

TEXAS STATE TECHNICAL COLLEGE

**Special Meeting of the
Board of Regents**

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

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

AGENDA

- I. MEETING CALLED TO ORDER**
- II. DETERMINATION OF QUORUM**
- III. ADOPTION OF AGENDA**
- IV. CHANCELLOR COMMENTS**
- V. BUDGET OVERVIEW AND DISCUSSION**
- VI. MINUTE ORDERS**

Proposed MO#

30-20(c) Approve Operating Budget for Fiscal Year 2021 B-3
Jonathan Hoekstra

31-20(c) Approve Appropriation Transfers for Fiscal Year 2021 B-7
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 preceding meetings. The estimated times are approximate and may be adjusted as required with no prior notice.



VII. CHANCELLOR COMMENTS

VIII. BOARD COMMENTS

IX. ADJOURN

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





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|--------------------------------|---|--|
| Board Meeting Date: | August 20, 2020 | Proposed Minute Order #: 30-20(c) |
| Proposed By: | Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer | |
| Subject: | Approve Operating Budget for Fiscal Year 2021 | |
| Background: | <p>The proposed Fiscal Year 2021 budget supports TSTC's current strategic plan. TSTC estimates a consistent level of state appropriations and tuition revenues compared to the prior year, and decreases in other revenues related to the lasting effects of the COVID-19 pandemic.</p> <p>Budgeted operating expenses of \$234,138,183 and operating transfers of \$1,832,924, combined for a total operating budget of \$235,971,107. Total capital project expenses are budgeted at \$40,293,087, combining for a total all funds budget of \$274,431,270, net of transfers.</p> <p>The level of spending for Fiscal Year 2021 is less than the prior year's budget, but more than the expected actual spending for Fiscal Year 2020. Management reduced spending levels by suspending certain major projects, reducing departmental operating budgets across the board (including substantial travel expense reductions), and ceasing nearly all non-faculty hiring. These savings were offset by increases in personnel costs due to the annualized impact of merit increases awarded during Fiscal Year 2020. Additionally, TSTC received federal CARES grant funds that account for large variances in both revenues and expenses. TSTC will receive a total of \$10.6 million in total proceeds which will be recorded as revenue and expense as funds are dispersed over Fiscal Years 2020 and 2021.</p> | |
| Justification: | <p>The proposed budgets for Educational and General (E&G) funds are in balance with legislative appropriations, projected tuition, and other appropriated income. The proposed budgets for Designated, Auxiliary, and Plant Funds are based on estimates that are supported by anticipated and historical activities. The proposed budgets for Restricted Funds are limited to those funds available from existing grants and contracts. Historically, these budgets increase during the year as new agreements are approved; these increases often result in additional FTEs.</p> | |
| Additional Information: | <p>Budgeted FTEs from all fund sources for Fiscal Year 2021 total 1,778. Of the total, 193 are vacant positions.</p> | |
| Fiscal Implications: | <p>Authorizes TSTC budgets for Fiscal Year 2021</p> | |
| Attestation: | <p>This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.</p> | |
| Attachment(s): | <p>TSTC Operating Budget FY 21 – Revenues & Transfers TSTC Operating Budget FY 21 – Expenditures by Fund</p> | |

**Recommended
Minute Order:**

“The Texas State Technical College Board of Regents approves the Operating Budget for Fiscal Year 2021, covering the period from September 1, 2020, through August 31, 2021.”

Recommended By:

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

TSTC FY 2021 Budget - Revenues & Transfers

| Fund Type | Revenues | Carryforward Balances | Net Transfers | Total |
|-------------------------|-----------------|----------------------------------|----------------------|--------------|
| E & G | 129,167,955 | 1,539,987 | (5,423,499) | 125,284,443 |
| Designated | 48,488,833 | 374,881 | (3,367,855) | 45,495,859 |
| Auxiliary | 10,042,500 | | (76,179) | 9,966,321 |
| Restricted | 41,613,519 | | (617,941) | 40,995,578 |
| Plant & Debt | 4,743,432 | 38,460,163 | 9,485,474 | 52,689,069 |
| Total | 234,056,239 | 40,375,031 | 0 | 274,431,270 |

TSTC FY 2021 Budget - Expenditures by Fund

| Fund Type | Salaries | Benefits | Operating | Travel | Capital | Total |
|-------------------------|------------|------------|-------------|-----------|------------|-------------|
| E & G | 87,427,262 | 29,509,017 | 8,348,164 | | | 125,284,443 |
| Designated | 7,537,004 | 1,739,699 | 34,349,478 | 1,869,678 | | 45,495,859 |
| Auxiliary | 2,743,981 | 1,030,109 | 6,149,106 | 43,125 | | 9,966,321 |
| Restricted | 1,649,371 | 302,680 | 39,007,430 | 36,097 | | 40,995,578 |
| Plant & Debt | | | 12,395,982 | | 40,293,087 | 52,689,069 |
| Total | 99,357,618 | 32,581,505 | 100,250,160 | 1,948,900 | 40,293,087 | 274,431,270 |



Board Meeting Date: August 20, 2020 **Proposed Minute Order #:** 31-20(c)

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

Subject: **Approve Appropriation Transfers for Fiscal Year 2021**

Background: Appropriations are originally allocated to the college in a manner influenced by legacy structures that pre-date the merger of Texas State Technical College (TSTC) to a single, statewide college. However, the Texas General Appropriations Act allows the Board of Regents to approve the transfer of appropriated funds across the statewide college in support of operational changes and realities.

Justification: Operational needs and related budgets commonly vary from the funding patterns established during the appropriations process in response to environmental, operational, and unforeseen needs.

Additional Information: Generally, re-allocations of the original legacy structure occur as administrative redundancies are reduced or eliminated and as resources serve a statewide, or enterprise purpose in the current structure.

Fiscal Implications: Funds are allocated to the entity from which they will be expended.

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

Attachment(s): None.

Recommended Minute Order: "The Board of Regents approves the following appropriation transfers for Fiscal Year 2021:

- 1) Reallocation of the East Williamson County Strategy from TSTC System to TSTC Waco:

| | |
|---------------------------------|------------|
| To TSTC Waco (EWCHEC) | \$ 599,862 |
| From TSTC System Administration | \$ 599,862 |

- 2) Reallocation of the System Administration Technical Training Partnership Strategy to TSTC Waco for the East Williamson County Center:

| | |
|---------------------------------|------------|
| To TSTC Waco (EWCHEC) | \$ 296,133 |
| From TSTC System Administration | \$ 296,133 |

- 3) Reallocation of Instruction & Administration, and General Revenue Appropriations to support operations:

| | |
|-----------------------|--------------|
| To TSTC Waco (EWCHEC) | \$ 1,215,028 |
| To TSTC Fort Bend | \$ 768,828 |

| | |
|-------------------------------|--------------|
| To TSTC North Texas | \$ 160,522 |
| To TSTC West Texas | \$ 2,472,341 |
| To TSTC System Administration | \$ 1,821,171 |
| From TSTC Harlingen | \$ 3,891,426 |
| From TSTC Marshall | \$1,391,602 |
| From TSTC Waco | \$1,154,862" |

Recommended By:

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer