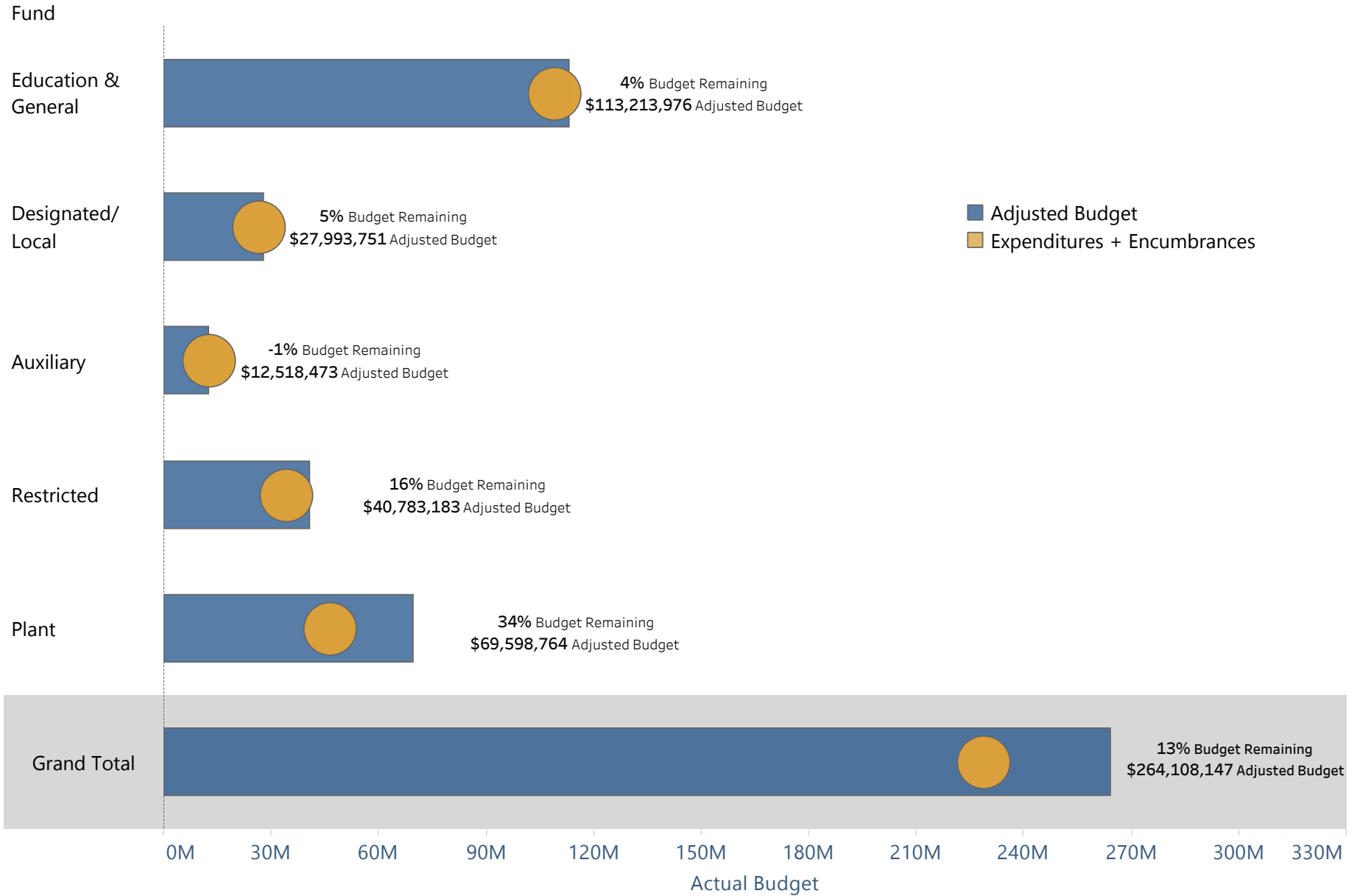
		2013		2014		2015		2016		2017	
Revenue		1,997,380		2,015,708		2,113,870		1,941,643		1,897,093	
Expenditures	Cost of Goods Sold	825,635	41%	827,701	41%	911,574	43%	910,255	47%	809,640	43%
	Salaries & Benefits	677,080	34%	775,343	38%	845,570	40%	850,822	44%	938,604	49%
	Utilities	54,562	3%	53,832	3%	49,305	2%	57,593	3%	66,614	4%
	Maintenance	111,000	6%	86,593	4%	79,617	4%	89,667	5%	129,592	7%
	Other	14,714	1%	28,191	1%	21,738	1%	25,576	1%	39,167	2%
	Fees	13,555	1%	18,610	1%	19,787	1%	21,169	1%	20,293	1%
Total Expenditures		1,696,546		1,790,270		1,927,591		1,955,083		2,003,909	
Net Operating Revenues before Capital		<u>300,835</u>	15%	<u>225,437</u>	11%	<u>186,279</u>	9%	<u>(13,440)</u>	-1%	<u>(106,817)</u>	-6%
Capital Use of Fund Balance		-		-		-					
Capital Expenditures		(23,293)		(22,058)		(40,937)		(10,101)		(93,049)	
Net Capital Investments		<u>(23,293)</u>		<u>(22,058)</u>		<u>(40,937)</u>		<u>(10,101)</u>		<u>(93,049)</u>	
Net Revenues after Capital Investments		<u>277,541</u>	14%	<u>203,379</u>	10%	<u>145,341</u>	7%	<u>(23,541)</u>	-1%	<u>(199,866)</u>	-11%

Texas State Technical College
Auxiliary Reports - Housing
Fiscal Years 2013-2017

		2013		2014		2015		2016		2017	
Revenue		4,810,295		5,016,225		5,118,538		4,960,801		5,025,323	
Expenditures	Salaries & Benefits	1,987,272	41%	2,103,529	42%	2,172,544	42%	2,037,287	41%	2,104,523	42%
	Maintenance	377,947	8%	523,699	10%	549,747	11%	355,677	7%	654,124	13%
	Utilities	913,640	19%	986,987	20%	876,422	17%	1,002,064	20%	1,176,539	23%
	Hi-Ed Taxes Property	64,366	1%	141,249	3%	126,220	2%	138,019	3%	169,142	3%
	Other	277,340	6%	270,319	5%	264,941	5%	235,689	5%	222,226	4%
	Debt Service*	589,541	12%	547,126	11%	475,412	9%	415,195	8%	462,888	9%
Total Expenditures		4,210,106		4,572,908		4,465,286		4,183,930		4,789,442	
Net Operating Revenues before Capital		600,189	12%	443,317	9%	653,252	13%	776,870	16%	235,881	5%
Capital		1,344,418		385,230		125,046					
	Bond Proceeds Revenue	1,344,418		385,230		125,046					
	Capital Expenditures	<u>(1,612,444)</u>		<u>(276,910)</u>		<u>(207,871)</u>		<u>(595,600)</u>		<u>(329,418)</u>	
Net Capital Investments		<u>(268,026)</u>		<u>108,320</u>		<u>(82,826)</u>		<u>(595,600)</u>		<u>(329,418)</u>	
Net Revenues after Capital Investments		332,163	7%	551,638	11%	570,426	11%	181,270	4%	(93,537)	-2%

* Principal portions of Debt Service Excluded

Texas State Technical College
Comparison of Budget to Expenditures and Encumbrances
September 1, 2016 - August 31, 2017

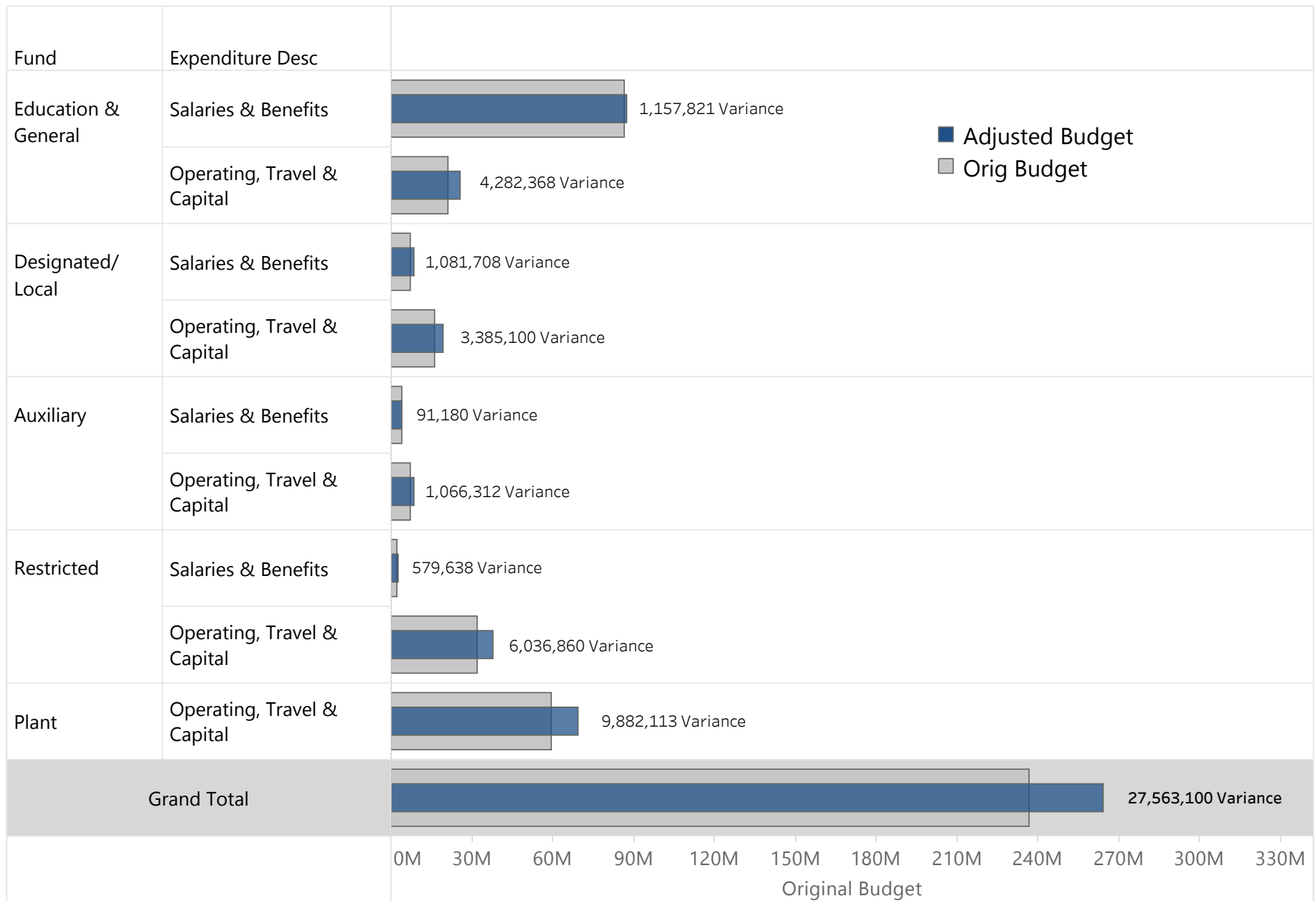


Texas State Technical College
Comparison of Budget to Expenditures and Encumbrances
September 1, 2016 - August 31, 2017

Fund	Expenditure Desc	
Education & General	Salaries & Benefits	<p>-1% Budget Remaining \$87,624,865 Adjusted Budget</p>
	Operating, Travel & Capital	<p>20% Budget Remaining \$25,589,111 Adjusted Budget</p>
Designated/ Local	Salaries & Benefits	<p>10% Budget Remaining \$8,514,815 Adjusted Budget</p>
	Operating, Travel & Capital	<p>3% Budget Remaining \$19,478,936 Adjusted Budget</p>
Auxiliary	Salaries & Benefits	<p>-2% Budget Remaining \$4,144,706 Adjusted Budget</p>
	Operating, Travel & Capital	<p>-1% Budget Remaining \$8,373,767 Adjusted Budget</p>
Restricted	Salaries & Benefits	<p>20% Budget Remaining \$2,876,101 Adjusted Budget</p>
	Operating, Travel & Capital	<p>16% Budget Remaining \$37,907,082 Adjusted Budget</p>
Plant	Operating, Travel & Capital	<p>34% Budget Remaining \$69,598,764 Adjusted Budget</p>

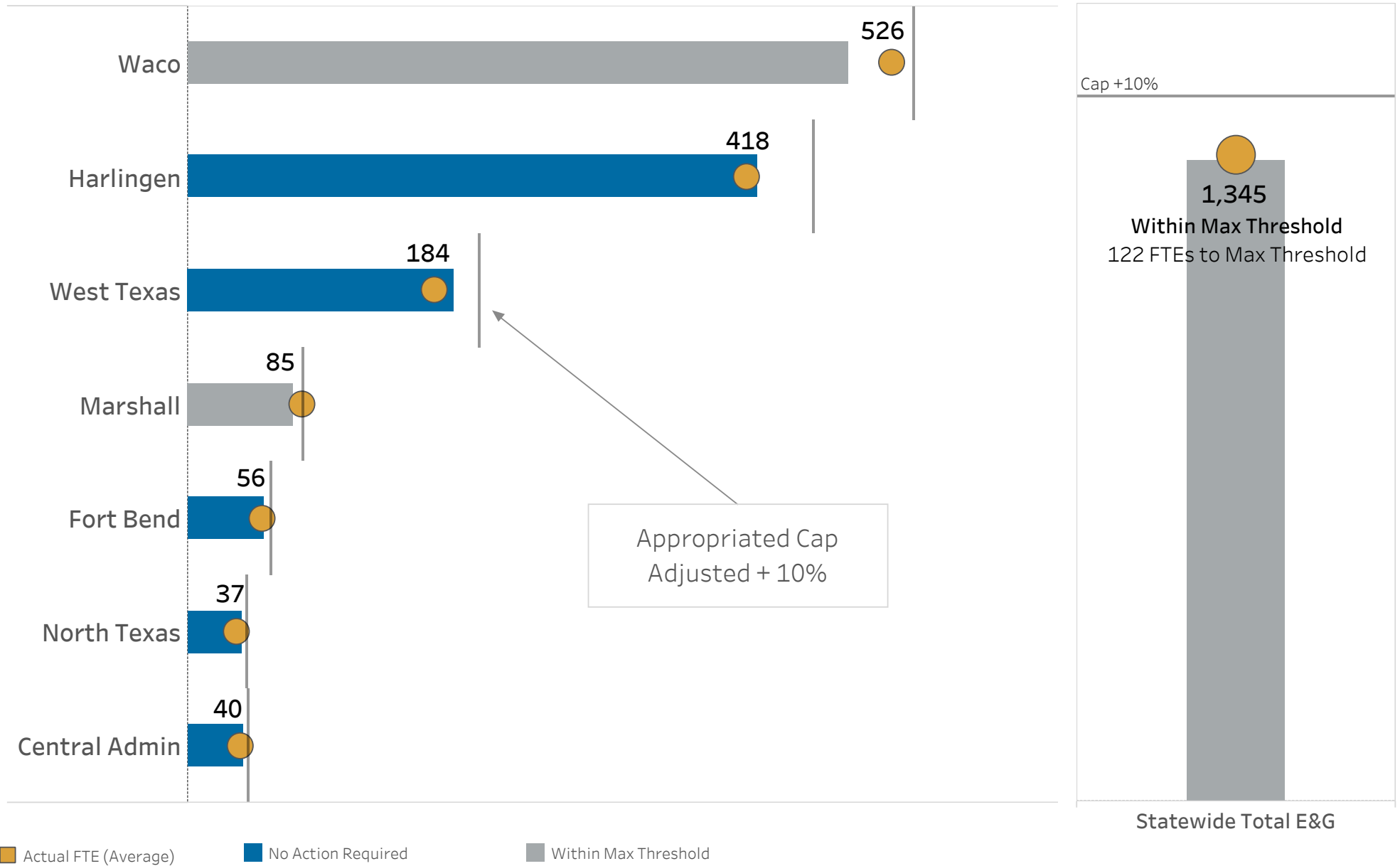
■ Adjusted Budget
 ● Expenditures + Encumbrances

Texas State Technical College
Variance of Adjusted Budget to Original Budget
September 1, 2016 - August 31, 2017

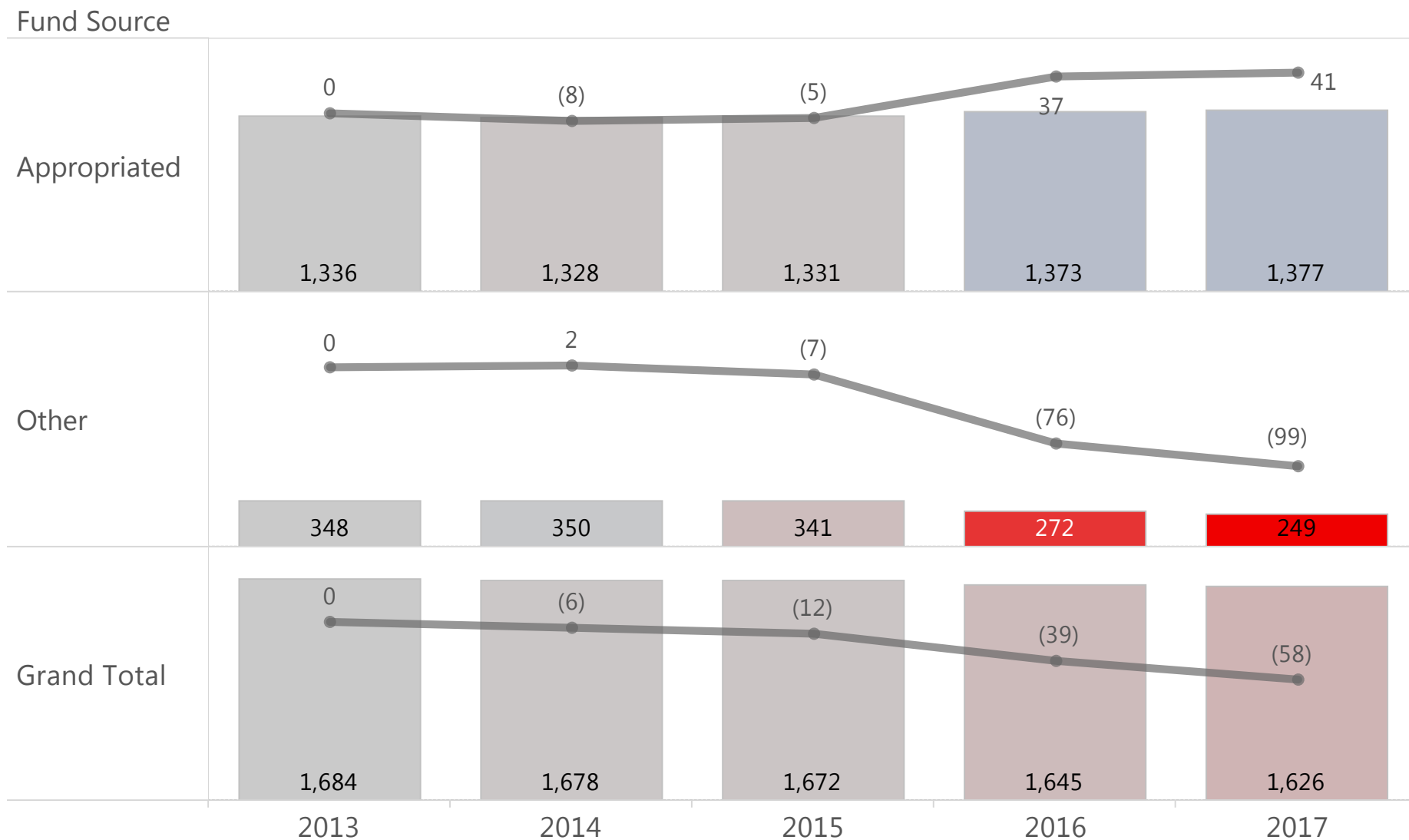


Texas State Technical College
State Appropriated Employees-Full Time Equivalent
FY 2017 - As of 8/31/17

Number of Employees is within threshold by 122 FTEs therefore no action is required.



Texas State Technical College
Variance of FTEs by Funding Source from FY 2013
As of 8/31/17



This illustration demonstrates the total FTEs in each funding source by fiscal year. The line graph (and labels) represent the FTE variance from FY 2013.

Texas State Technical College
FTE Trend by Location and Fund Source
As of 9/1/2017

Location	Fund Source	2013	2014	2015	2016	2017	2018*
Waco	Appropriated	558 - 0	552 - (6)	515 - (43)	542 - (16)	517 - (41)	498 - (60)
	Other	146 - 0	138 - (8)	141 - (5)	131 - (15)	131 - (15)	130 - (16)
Harlingen	Appropriated	437 - 0	427 - (10)	448 - 11	445 - 9	443 - 6	420 - (17)
	Other	136 - 0	161 - 25	139 - 3	97 - (39)	81 - (55)	74 - (62)
Sweetwater	Appropriated	123 - 0	98 - (25)	93 - (30)	89 - (34)	98 - (25)	99 - (24)
	Other	37 - 0	18 - (19)	28 - (9)	16 - (21)	14 - (23)	13 - (24)
Marshall	Appropriated	91 - 0	105 - 13	92 - 1	92 - 1	87 - (4)	81 - (10)
	Other	15 - 0	12 - (2)	11 - (3)	10 - (5)	7 - (8)	6 - (9)
Fort Bend	Appropriated	0 - 0	5 - 5	8 - 8	23 - 23	46 - 46	63 - 63
	Other	0 - 0	0 - 0	1 - 1	1 - 1	3 - 3	7 - 7
Abilene	Appropriated	49 - 0	56 - 7	62 - 13	58 - 9	59 - 10	61 - 12
	Other	4 - 0	6 - 2	4 - 0	4 - 0	1 - (3)	0 - (4)
Central Admin	Appropriated	36 - 0	38 - 2	37 - 1	29 - (7)	39 - 3	41 - 5
	Other	7 - 0	8 - 1	10 - 3	13 - 6	11 - 4	11 - 4
North Texas	Appropriated	0 - 0	2 - 2	24 - 24	29 - 29	36 - 36	41 - 41
	Other	0 - 0	0 - 0	1 - 1	0 - 0	1 - 1	0 - 0
EWC	Appropriated	0 - 0	3 - 3	18 - 18	25 - 25	20 - 20	24 - 24
	Other	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
Brownwood	Appropriated	22 - 0	26 - 4	23 - 1	27 - 5	17 - (5)	18 - (4)
	Other	3 - 0	5 - 2	4 - 1	0 - (3)	0 - (3)	0 - (3)
Breckenridge	Appropriated	21 - 0	18 - (3)	12 - (9)	14 - (7)	16 - (5)	15 - (6)
	Other	1 - 0	2 - 1	2 - 1	0 - (1)	0 - (1)	0 - (1)

Total FTE & Variance from FY 2013

* As Budgeted

TEXAS STATE TECHNICAL COLLEGE

PLEDGED COLLATERAL REPORT

August 31, 2017

A	B	C	D	E	F	G	H	I
	PORTFOLIO				SECURITY ON DEPOSITS			
DEPOSITORY-LOCATION	REGULAR DEMAND DEPOSITS	INTEREST BEARING DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS AND INVESTMENTS	SIPC/FDIC** COVERAGE	REQUIRED COLLATERAL	COLLATERAL AT MARKET VALUE Aug	SUFFICIENT (INSUFFICIENT)
1 BANK OF AMERICA - WACO	-	-	10,000	10,000	10,000	-	-	-
2 BRECKENRIDGE INTERBANK	-	8,532	-	8,532	8,532	-	-	-
3 CITIZENS NATIONAL BANK - RED OAK	-	370,378	-	370,378	250,000	120,378	250,000	129,622
4 COMPASS BANK - WACO	-	-	8,986,698	8,986,698	250,000	8,736,698	9,500,000	763,302
5 ELSA STATE BANK & TRUST COMPANY	-	-	132,028	132,028	132,028	-	-	-
6 EXTRACO BANKS N. A.	-	-	245,000	245,000	245,000	-	-	-
7 FIRST COMMUNITY BANK - SAN BENITO	-	-	40,121	40,121	40,121	-	53,989	53,989
8 FIRST NATIONAL BANK ALBANY / BRECKENRIDGE	-	-	199,215	199,215	199,215	-	0	-
9 FIRST NATIONAL BANK OF CENTRAL TX- WACO	10	15,756,526	2,461,236	18,217,772	500,000	17,717,772	27,478,303	9,760,531
10 FROST NATIONAL BANK	587,285	4,354,986	-	4,942,271	250,000	4,692,271	10,049,848	5,357,577
11 GUARANTY BANK & TRUST (FORMERLY GUARANTY BOND BK)	-	-	2,222	2,222	2,222	-	-	-
12 LIBERTY BANK - FORT WORTH	-	-	10,000	10,000	10,000	-	-	-
13 MILLS COUNTY STATE BANK	-	-	200,000	200,000	200,000	-	-	-
14 PROSPERITY BANK (Formerly American State Bank)	-	1,394,138	-	1,394,138	250,000	1,144,138	1,756,887	612,749
15 TEXAS BANK - BROWNWOOD	-	67,780	-	67,780	67,780	-	-	-
16 TEXAS BANK & TRUST - LONGVIEW	5,304	1,136,855	115,570	1,257,729	365,570	892,159	3,539,959	2,647,800
17 TEXAS FIRST STATE BANK	-	-	1,136,755	1,136,755	250,000	886,755	879,094	(7,661) ***
18 TEXAS NATIONAL BANK - SWEETWATER	1	1,568,864	-	1,568,865	250,000	1,318,865	3,168,500	1,849,635
19	592,600	24,658,059	13,538,845	38,789,504	3,280,468	35,509,036	56,676,580	21,167,544
20 TEXASTERM - TRB Bonds*			5,531,752	5,531,752	N/A	N/A	N/A	N/A
21 TEXASTERM - HEAF Bonds*			4,882,842	4,882,842	N/A	N/A	N/A	N/A
22 TEXPOOL - TOTAL* (Other & TRB Bonds)			4,159,156	4,159,156	N/A	N/A	N/A	N/A
23 TEXPOOL - TOTAL* (Other & HEAF Bonds)			1,831,838	1,831,838	N/A	N/A	N/A	N/A
24			16,405,588	16,405,588				
25 TOTAL	592,600	24,658,059	29,944,433	55,195,092	3,280,468	35,509,036	56,676,580	21,167,544

* No collateral required.

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

*** During routine monthly review of collateral per TSTC's investment policy, a market value deficit was identified and additional collateral was pledged by the bank on September 15, 2017

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
August 31, 2017

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			8,532		8,532		0.25%	Operating	Breck		
3 Citizens National Bank - Red Oak			370,378		370,378		0.10%	Operating	North TX	9	
4 Compass Bank - Waco				4,017,892	4,017,892	02/13/18	0.90%	HEAF Bonds Proceeds	Waco	8	365
5				4,017,892	4,017,892	02/13/18	0.90%	TRB Bond Proceeds	Abilene	8	365
6	*			250,000	250,000	06/20/18	1.25%		Waco	4	365
7	*			250,000	250,000	07/19/18	1.35%		Waco	4	365
8				339,916	339,916	MMKT	0.35%		Harl	3	
9				110,998	110,998	MMKT	0.35%		Harl	8	
10 Compass Bank - Waco Total		0	0	8,986,698	8,986,698						
11 Elsa State Bank & Trust Co.				132,028	132,028	10/05/17	0.65%		Harl	6	365
12 Extraco Banks N. A.	*			245,000	245,000	05/25/18	1.00%		Waco	4	357
13 First Community Bank- San Benito	*			40,121	40,121	01/18/18	0.70%		Harl	6	214
14 First National Bank, Albany/Breckenridge				65,000	65,000	04/06/18	0.75%		Breck	5	365
15				100,000	100,000	04/14/18	0.75%		Swee	4	365
16				34,215	34,215	04/14/18	0.75%		Abilene	5	365
17 First National Bank, Albany/Breck Total		0	0	199,215	199,215						
18 First National Bank of Central TX, Waco	*		5,270,193		5,270,193		1.00%	Operating	Statewide		
19			4,771,038		4,771,038		1.00%	Operating	Waco		
20		10	556,082		556,082		1.00%	Bookstore	Waco		
21					10		0.00%	Fed Funds	Waco		
22			147,004		147,004		1.00%	Café	Waco		
23			188,066		188,066		1.00%	Operating	System Op		
24			1,335,768		1,335,768		1.00%	HEAF Bond Proceeds	System Op		
25			1,914,420		1,914,420		1.19%	TRB Bond Proceeds	System Op		
26			1,568,470		1,568,470		1.00%	Payroll	System Op		
27			5,485		5,485		0.25%	Corp Col On-Line	System Op		
28				195,553	195,553	12/01/17	0.85%		Waco	5	365
29				1,506,329	1,506,329	02/10/18	0.85%	TRB Bond Proceeds	Abilene	8	365
30	*			111,192	111,192	MMKT	1.00%		Waco	4	
31				2,981	2,981	MMKT	1.00%		System Op	8	
32	*			42,802	42,802	MMKT	1.00%		Marshall	5	
33				240,588	240,588	MMKT	1.00%		NTX	3	
34				361,791	361,791	MMKT	1.00%		Waco	3	
35 FNB of Central TX Total		10	15,756,526	2,461,236	18,217,772						
36 Frost Bank		587,235			587,235		0.00%	Operating	Fort Bend		
37			4,354,986		4,354,986		0.63%	Operating	Harl		
38		50			50		0.00%	Financial Aid	Harl		
39 Frost Bank Total		587,285	4,354,986	0	4,942,271						
40 Guaranty Bank & Trust (Formerly Guaranty Bond Bank)				2,222	2,222	02/13/18	0.65%		Marshall	5	365
41 Liberty Bank-N. Richland Hills Total				10,000	10,000	09/07/18	0.75%		Waco	5	731
42 Mills County State Bank				200,000	200,000	01/17/18	0.57%		Swee	4	365

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
August 31, 2017

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
43 Prosperity Bank (Formerly American State Bank-Abilene)			1,394,138		1,394,138		0.20%	Operating	Abilene		
44 Texas Bank- Brownwood Total			67,780		67,780		0.02%	Operating	Swee		
45 Texas Bank and Trust - Longview			1,136,855		1,136,855		0.10%	Operating	Marshall		
46		5,304			5,304		0.00%	Fed Funds	Marshall		
47				56,138	56,138	01/25/18	1.00%		Marshall	5	365
48				15,804	15,804	03/06/18	1.00%		Marshall	5	365
49				43,628	43,628	10/29/17	0.50%		Marshall	5	365
50 Texas Bank and Trust Total		5,304	1,136,855	115,570	1,257,729						
51 Texas First State Bank				886,755	886,755	04/11/18	1.25%		System Op	8	365
52	*			250,000	250,000	08/08/18	1.25%		Waco	3	365
53 Texas First State Bank Total				1,136,755	1,136,755						
54 Texas National Bank- Sweetwater			1,558,100		1,558,100		1.18%	Operating	Swee		
55			10,764		10,764		1.18%	BkStore Cr Crd	Swee		
56		1			1		0.00%	Financial Aid	Swee		
57 Texas National Bank Total		1	1,568,864	0	1,568,865						
58 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	1,165,485	1,165,485		1.00%		Fort Bend	8	
59 TexasTerm - Ser 2016 TRB Bond Proceeds		0	0	1,007,374	1,007,374		1.00%		Harlingen	8	
60 TexasTerm - Ser 2016 TRB Bond Proceeds	*	0	0	3,358,893	3,358,893		1.00%		Abilene	8	
61 TexasTerm TRB Bonds - Total		0	0	5,531,752	5,531,752						
62 TexasTerm - Ser 2016 HEAF Bond Proceeds	*	0	0	3,068,025	3,068,025		1.00%		Waco	8	
63 TexasTerm - Ser 2016 HEAF Bond Proceeds	*	0	0	1,814,817	1,814,817		1.00%		Harlingen	8	
64 TexasTerm HEAF Bonds - Total		0	0	4,882,842	4,882,842						
65 TexPool - Other Total		0	0	1	1		1.00%		System Op	8	
66 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	0	0		1.00%		Fort Bend	8	
67 TexPool - Ser 2016 TRB Bond Proceeds		0	0	2,412,982	2,412,982		1.00%		Harlingen	8	
68 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	1,746,173	1,746,173		1.00%		Abilene	8	
69 TexPool - Ser 2016 TRB Bond Proceeds	*	0	0	0	0		1.00%		North TX	8	
70 TexPool - Total		0	0	4,159,156	4,159,156						
71 TexPool - Other Total		0	0	1	1		1.00%		System Op	4	
72 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	108,162	108,162		1.00%		Waco	8	
73 TexPool - Ser 2016 HEAF Bond Proceeds	*	0	0	0	0		1.00%		Harlingen	8	
74 TexPool - Ser 2016 HEAF Bond Proceeds		0	0	643,941	643,941		1.00%		Swee	8	
75 TexPool - Ser 2016 HEAF Bond Proceeds		0	0	1,079,734	1,079,734		1.00%		Marshall	8	
76 TexPool - Total		0	0	1,831,838	1,831,838						
77 TOTAL ALL INVESTMENTS		592,600	24,658,059	29,944,433	55,195,092						

TEXAS STATE TECHNICAL COLLEGE
QUARTERLY INVESTMENTS REPORT
August 31, 2017

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
78 TIME DEPOSITS BY FUND:	FUND NO.										
79 DESIGNATED FUNDS	3			1,192,295							
80 AUXILIARY ENTERPRISES FUNDS	4			1,156,193							
81 ENDOWMENT FUNDS	5			475,362							
82 RESTRICTED FUNDS	6			172,149							
83 UNEXPENDED PLANT FUNDS	8			26,948,434							
84				29,944,433							
85 TIME DEPOSITS BY LOCATION:											
86 SYSTEM OPERATIONS				889,738							
87 WACO				8,877,615							
88 HARLINGEN				5,858,236							
89 FORT BEND				1,165,485							
90 WEST TEXAS				11,672,443							
91 MARSHALL				1,240,328							
92 NORTH TEXAS				240,588							
93				29,944,433							
94 WEIGHTED AVERAGE RATE OF INTEREST				0.96%							
95 BENCHMARK - TREASURY BOND YIELDS AS OF											
96 8-31-17											
96 1-YEAR				1.23%							
97 WEIGHTED AVERAGE MATURITY (CD'S)				395							
98 INTEREST RECEIVED AND ACCRUED ON											
98 CASH IN BANK AND INVESTMENTS FY 17				369,594							
99 INVESTMENT ACTIVITY FY17											
100 Balance May 31, 2017				41,116,722							
101 Interest Added to Investments				77,789							
102 Time Deposits Increase (Decrease)				(42,724)							
103 TexPool Funds-Other Increase (Decrease)				(1)							
104 TexPool Funds-TRB Increase (Decrease)				(940,000)							
105 TexPool Funds-HEAF Bonds Increase (Decrease)				(830,000)							
106 TexasTerm Funds-TRB Increase (Decrease)				(3,530,000)							
107 TexasTerm Funds-HEAF Bonds Increase (Decrease)				(3,940,000)							
108 Money Market-Loc Rev Bonds Increase (Decrease)				(10,077)							
109 Money Market Funds-Other Increase (Decrease)				(1,957,276)							
110 Balance August 31, 2017				29,944,433							

* Investment Changes June, July, and August, 2017

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

November 16, 2017
Date


Jonathan Hoekstra, Vice Chancellor for Finance

November 16, 2017
Date

October 16, 2017

Mr. Keith Honey
Members of the Board of Regents
Texas State Technical College
Waco, Texas 76705

SUBJECT: Semi-annual Report Certifying Debt Management Policy Compliance

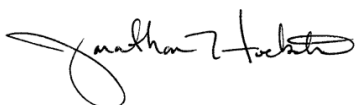
Regents:

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 objects. 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, 2017. 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,

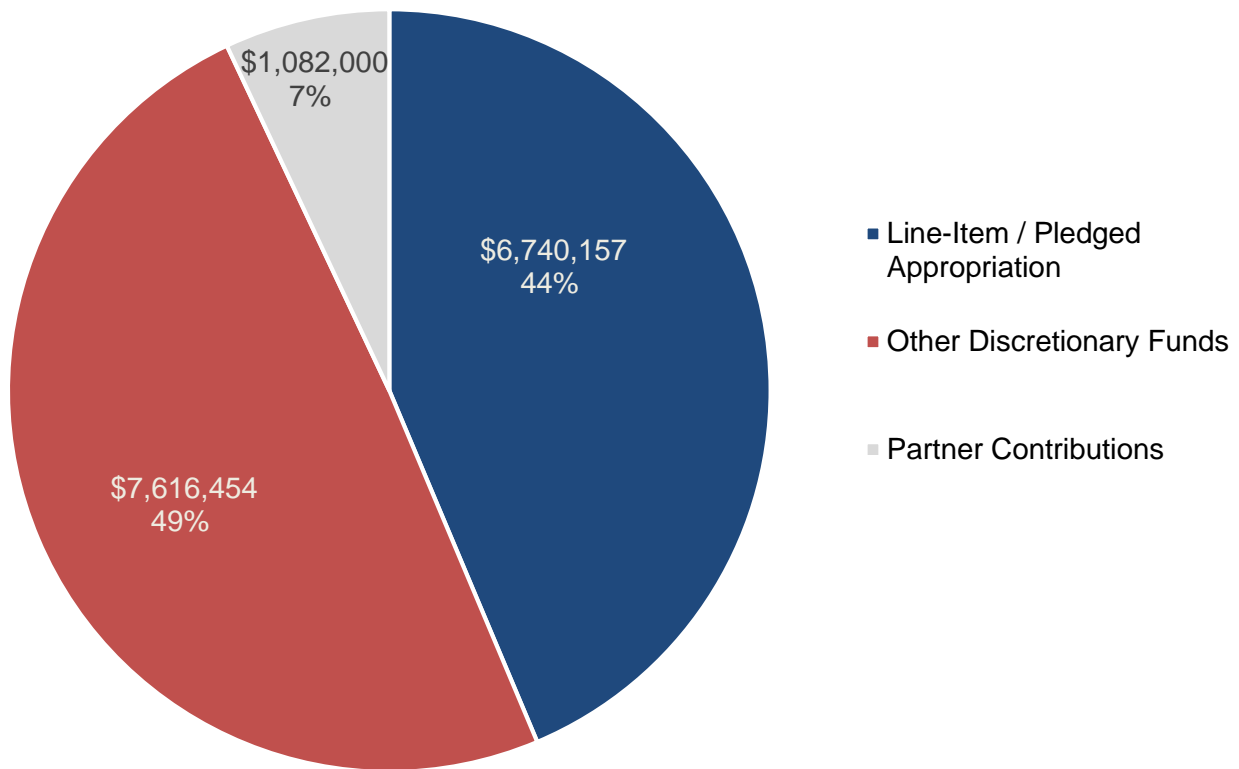


Jonathan Hoekstra
Chief Financial Officer



Chad Wooten
Vice President – Accounting & Reporting

Texas State Technical College Sources of Debt Service Funding for FY 2018



Bonds	FY 2018 Debt Service	Source of Funding
RFS Series 2008 Bonds (Tuition Revenue)	\$ 231,000	line-item appropriation
RFS Series 2008A Bonds, Taxable (Clean Energy)	74,643	other discretionary funds
RFS Series 2009 Bonds (Local Revenue)	1,556,100	other discretionary funds
RFS Series 2011 Bonds (Tuition / Local Revenue)	2,202,831	line-item appropriation (35%) partner contributions (49%) other discretionary funds (16%)
RFS Series 2011A Bonds (Local Revenue)	361,188	other discretionary funds
Constitutional Appropriation Series 2016 Bonds (HEAF)	2,975,225	pledged appropriation
RFS Series 2016 Bonds (Tuition / Local Revenue)	3,631,031	line-item appropriation (76%) other discretionary funds (24%)
Texas Public Finance Authority Lease Purchases	2,893,020	other discretionary funds
Other Lease Purchases	530,340	other discretionary funds
State Energy Conservation Office (SECO) Loans	819,585	other discretionary funds
Governor's Office Loan (Hangar - Waco)	163,648	other discretionary funds
TOTAL:	\$ 15,438,611	

Texas State Technical College

Summary of Outstanding Debt as of 8/31/17

	Outstanding Principal	Interest Rate	Maturity Date
Bonds			
RFS Series 2008 Bonds (Tuition Revenue)	\$ 220,000	4.25% - 5.00%	August 2018
RFS Series 2008A Bonds, Taxable (Clean Energy)	357,143	1.00%	December 2021
RFS Series 2009 Bonds (Local Revenue)	4,295,000	3.00% - 5.00%	August 2020
RFS Series 2011 Bonds (Tuition / Local Revenue)	20,810,000	3.75% - 5.00%	August 2036
RFS Series 2011A Bonds(Local Revenue)	4,000,000	3.00% - 4.00%	August 2031
Constitutional Appropriation Series 2016 Bonds (HEAF)	21,770,000	4.00% - 5.00%	October 2025
RFS Series 2016 Bonds (Tuition / Local Revenue)	<u>55,115,000</u>	2.00% - 5.00%	October 2035
Total Bonds	<u>106,567,143</u>		
Lease Purchases			
TSTC Foundation, 2003 (Housing - Marshall)	1,387,611	2.75%	October 2023
TSTC Foundation, 2010 (Warehouse - Harlingen)	570,395	4.08%	July 2020
PNC Bank, 2013 (Equipment - Waco)	29,526	4.11%	July 2018
John Deere Financial, 2013 (Equipment - Waco)	7,497	4.30%	August 2018
PNC Bank, 2013 (Equipment - Waco)	8,650	4.76%	September 2018
TSTC Foundation, 2015 (Vehicles - Central Admin.)	58,718	4.25%	January 2020
Texas Public Finance Authority (338 equipment leases)	<u>10,750,183</u>	various	various through 2026
Total Lease Purchases	<u>12,812,579</u>		
State Energy Conservation Office (SECO) Loans			
2010 - Waco	3,971,904	2.00%	August 2024
2011 - Harlingen	<u>1,306,946</u>	3.00%	February 2023
Total SECO Loans	<u>5,278,851</u>		
Governor's Office Loan (Hangar - Waco)	1,550,000	3.77%	January 2030
Total Outstanding Debt:	<u><u>\$ 126,208,573</u></u>		

Texas State Technical College Bond Ratings as of 8/31/2017

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		
2008, 2009, 2011, 2011A, 2016	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		In Default
	DD	D			
	D				

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.

2008, 2009, 2011, 2011A, 2016 Revenue Financing System Bonds: All 5 issuances of TSTC RFS bonds are uniformly rated by each rating agency. Moody's and S&P rate all 5 issuances, Fitch rates Series 2016 only. Outlook from each agency is:

Moody's - NEGATIVE
S&P - NEGATIVE
FITCH - STABLE

Board of Regents Meeting Dates for 2018

Winter

Thursday, February 8, 2018 Quarterly Meeting

Spring

Thursday, May 10, 2017 Quarterly Meeting

Summer

Wednesday, August 8, 2018 FY 2019 Special Meeting (Budget)

Thursday, August 9, 2018 Quarterly Meeting

Fall

Thursday, November 8, 2018 Quarterly Meeting

Note: All meetings are held in Waco, Texas.