

TSTC SYSTEM ADMINISTRATION

LEGISLATIVE APPROPRIATIONS REQUEST



LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2018 & 2019

Submitted to the Governor's Office of Budget, Planning
and Policy and the Legislative Budget Board
by Texas State Technical College System Administration
Originally Submitted August 18, 2016

CONTENTS

ADMINISTRATOR'S STATEMENT	4	(GR-D) Baseline Report	53
ORGANIZATIONAL CHART	10	Supporting Schedules	
		6.A. Historically Underutilized Business Supporting Schedule	54
		6.H. Estimated Total of all Funds Outside the General Act (GAA)	56
		6.I. Percent Biennial Base Reduction Options	57
SUMMARIES OF REQUEST		Higher Education Supporting Schedules	
Budget Overview of Biennial Amounts	12	Schedule 1A: Other Educational and General Income	59
2.A. Summary of Base Request by Strategy	13	Schedule 2: Selected Educational, General and Other Funds	62
2.B. Summary of Base Request by Method of Finance	15	Schedule 3A: Staff Group Insurance Data Elements (ERS)	63
2.C. Summary of Base Request by Object of Expense	23	Schedule 4: Computation of OASI	66
2.E. Summary of Exceptional Items Request	24	Schedule 5: Calculation of Retirement Proportionality and ORP Differential	67
2.F. Summary of Total Request by Strategy	25	Schedule 6: Constitutional Capital Funding	68
Strategy Request		Schedule 7: Personnel	69
3.A. Forecasting and Curriculum Development	27	Schedule 8B: Tuition Revenue Bond Issuance History	71
Staff Group Insurance Premiums	30	Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects	72
Workers' Compensation Insurance	32	Schedule 9: Special Item Information	73
System Office Operations	34		
Technical Training Partnerships with Community Colleges	37		
North Texas and East Williamson County Centers	40		
Fort Bend County	44		
Program Level Request	48		
Exceptional Items			
4.A. Exceptional Item Request Schedule	50		
4.B. Exceptional Items Strategy Allocation Schedule	51		
4.C. Exceptional Items Strategy Request	52		
General Revenue (GR) & General Revenue Dedicated			

Administrator's Statement
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

In accordance with the instructions, Texas State Technical College (TSTC) submits the following Legislative Appropriations Request (LAR) for fiscal years 2018 and 2019 to the Governor's Office of Budget, Policy, and Planning and the Legislative Budget Board. TSTC's LAR is submitted in a manner consistent with the description of TSTC in Section 135.02 of the Texas Education, including an LAR for the System Administration unit and the College's six campuses.

To ensure efficient and consistent operations, TSTC's operations are structured, planned, and managed statewide and, consequently, the respective LAR administrator statements reflect the common administrative statement for each submission. Budget information reflects the resource allocation for each respective operational unit described above.

The budget information for this LAR relates to System Administration.

OVERVIEW OF TSTC

The 84th Legislature marked the 50th Anniversary of Texas State Technical College (TSTC, or the College), recognizing 50 years of the College's successes in adapting to technology advances and responding to Texas' industrial workforce needs by placing more Texans in great paying jobs (Place More Texans). As TSTC celebrated the milestone, the College also began closing out an outdated way of doing business. Recognizing that the entire sector of higher education will not survive doing business "the way we've always done it," TSTC has taken initial bold steps towards becoming a transformed version of higher education. This new, transformed college, the "New TSTC," is characterized by:

- o Education First. The College's most powerful dollar is the one spent on the student learning experience. TSTC will continue offering students more choices for mastering technology with recognition that administrative dollars may mean lost opportunities. In other words, TSTC's focus is to manage administrative overhead so as not to diminish opportunities to enhance the student learning experience and generate economic value, or returns, to the State.
- o Return on Taxpayer Investment. The New TSTC seeks the highest yield when determining resource allocations. As TSTC evaluates its growth potential, it closely examines strategic market opportunities across Texas, and harnesses available statewide resources for maximum impact. Recent developments representing this focus include:
 - o Investment in new markets. Investment in increased capacity is focused on those markets with the greatest potential growth prospects; that is, the markets that will generate the greatest returned value to the State. Since 2011, TSTC has expanded operations in three new markets: Williamson County, Ellis County, and Fort Bend County. The industrial workforce needs in these regions have grown rapidly, consistent with the regions' respective rate of population and economic growth. Further, the College has developed product development protocols, instructional program productivity measurement, and proforma analysis capabilities to support the optimization and prioritization of business development opportunities.
 - o Creation of a sales culture. The College is focused on sales, resembling Philip Kotler's statement "The sales department isn't the whole company, but the whole company better be the sales department." The transition to the New TSTC includes shifting people, structures, and systems from the legacy, bureaucratic/agency predispositions, workflows, and mindsets to an integrated-sales directed organization with specific revenue targets, measurement, and accountability systems. Significant investment has been made in prospect outreach and student experience as the students arrive and navigate the workforce development pipeline, including removal of obstacles on their journey.
 - o Business-to-Business. TSTC has significantly increased emphasis in business development on industrial relations initiatives. The range of related enterprises includes increased capacity in incumbent workforce training and contract services, as well as talent management that includes customized workforce placement services.
 - o Expanding Revenue Mix. To make a significant impact on Texas' growing skills gap, the New TSTC must diversify its revenue streams to supplement and expand upon state appropriations to fund a substantial part of its operation. TSTC's financial health will not be secured solely by cost controls and optimization of legacy revenue streams. Entrepreneurial initiatives such as TSTC's industry relations business-to-business division, TSTC's Center for Employability Outcomes (C4EO), and

719 Texas State Technical College System Administration

other auxiliary enterprises will expand the mix of revenues for the College. Indeed, statewide revenues will become a key performance metric for TSTC.

- o **Results.** The New TSTC is driven by results. TSTC's focus on results is reinforced by a shift in the factors that drive appropriations funding as well as TSTC's new entrepreneurial funding pursuits. This results-focus is manifested in following examples:
- o **Returned-Value Funding.** The Legislature's adoption of the returned-value funding formula is an early milestone in the building of the New TSTC. With the passage of Senate Bill 1 in 2013 from the 83rd Legislature and the implementation of the new funding model, TSTC became the first college system in the nation funded substantially upon student employment outcomes and not educational activities. The returned-value funding model assesses and rewards TSTC for student job placement and earnings (outcomes) rather than contact hours (time in training). While TSTC's returned-value funding model is not expected to fully shelter TSTC from the pressure on state appropriations, it allows flexibility to innovate its product and expand its mix of revenue streams.
- o **Program Vitality.** During fiscal year 2016, TSTC developed the instructional program vitality model. It is a balanced scorecard aimed at measuring the vitality of programs based on four initial performance measures: enrollment, retention, placement, and first-year income of students. The results of these measures will be used to identify continuous improvement opportunities and influence decisions regarding investment in programs including investments in talent, equipment, and program and related capital expansion. This improves the return on the State's investment.
- o **Innovation.** The New TSTC is characterized by its courageous innovation. This spirit of innovation is needed because the 21st Century requires a new model for teaching and learning. Technological advances have led to transformational changes in most aspects of life; however, much of the traditions and methods of educational delivery and skill development remain the same. Accordingly, the historical model for higher education will become irrelevant in a matter of years. Like many other industries, the threat to the historical operating model will likely emerge from outside the current higher education industry. The relevance of education providers will depend on their ability to anticipate these changes. Similar to TSTC's approach to the accountability imperative and anticipated state funding issues, the New College will boldly prepare for, innovate, and lead through the sweeping changes that our industry faces.

TSTC's primary innovative initiatives are focused on enhancing the learning delivery process, including the following: development and phase-in of comprehensive competency-based programs, microcredentials/badges, multiple-entry/multiple-exit point (block scheduling) strategy, and software services and customer-facing applications designed to close skill gaps (SkillsEngine developed by the Center for Employability Outcomes).

SIGNIFICANT ISSUES FUNDAMENTAL TO THE BUDGET REQUEST

Return on Capital

The efficiency and effectiveness of higher education is questionable. TSTC is committed to the notion that higher education, and technical education in particular, can be far more efficient and effective, requiring bold action to generate returns expected of related stakeholders.

- o **Returned-Value Funding Formula.** The impact of the returned-value funding formula policy change remains in the spotlight of policy groups, higher education associations, regulators, rating agencies, and others. This funding method, implemented at the legislative level, is driven by the value of results versus cost-recovery. The funding method necessitates that leadership operates under an imperative to be cost-sensitive, examining all activities to ensure expense structures are optimized. The returned-value funding formula enables the flexibility to become business like and bottom-line focused.
- o **Merged Operations.** TSTC consolidated operations during the 2016/2017 biennium, creating a single structure for administering the operations of TSTC. The action achieved the targeted objectives of cost containment (mitigate redundant administrative overhead during expansion) and cost reductions, enabling funds to be redirected from redundancies to maximizing instructional operations.

Financial Health and Leverage

- o **Funding History.** Though TSTC is a mature institution, shaping a "New TSTC" creates financial pressures more consistent with a start-up venture. The College has

719 Texas State Technical College System Administration

experienced negative free cash flows (use of reserves rather than accumulation of reserves) during this transition period, with cash flows poured into investment in new locations and entrepreneurial pursuits, implementation of practices to address identified compensation issues, restructure and consolidation of operational functions, and investment in innovation.

Rating agencies have recognized that recent financial performance has thinned the College's reserve position, creating a smaller margin for error when it comes to funding strategic investments or paying for unexpected costs. TSTC's bond rating agencies credit the Legislature's substantial support of TSTC and TSTC's consolidation of administrative functions for increased efficiency and effectiveness of operations but look for increased revenues from new locations and stable funding from state appropriations in their scrutiny of TSTC's long-term creditworthiness.

o Infrastructure Funding. Two policy shifts emerged between the 84th and 85th Legislature relating to Infrastructure Funding for TSTC. First, the Texas Higher Education Coordinating Board Formula Advisory Committee recommended incorporation of the TSTC Space Support funding formula into the returned-value formula consistent with the Legislature's directive to further the goal of rewarding job placement and graduate earnings, not time in training or contact hours. Later, the Texas Higher Education Coordinating Board conducted a study of potential new Space Projection Models that influence the Infrastructure Formula Funding strategy. The findings of the new models show TSTC, by mission and design, is different than an academic institution. Specifically, TSTC's programs require both classroom space for lectures and laboratory space for the hands-on training. Students at TSTC spend as much as 60 percent of their time working with equipment in laboratory settings. Consequently, the findings projected an increase in the allocated funding for TSTC based on the model.

Market Performance and Potential

TSTC's operations are scattered across the Texas landscape, including a diversity of markets that vary in student demand and industry demand. Consequently, growth performance and potential vary across TSTC's various offerings. Newer operations are located in regions with growing demand while other locations have growth prospects that are more challenging due to population declines, lower density of populations, and other factors. According to the U.S. Census Bureau, Fort Bend County and Williamson County ranked 4th and 7th across the United States for percentage growth during 2014-2015. Ellis County was 39th. On the other hand, several campuses reside in counties with declining populations during the same period.

60x30TX Higher Education Strategic Plan

In 2015, the Texas Higher Education Coordinating Board announced the 60x30TX Higher Education Strategic Plan with the overarching goal of 60 percent of Texans ages 25-34 attaining a certificate or degree by 2030. TSTC's vision and values support the underlying imperatives within 60x30TX of increasing prosperity for Texans by training and retaining a globally competitive workforce. Indeed, TSTC's rallying cry since 2011 has been "Place More Texans in Great Paying Jobs."

60x30TX Completion Goal. TSTC pivoted its focus toward completion nearly a decade ago dramatically shifting its internal performance measurement at certain locations from enrollment to completion. This was validated by adoption of the returned-value funding formula, making placement and earnings the key economic drivers for TSTC. Consequently, TSTC has seen increasing performance with respect to the statewide goals for completion over the last five years. In that time, TSTC has increased the number of associate degrees and certificates awarded by 571 awards, a 27% increase.

60x30TX Marketable Skills Goal. With respect to the 60x30TX strategy for aligning marketable skills with programs, the Center for Employability Outcomes at TSTC is developing solutions that enable colleges to align curricula with the specific skill requirements of local employers. The Center's purpose is to maximize student employability and increase the supply of qualified graduates. To date, more than 1,300 courses across 83 awards and 26 colleges have been aligned. The Center is now in the process of launching a refined web application with greater capabilities and engaging Texas colleges for broader adoption. This work has been supported by the Texas Higher Education Coordinating Board and is an approved methodology for colleges to validate curriculum across Texas.

719 Texas State Technical College System Administration

The fourth 60x30TX goal states that by 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions. The total cost of education for TSTC graduates is extremely affordable, especially relative to the wages earned by its graduates. The average completer earns a salary of \$34,689 during his first year after graduation while his average student loan debt is \$7,059, or 20.3% of first year average earnings.

Bill Pattern Changes

- o Working with the staff of the Legislative Budget Board and the Governor's Office of Budget and Planning, this LAR includes new bill patterns proposed for TSTC in Fort Bend and TSTC in North Texas. This reflects actions of the 84th Legislature which designated these two operations as Campuses. It also bolsters transparency and clarity regarding TSTC's funding structure.

BASELINE REDUCTION ADJUSTMENTS

The cumulative affect of the seven reductions across the statewide college is nearly \$1.2 million with the largest impact relating to the \$680,000 reduction of start-up funding for TSTC's newest locations (transition funding supports core teaching, learning, and student service functions, since it is a substitute for Formula Funding because TSTC's results-based formula does not reimburse start-up costs). Cutting the start-up funding at these highest potential locations accounts for nearly 60% of TSTC's overall reduction calculation statewide. Cutting services at these new locations would have a significant impact on TSTC's delivery of services. Consequently, responding to the reduction requires a statewide, strategic approach to mitigate the impact of the reductions to the State.

In this LAR, TSTC has reduced its baseline request in the following strategies:

- o Institutional Enhancement Special Item Support strategy for Harlingen, Marshall, Waco, and West Texas;
- o Start-Up Funding Special Item Support strategy for North Texas and Fort Bend;
- o Instruction/Operations System Office Operations strategy at System Administration.

TSTC's baseline reduction approach is similar to its ongoing budget approach. That is, TSTC will reduce programming/funding based on its appraisal of markets and related program performance and potential across the state. To mitigate the statewide impact of reductions, TSTC will invest first in programs and activities with the highest return potential. Based on the extent of cuts, TSTC will reduce or close services in its lowest performing and lowest potential markets to mitigate the impact of reductions to the returns on the State's investment.

The following reduction considerations would be required under the proposed reductions:

- o Continue reduction efforts for activities not essential to Place More Texans. For example, even though student recreation centers help provide a vibrant student life, TSTC might consider elimination of the activity to mitigate the reduction impact on providing a skilled workforce to Texas.
- o Suspend, or considerably change, the business model for dual credit offerings. TSTC partners with over 100 high schools in offering dual credit; however, it receives no appropriations support for the effort. The dual enrollment effort is extremely important to TSTC but it is an activity that requires significant resources of the College without the ability to recoup the costs.
- o Evaluate markets by recent performance and growth potential. Depending on the reduction request, TSTC would eliminate programming in areas that provide the lowest prospects for return on capital to the State.

EXCEPTIONAL ITEM FUNDING REQUESTS

719 Texas State Technical College System Administration

Dual Credit – All Campuses. TSTC partners with nearly 100 schools to offer dual credit at the secondary level without receiving appropriations funding for related offerings. Several factors led to the exclusion of dual credit from the returned value formula. Consequently, TSTC receives no appropriation for this training. Despite that, TSTC continued to offer dual credit programs with a specific emphasis on Career and Technical Education pathway programs. Funding is required to continue offering dual credit offerings.

Transition Funding Shortfall, Williamson County (Waco bill pattern). TSTC's participation in the multi-institutional teaching center requires subsidy from the other TSTC operations at nearly \$1 million per year to adequately operate program offerings at TSTC in Williamson County.

Transition Funding, Base Reduction Restoration (Waco, Fort Bend, and North Texas bill patterns). Transition funding for the start-up locations are included in the baseline reduction calculation; however, formula items for higher education have been excluded from the related reduction request. Transition funding is a substitute for the formula-funded line items since the returned-value funding formula is outcome based, deriving the formula yield after the teaching event and five years of earnings results. Since it is not a cost-recovery formula, start-up costs require funding from another mechanism. Only after the campus is open, the student navigates the curriculum, and earnings for five years are measured after leaving the College will the formula funding be activated. Consequently, transition funding will begin dissipating 6-8 years after the first cohorts enter the workforce. Due to the operational nature of transition funding, not exempting TSTC transition funding from based reductions is inconsistent with the exemptions to formula-funded appropriations.

Start-up costs for technical training are extraordinarily high because of the space and capital equipment required to deliver the hands-on, industrial training necessary for these new campus locations. This exceptional item request restores that funding to consistently apply the reduction strategy and support essential start up operations.

TSTC SYSTEM GOVERNANCE

TSTC is governed by a nine-person board of regents appointed by the Governor and confirmed by the State. Regents serve staggered six-year terms, with the terms of three members expiring in August of each odd-numbered year. The members of the board, their hometowns, and respective term dates are included within the organization chart submitted with this LAR.

DESCRIPTION OF TEXAS STATE TECHNICAL COLLEGE

TSTC was established more than 50 years ago and operates today as the state-supported technical college with teaching locations across Texas, including Abilene, Breckenridge, Brownwood, Fort Bend County, Harlingen, Marshall, North Texas, Sweetwater, Waco and Williamson County. As a coeducational two-year, multi-campus institution of higher education, TSTC provides innovative and responsive programs and courses of study in technical education for which there is demand in the State of Texas, with emphasis on advanced and emerging technologies.

Texas State Technical College is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate degrees and Certificates of Completion. During the 2016/2017 biennium, TSTC consolidated four independently accredited colleges into a single, statewide accreditation structure. TSTC simultaneously merged substantially all operations into a statewide, consolidated, functional structure.

In response to mandates from the 82nd, 83rd, and 84th Legislatures, TSTC became the only college in Texas to adopt a funding model based entirely on student employment outcomes - aligning with its purpose of strengthening Texas with a highly skilled, technically competent workforce.

719 Texas State Technical College System Administration

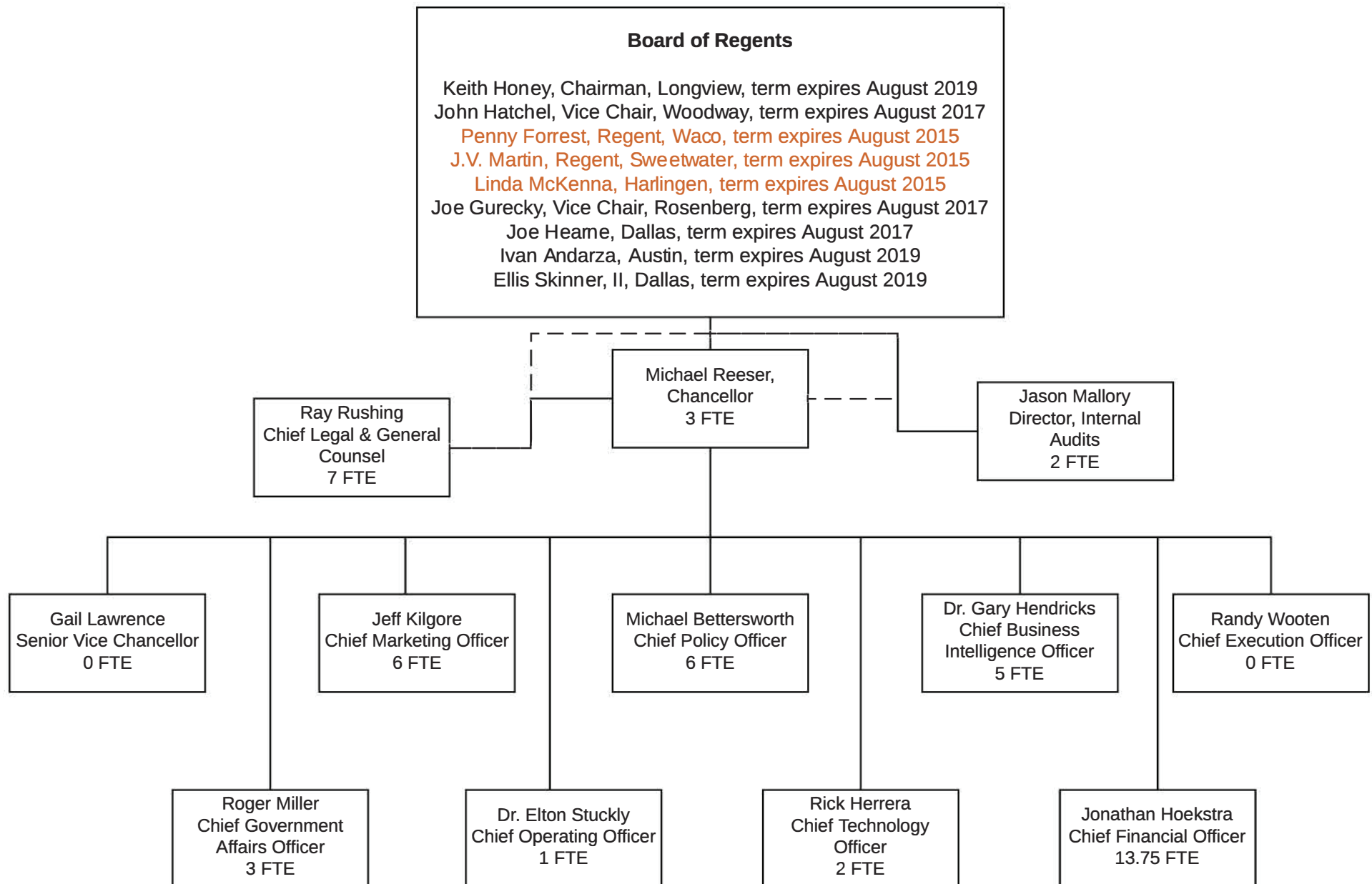
TSTC System Administration comprises certain functions of the College that are statewide support resources which are generally indirect in nature and shared across statewide operations. Through TSTC's commitment to education over administration, TSTC seeks for this to be a streamlined and efficient body leveraging the System Administration structure to eliminate redundancy throughout statewide operations.

BACKGROUND CHECKS

Criminal history record information is checked for employment applicants under final consideration, following normal screening and selection processes, for security sensitive positions. Security sensitive positions are restricted to those positions described in Texas Education Code § 51.215(c) and Texas Government Code § 411.094(a)(2). Security sensitive positions include those in which employees handle currency, have access to financial records, legal records, medical records, personnel records and student academic records, have access to a master key, or work in an area of the College which has been designated as a security sensitive area.

All advertisements and notices released for security sensitive positions include the statement: "Security Sensitive Position." Upon selection of the best qualified candidate for the position, the candidate may be offered continued employment by the College contingent upon the evaluation of the criminal history record check. If the check produces a criminal record on the candidate, the Human and Organization Development Executive or his/her designee evaluate the record and work with the department head to determine if the employee should be recommended or not recommended for employment. All criminal history information on applicants is privileged and confidential and is not released or otherwise disclosed to any person or agency other than those persons involved in the hiring process with a legitimate need to know this information, except on court order.

LAR - Org Chart - System Administration





The college's most
powerful dollar is the
one spent on the student
learning experience.

Budget Overview - Biennial Amounts
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration											
Appropriation Years: 2018-19											
	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2018-19
Goal: 1. Provide Instructional and Operations Support											
1.1.2. Forecasting & Curriculum Dvlpmnt	356,350	356,350							356,350	356,350	
1.1.3. Staff Group Insurance Premiums	50,090		110,519	216,708					160,609	216,708	
1.1.4. Workers' Compensation Insurance	31,350	31,350							31,350	31,350	
1.1.5. System Office Operations	8,856,975	3,439,340	2,930,292	1,245,535					11,787,267	4,684,875	
1.1.6. Technical Training Partnership	592,266	592,266							592,266	592,266	
Total, Goal	9,887,031	4,419,306	3,040,811	1,462,243					12,927,842	5,881,549	
Goal: 3. Provide Special Item Support											
3.1.1. N Tx And E Williamson County Ctrs		1,920,000		2,031,378						3,951,378	2,080,000
Total, Goal		1,920,000		2,031,378						3,951,378	2,080,000
Total, Agency	9,887,031	6,339,306	3,040,811	3,493,621					12,927,842	9,832,927	2,080,000
Total FTEs									35.7	36.4	20.8

2.A. Summary of Base Request by Strategy

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
1 Provide Instructional and Operations Support					
1 Provide Instructional and Operations Support					
2 FORECASTING & CURRICULUM DVLPMENT	179,670	178,175	178,175	178,175	178,175
3 STAFF GROUP INSURANCE PREMIUMS	95,886	62,768	97,841	104,690	112,018
4 WORKERS' COMPENSATION INSURANCE	1,740	15,675	15,675	15,675	15,675
5 SYSTEM OFFICE OPERATIONS	4,557,657	6,533,336	5,253,931	2,342,438	2,342,437
6 TECHNICAL TRAINING PARTNERSHIP	296,168	296,133	296,133	296,133	296,133
TOTAL, GOAL 1	\$5,131,121	\$7,086,087	\$5,841,755	\$2,937,111	\$2,944,438
3 Provide Special Item Support					
1 Instructional Support Special Item Support					
1 N TX AND E WILLIAMSON COUNTY CTRS	0	0	0	1,975,689	1,975,689
2 FORT BEND COUNTY	0	0	0	0	0

2.A. Summary of Base Request by Strategy

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
TOTAL, GOAL 3	\$0	\$0	\$0	\$1,975,689	\$1,975,689
TOTAL, AGENCY STRATEGY REQUEST	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	4,774,858	5,430,720	4,456,311	3,170,561	3,168,745
SUBTOTAL	\$4,774,858	\$5,430,720	\$4,456,311	\$3,170,561	\$3,168,745
General Revenue Dedicated Funds:					
770 Est Oth Educ & Gen Inco	356,263	1,655,367	1,385,444	1,742,239	1,751,382
SUBTOTAL	\$356,263	\$1,655,367	\$1,385,444	\$1,742,239	\$1,751,382
TOTAL, METHOD OF FINANCING	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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GENERAL REVENUE**1** General Revenue Fund*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2014-15 GAA)

\$2,301,722	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$10,801,722	\$10,801,722	\$0	\$0
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Comments: The Conference Committee Report for House Bill 1, Regular Session, 2016-17 GAA, has Regular Appropriation amounts for General Revenue at the System for \$10,801,722 in both fiscal years 2016 and 2017.

Regular Appropriations from MOF Table (2018-19)

\$0	\$0	\$0	\$3,170,561	\$3,168,745
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RIDER APPROPRIATION

Rider 5, North Texas and East Williamson County Centers, (2014-15 GAA)

\$3,450,000	\$0	\$0	\$0	\$0
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Rider 5, North Texas and East Williamson County Centers, (2014-15 GAA)

\$0	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>					
<i>TRANSFERS</i>					
Human Resources - Fr Harlingen to System	\$97,517	\$0	\$0	\$0	\$0
Human Resources - Fr Waco to System	\$118,751	\$0	\$0	\$0	\$0
Consolidated IT Oper - Fr Harlingen to System	\$781,627	\$0	\$0	\$0	\$0
Consolidated IT Oper - Fr Waco to System	\$788,341	\$0	\$0	\$0	\$0
Consolidated IT Oper - Fr Marshall to System	\$243,585	\$0	\$0	\$0	\$0
Consolidated IT Oper - Fr West Tx to System	\$276,142	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>					
Advancement - Fr Waco to System	\$127,173	\$0	\$0	\$0	\$0
Advancement - Fr Marshall to System	\$15,971	\$0	\$0	\$0	\$0
Advancement - Fr Harlingen to System	\$24,029	\$0	\$0	\$0	\$0
EWCHec - Fr System to EWCHec (Waco)	\$(1,200,000)	\$(1,000,000)	\$(1,000,000)	\$0	\$0
North Texas - Transfer Fr System to North Texas (Marshall)	\$(2,250,000)	\$(3,000,000)	\$(3,000,000)	\$0	\$0
Partnership - Fr System to EWCHec (Waco)	\$0	\$(296,133)	\$(296,133)	\$0	\$0
Fort Bend - Fr System to Fort Bend (Waco)	\$0	\$(4,500,000)	\$(4,500,000)	\$0	\$0

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>					
Administrative - Fr West Texas to System	\$0	\$421,153	\$217,743	\$0	\$0
Administrative - Fr Marshall to System	\$0	\$59,621	\$322,442	\$0	\$0
Administrative - Fr Fort Bend (Waco) to System	\$0	\$1,423,326	\$0	\$0	\$0
Administrative - Fr Waco to System	\$0	\$1,070,552	\$1,513,927	\$0	\$0
Administrative - Fr North Texas (Marshall) to System	\$0	\$588,164	\$0	\$0	\$0
Administrative - Fr North Texas (Marshall) to System	\$0	\$0	\$604,987	\$0	\$0

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>						
Fort Bend - Fr System to Fort Bend (Waco)		\$0	\$(137,685)	\$(208,377)	\$0	\$0
TOTAL,	General Revenue Fund	\$4,774,858	\$5,430,720	\$4,456,311	\$3,170,561	\$3,168,745
TOTAL, ALL	GENERAL REVENUE	\$4,774,858	\$5,430,720	\$4,456,311	\$3,170,561	\$3,168,745

GENERAL REVENUE FUND - DEDICATED**770** GR Dedicated - Estimated Other Educational and General Income Account No. 770*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2014-15 GAA)

\$41,533	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$545,313	\$546,062	\$0	\$0
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Regular Appropriations from MOF Table (2018-19)

\$0	\$0	\$0	\$1,742,239	\$1,751,382
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BASE ADJUSTMENT

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	719	Agency name:	Texas State Technical College System Administration			
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<hr/>						
<u>GENERAL REVENUE FUND - DEDICATED</u>						
Revised Receipts						
		\$71,911	\$(355,980)	\$(441,118)	\$0	\$0
Comments: FY 2016 and FY 2017 Revised Receipts decrease due to projected interest income higher than actual for 2016 and expected for 2017.						
Adjustment to expended						
		\$242,819	\$1,466,034	\$1,280,500	\$0	\$0
<hr/>						
TOTAL,	GR Dedicated - Estimated Other Educational and General Income Account No. 770	\$356,263	\$1,655,367	\$1,385,444	\$1,742,239	\$1,751,382
<hr/>						
TOTAL GENERAL REVENUE FUND - DEDICATED - 704, 708 & 770		\$356,263	\$1,655,367	\$1,385,444	\$1,742,239	\$1,751,382
<hr/>						
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$356,263	\$1,655,367	\$1,385,444	\$1,742,239	\$1,751,382
<hr/>						
TOTAL,	GR & GR-DEDICATED FUNDS	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127
<hr/>						
GRAND TOTAL		\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	44.1	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	70.0	70.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)	0.0	0.0	0.0	36.4	36.4
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Below Cap	(3.1)	(2.9)	(0.3)	0.0	0.0
Unauthorized Below Cap	(4.0)	0.0	0.0	0.0	0.0
Unauthorized Below Cap	0.0	(7.0)	(7.0)	0.0	0.0
Unauthorized Below Cap	0.0	(12.0)	(12.0)	0.0	0.0
Unauthorized Below Cap	0.0	(15.0)	(15.0)	0.0	0.0
TOTAL, ADJUSTED FTES	37.0	33.1	35.7	36.4	36.4

2.B. Summary of Base Request by Method of Finance

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**

Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING

Exp 2015

Est 2016

Bud 2017

Req 2018

Req 2019

**NUMBER OF 100% FEDERALLY
FUNDED FTEs**

0.0

0.0

0.0

0.0

0.0

2.C. Summary of Base Request by Object of Expense

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$2,716,508	\$2,335,482	\$2,492,516	\$2,737,479	\$2,737,479
1002 OTHER PERSONNEL COSTS	\$63,214	\$53,897	\$46,666	\$50,126	\$50,126
1005 FACULTY SALARIES	\$123,252	\$0	\$0	\$835,800	\$835,800
2001 PROFESSIONAL FEES AND SERVICES	\$282,242	\$207,000	\$207,000	\$10,400	\$10,400
2002 FUELS AND LUBRICANTS	\$1,230	\$0	\$0	\$800	\$800
2003 CONSUMABLE SUPPLIES	\$3,114	\$820	\$820	\$7,120	\$7,120
2004 UTILITIES	\$397,840	\$470,000	\$470,000	\$1,800	\$1,800
2005 TRAVEL	\$4,447	\$16,487	\$16,870	\$16,443	\$16,443
2006 RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007 RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$11,000	\$11,000
2008 DEBT SERVICE	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$1,333,222	\$3,706,268	\$2,311,750	\$785,699	\$793,026
5000 CAPITAL EXPENDITURES	\$206,052	\$296,133	\$296,133	\$456,133	\$456,133
OOE Total (Excluding Riders)	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127
OOE Total (Riders)					
Grand Total	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127

2.E. Summary of Exceptional Items Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**

Agency name: **Texas State Technical College System Administration**

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Williamson Cty Start Up Fund Incr	\$1,040,000	\$1,040,000	20.8	\$1,040,000	\$1,040,000	20.8	\$2,080,000	\$2,080,000
Total, Exceptional Items Request		\$1,040,000	\$1,040,000	20.8	\$1,040,000	\$1,040,000	20.8	\$2,080,000	\$2,080,000
Method of Financing									
	General Revenue	\$1,040,000	\$1,040,000		\$1,040,000	\$1,040,000		\$2,080,000	\$2,080,000
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$1,040,000	\$1,040,000		\$1,040,000	\$1,040,000		\$2,080,000	\$2,080,000
Full Time Equivalent Positions				20.8				20.8	
Number of 100% Federally Funded FTEs				0.0				0.0	

2.F. Summary of Total Request by Strategy
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719	Agency name: Texas State Technical College System Administration					
Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
2 FORECASTING & CURRICULUM DVLPMENT	\$178,175	\$178,175	\$0	\$0	\$178,175	\$178,175
3 STAFF GROUP INSURANCE PREMIUMS	104,690	112,018	0	0	104,690	112,018
4 WORKERS' COMPENSATION INSURANCE	15,675	15,675	0	0	15,675	15,675
5 SYSTEM OFFICE OPERATIONS	2,342,438	2,342,437	0	0	2,342,438	2,342,437
6 TECHNICAL TRAINING PARTNERSHIP	296,133	296,133	0	0	296,133	296,133
TOTAL, GOAL 1	\$2,937,111	\$2,944,438	\$0	\$0	\$2,937,111	\$2,944,438
3 Provide Special Item Support						
1 <i>Instructional Support Special Item Support</i>						
1 N TX AND E WILLIAMSON COUNTY CTRS	1,975,689	1,975,689	1,040,000	1,040,000	3,015,689	3,015,689
2 FORT BEND COUNTY	0	0	0	0	0	0
TOTAL, GOAL 3	\$1,975,689	\$1,975,689	\$1,040,000	\$1,040,000	\$3,015,689	\$3,015,689
TOTAL, AGENCY STRATEGY REQUEST	\$4,912,800	\$4,920,127	\$1,040,000	\$1,040,000	\$5,952,800	\$5,960,127
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$4,912,800	\$4,920,127	\$1,040,000	\$1,040,000	\$5,952,800	\$5,960,127

2.F. Summary of Total Request by Strategy
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719		Agency name: Texas State Technical College System Administration					
Goal/Objective/STRATEGY		Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:							
1	General Revenue Fund	\$3,170,561	\$3,168,745	\$1,040,000	\$1,040,000	\$4,210,561	\$4,208,745
		\$3,170,561	\$3,168,745	\$1,040,000	\$1,040,000	\$4,210,561	\$4,208,745
General Revenue Dedicated Funds:							
770	Est Oth Educ & Gen Inco	1,742,239	1,751,382	0	0	1,742,239	1,751,382
		\$1,742,239	\$1,751,382	\$0	\$0	\$1,742,239	\$1,751,382
TOTAL, METHOD OF FINANCING		\$4,912,800	\$4,920,127	\$1,040,000	\$1,040,000	\$5,952,800	\$5,960,127
FULL TIME EQUIVALENT POSITIONS		36.4	36.4	20.8	20.8	57.2	57.2

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 2 Forecasting and Curriculum Development

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$126,600	\$129,600	\$129,600	\$129,600	\$129,600
1002	OTHER PERSONNEL COSTS	\$1,680	\$1,880	\$1,920	\$1,920	\$1,920
2001	PROFESSIONAL FEES AND SERVICES	\$40,806	\$7,000	\$7,000	\$7,000	\$7,000
2003	CONSUMABLE SUPPLIES	\$10	\$120	\$120	\$120	\$120
2005	TRAVEL	\$4,447	\$6,617	\$7,000	\$7,000	\$7,000
2009	OTHER OPERATING EXPENSE	\$6,127	\$32,958	\$32,535	\$32,535	\$32,535
TOTAL, OBJECT OF EXPENSE		\$179,670	\$178,175	\$178,175	\$178,175	\$178,175
Method of Financing:						
1	General Revenue Fund	\$179,670	\$178,175	\$178,175	\$178,175	\$178,175
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$179,670	\$178,175	\$178,175	\$178,175	\$178,175
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$178,175	\$178,175
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$179,670	\$178,175	\$178,175	\$178,175	\$178,175
FULL TIME EQUIVALENT POSITIONS:		0.9	0.9	0.9	0.9	0.9

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL:	1	Provide Instructional and Operations Support	
OBJECTIVE:	1	Provide Instructional and Operations Support	Service Categories:
STRATEGY:	2	Forecasting and Curriculum Development	Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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STRATEGY DESCRIPTION AND JUSTIFICATION:

TSTC System Administration requests additional operating funds of \$1.57 million to fully establish the new Center for Employability Outcomes. This work extends the Forecasting and Curriculum Development mandate for TSTC to forecast technical training and education needed to maintain and improve the state's economic and technological competitiveness.

In support of this mandate, TSTC created the Center for Employability Outcomes (C4EO) to improve the employability of students by aligning curriculum with industry need. As a result, more students will graduate with necessary skills and more employers will be able to find and hire the right talent to remain competitive. The Center provides students, colleges and businesses with job-driven tools to scientifically optimize alignment of curricula to labor market needs.

The Center's work is closely coordinated with the Texas Workforce Commission, Texas Higher Education Coordinating Board, and Texas Education Agency through complementary strategies. The Center is now implementing the use of detailed work activities to align curriculum within three areas: technical competencies (hard skills), workplace competencies (soft skills), and labor market needs. By increasing student placement and earnings outcomes, the Center's work will lead to improved economic returns for students, industry, Texas and its taxpayers.

TSTC has partnered with more than twenty (20) Texas community colleges and aligned 900 courses. The Center will expand outreach to an additional fifteen (15) colleges in FY2015 with support from the THECB.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
STRATEGY: 2 Forecasting and Curriculum Development Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The demand for skilled labor is growing due to rising incumbent worker retirements (baby boomers), global competition in the labor market, and technology advances across industry sectors. Aligning technical education curriculum with the needs of the labor market will increase student employability and result in higher economic returns to the private and public sector, and bridge the competency needs of industry. The Center's work has relied on temporary grant funding to develop and mature methodologies and is now ready to formalize its structure for expanded service delivery across Texas colleges. This request is a continuation of an existing initiative funded under the Forecasting and Curriculum Development Strategy.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$356,350	\$356,350	\$0	\$0	No changes.
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 3 Staff Group Insurance Premiums

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$95,886	\$62,768	\$97,841	\$104,690	\$112,018
TOTAL, OBJECT OF EXPENSE		\$95,886	\$62,768	\$97,841	\$104,690	\$112,018
Method of Financing:						
1	General Revenue Fund	\$24,798	\$25,850	\$24,240	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$24,798	\$25,850	\$24,240	\$0	\$0
Method of Financing:						
770	Est Oth Educ & Gen Inco	\$71,088	\$36,918	\$73,601	\$104,690	\$112,018
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$71,088	\$36,918	\$73,601	\$104,690	\$112,018
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$104,690	\$112,018
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$95,886	\$62,768	\$97,841	\$104,690	\$112,018
FULL TIME EQUIVALENT POSITIONS:						

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 3 Staff Group Insurance Premiums

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy is to provide proportional share of staff group insurance premiums paid from Other Educational and General funds.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Strategy is impacted by the number of employees working 30 hours or more and the premium rates. Strategy based upon percentage of estimated other E & G income to total appropriation. There is a general revenue shortfall for group insurance; therefore, other strategies must supplement group insurance expenditures.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$160,609	\$216,708	\$56,099	\$56,099	Increase in unfunded 237 Insurance Retirees. MOF - Other E&G. FTEs - 0.
			\$56,099	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 4 Workers' Compensation Insurance

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$1,740	\$15,675	\$15,675	\$15,675	\$15,675
TOTAL, OBJECT OF EXPENSE		\$1,740	\$15,675	\$15,675	\$15,675	\$15,675
Method of Financing:						
1	General Revenue Fund	\$1,740	\$15,675	\$15,675	\$15,675	\$15,675
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,740	\$15,675	\$15,675	\$15,675	\$15,675
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$15,675	\$15,675
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,740	\$15,675	\$15,675	\$15,675	\$15,675

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

The strategy funds the Worker's Compensation payments related to Educational and General funds.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in worker's compensation are related to payroll costs, number of employees, and workers' compensation claims.

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 4 Workers' Compensation Insurance

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$31,350	\$31,350	\$0	\$0	No change.
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 5 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,490,309	\$2,205,882	\$2,362,916	\$2,270,847	\$2,270,847
1002	OTHER PERSONNEL COSTS	\$60,694	\$52,017	\$44,746	\$44,746	\$44,746
2001	PROFESSIONAL FEES AND SERVICES	\$241,436	\$200,000	\$200,000	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$700	\$700	\$0	\$0
2004	UTILITIES	\$397,329	\$470,000	\$470,000	\$0	\$0
2005	TRAVEL	\$0	\$9,870	\$9,870	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,174,381	\$3,594,867	\$2,165,699	\$26,845	\$26,844
5000	CAPITAL EXPENDITURES	\$193,508	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$4,557,657	\$6,533,336	\$5,253,931	\$2,342,438	\$2,342,437
Method of Financing:						
1	General Revenue Fund	\$4,272,482	\$4,914,887	\$3,942,088	\$1,720,578	\$1,718,762
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,272,482	\$4,914,887	\$3,942,088	\$1,720,578	\$1,718,762
Method of Financing:						
770	Est Oth Educ & Gen Inco	\$285,175	\$1,618,449	\$1,311,843	\$621,860	\$623,675
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$285,175	\$1,618,449	\$1,311,843	\$621,860	\$623,675

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 5 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,342,438	\$2,342,437
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,557,657	\$6,533,336	\$5,253,931	\$2,342,438	\$2,342,437
FULL TIME EQUIVALENT POSITIONS:		31.2	32.2	34.8	35.5	35.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

Section 135.27 of the Education Codes state that the System Central Administration Office shall provide oversight and coordination of the activities of each component of the system. To support the long-term efficiency and effectiveness across the statewide system, the administrative functions across the nine TSTC locations merged under a single administrative structure during the 2016/2017 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

In compliance with the June 30, 2016 Policy Letter, TSTC reduced its baseline request. A reduction of \$264,138 for System Administration is reflected within this strategy, including an \$80,000 reduction in Start-Up funding for TSTC in Williamson County. Reducing funding for TSTC's start-up operations would significantly impact core services since start-up funding supports core teaching, learning, and student service functions, since it is a substitute for Formula Funding because TSTC's results-based formula does not reimburse start-up costs

TSTC's baseline reduction approach is similar to its ongoing budget approach. It will consolidate the statewide reduction and reduce programming/funding based on its appraisal of markets and related program performance and potential across the state. To mitigate the statewide impact of reductions, TSTC will invest first in programs and activities with the highest return potential. Based on the extent of cuts, TSTC will reduce or close services in its lowest performing and lowest potential markets to mitigate the impact of reductions to the returns on the State's investment.

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 5 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$11,787,267	\$4,684,875	\$(7,102,392)	\$(7,102,392)	Transfers from other campuses to System Administration are not reflected in 2018-2019 because the actual amount is unknown, causing the significant decrease. MOF - Other E&G. FTEs - 0.
			<u>\$(7,102,392)</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 6 Technical Training Partnerships with Community Colleges

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Fall Term Partnership Headcount Enrollment	0.00	209.00	256.00	300.00	325.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$99,599	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$840	\$0	\$0	\$0	\$0
1005	FACULTY SALARIES	\$123,252	\$0	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$1,230	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$3,104	\$0	\$0	\$0	\$0
2004	UTILITIES	\$511	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$55,088	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$12,544	\$296,133	\$296,133	\$296,133	\$296,133
TOTAL, OBJECT OF EXPENSE		\$296,168	\$296,133	\$296,133	\$296,133	\$296,133
Method of Financing:						
1	General Revenue Fund	\$296,168	\$296,133	\$296,133	\$296,133	\$296,133
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$296,168	\$296,133	\$296,133	\$296,133	\$296,133

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 6 Technical Training Partnerships with Community Colleges

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$296,133	\$296,133
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$296,168	\$296,133	\$296,133	\$296,133	\$296,133
FULL TIME EQUIVALENT POSITIONS:		4.9	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

To fund partnerships between TSTC and community colleges to increase access to technical education programs along the Border and in other high demand areas of the state. Partnerships provide efficient, effective, and expedient means of providing high demand technical education across Texas while avoiding unnecessary duplication of expensive infrastructure requirements.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Demand for technical training provided by TSTC for the community college partnerships
Level of available funding

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
STRATEGY: 6 Technical Training Partnerships with Community Colleges Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$592,266	\$592,266	\$0	\$0	No change.
			<u>\$0</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support

OBJECTIVE: 1 Instructional Support Special Item Support

Service Categories:

STRATEGY: 1 North Texas and East Williamson County Centers

Service: 19

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$337,032	\$337,032
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$3,460	\$3,460
1005	FACULTY SALARIES	\$0	\$0	\$0	\$835,800	\$835,800
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$3,400	\$3,400
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$800	\$800
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$7,000	\$7,000
2004	UTILITIES	\$0	\$0	\$0	\$1,800	\$1,800
2005	TRAVEL	\$0	\$0	\$0	\$9,443	\$9,443
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$11,000	\$11,000
2008	DEBT SERVICE	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$605,954	\$605,954
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$160,000	\$160,000
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$1,975,689	\$1,975,689

Method of Financing:

1	General Revenue Fund	\$0	\$0	\$0	\$960,000	\$960,000
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3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support

OBJECTIVE: 1 Instructional Support Special Item Support

Service Categories:

STRATEGY: 1 North Texas and East Williamson County Centers

Service: 19

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$960,000	\$960,000
Method of Financing:						
770	Est Oth Educ & Gen Inco	\$0	\$0	\$0	\$1,015,689	\$1,015,689
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$0	\$1,015,689	\$1,015,689
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,975,689	\$1,975,689
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$1,975,689	\$1,975,689
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support

OBJECTIVE: 1 Instructional Support Special Item Support Service Categories:

STRATEGY: 1 North Texas and East Williamson County Centers Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The 83rd and 84th Legislatures provided \$2,400,000 and \$2,000,000, respectively, in Special Item Support for Transition Funding at TSTC in East Williamson County.

TSTC's funding model for Instruction and Administration, the "returned value" (RTV) funding model, only funds results; consequently, it does not provide funding for start-up operations like other cost-reimbursement (e.g., contact-hour based) models. RTV funding returns a portion of the economic value to the state generated from wages earned (over five years) by former students. Consequently, there is an 8-10 year inherent lag between the campus start-up, teaching event, the students' 5-year earnings contribution, the funding formula measurement, and the allocation through appropriations funding. For start-up locations, significant costs accumulate during this time.

Basic start-up costs include, but are not limited to, operations personnel, debt service on financed equipment (TSTC's programs require costly, industrial equipment), and consumables (many programs have significant consumable cost, such as welding rods), and advertising costs. Start-up administrative costs are mitigated by TSTC's centralized administration structure.

As student earnings begin to reach the end of the 5-year measurement period, the funding formula will recognize these results and the need for transition funding will decline.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support

OBJECTIVE: 1 Instructional Support Special Item Support Service Categories:

STRATEGY: 1 North Texas and East Williamson County Centers Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Significant enrollment growth (35-40% annual growth) in recent two years with continued momentum anticipated through remainder of 2016/2017.

Increased inventory of programs to include workforce critical Information Technology related programs including Cyber Security, Computer Science, Computer Technology Support, and Global Communications.

Creation of night and weekend cohorts to accommodate enrollment growth and target non-traditional demographics.

Actively participating as a member of the community through the Round Rock Chamber of Commerce, Hutto Area Chamber of Commerce, Austin Chamber of Commerce, Hutto Economic Development Corporation, Capital Area Economic Development District and others..

Forged relationships with surrounding ISDs.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$0	\$3,951,378	\$3,951,378	\$3,951,378	Majority of this strategy is for TSTC North Texas, which in 2018/2019 will be reflected in its own LAR. Current remaining amount is completely for TSTC at East Williamson County. MOF - GR. FTEs - 0.
			\$3,951,378	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support
OBJECTIVE: 1 Instructional Support Special Item Support
STRATEGY: 2 Fort Bend County

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
1005	FACULTY SALARIES	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support

OBJECTIVE: 1 Instructional Support Special Item Support

STRATEGY: 2 Fort Bend County

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
770	Est Oth Educ & Gen Inco	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Transition funding for the start-up locations is included in the baseline reduction calculation; however, formula items for higher education have been excluded from the related reduction request. Because transition funding is a substitute for strategies that are within the formula-driven strategies, inclusion of transition funding in the base reduction calculation is inconsistent with other exemptions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Special Item Support

OBJECTIVE: 1 Instructional Support Special Item Support Service Categories:

STRATEGY: 2 Fort Bend County Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Transition funding is a substitute for the formula-funded line items since the returned-value funding formula is outcome based, deriving the formula yield after the teaching event and five trailing years of earnings results. Since it is not a cost-recovery formula, start-up costs require funding from another mechanism. Only after (1) the campus is open, (2) the student navigates the curriculum, and (3) earnings for five years are measured after leaving TSTC will the formula funding be activated. Consequently, transition funding will begin dissipating 6-8 years after the first cohorts enter the workforce. Due to the operational nature of transition funding, not exempting TSTC transition funding from based reductions is inconsistent with the exemptions to formula-funded appropriations.

Start-up costs for technical training are extraordinarily high because of the space and capital equipment required to deliver the hands-on, industrial training necessary for these new campus locations. This exceptional item request restores that funding to consistently apply the reduction strategy and support essential start up operations.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$0	\$0	\$0	\$0	This funding line item has been moved for 2018/2019 to the LAR for TSTC Fort Bend as the 84th legislature declared it a campus. MOF - GR. FTEs - 0.
			\$0	Total of Explanation of Biennial Change


3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127
METHODS OF FINANCE (INCLUDING RIDERS):				\$4,912,800	\$4,920,127
METHODS OF FINANCE (EXCLUDING RIDERS):	\$5,131,121	\$7,086,087	\$5,841,755	\$4,912,800	\$4,920,127
FULL TIME EQUIVALENT POSITIONS:	37.0	33.1	35.7	36.4	36.4

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE
85th Regular Session, Agency Submission, Version 1

Agency Code: 719		Agency: TSTC System Administration				Prepared By: Isabel Weeden					
Date: August 17, 2016						16-17 Base	Requested 2018	Requested 2019	Biennial Total 18-19	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
1 Operations Support Provide Instructional and	1.1.2	Development	1.1.2.1	Policy and Forecasting	356,350	178,175	178,175	356,350	-	0.0%	
1 Operations Support Provide Instructional and	1.1.3	Staff Group Insurance Premiums	1.1.3.1	Benefits - Group Insurance	160,609	104,690	112,018	216,708	56,099	34.9%	
1 Operations Support Provide Instructional and	1.1.4	Workers' Compensation Insurance	1.1.4.1	Benefits - Worker's Compensation	31,350	15,675	15,675	31,350	-	0.0%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.1	Business Intelligence	708,058	156,884	156,884	313,768	(394,290)	-55.7%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.2	Finance	2,086,698	396,335	396,335	792,670	(1,294,028)	-62.0%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.3	Governance and Regulation	1,028,988	289,691	289,691	579,382	(449,606)	-43.7%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.4	Information Technology	5,155,883	1,141,939	1,141,939	2,283,877	(2,872,006)	-55.7%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.5	Integrated Marketing	396,178	100,878	100,878	201,755	(194,423)	-49.1%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.6	Office of the CEO	675,122	166,949	166,949	333,898	(341,224)	-50.5%	
1 Operations Support Provide Instructional and	1.1.5	System Office Operations	1.1.5.7	Instructional Operations	204,269	62,917	62,917	125,835	(78,434)	-38.4%	
1 Operations Support	1.1.6	Technical Training Partnership	1.1.6.1	Instructional Operations	592,266	296,133	296,133	592,266	-	0.0%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.1	EWCHEC - Finance	219,094	102,900	102,900	205,800	(13,294)	-6.1%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.2	EWCHEC - Integrated Marketing	1,086,392	532,258	532,258	1,064,516	(21,876)	-2.0%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.3	EWCHEC - Instructional Operations	2,740,380	1,340,531	1,340,531	2,681,062	(59,318)	-2.2%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.3	Exceptional Item - EWCHEC - Instructional Operations	-	1,040,000	1,040,000	2,080,000	2,080,000		
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.4	North Texas - Finance	1,262,692	-	-	-	(1,262,692)	-100.0%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.5	North Texas - Integrated Marketing	1,152,732	-	-	-	(1,152,732)	-100.0%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.6	North Texas - Instructional Operations	3,230,159	-	-	-	(3,230,159)	-100.0%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.7	North Texas - Governance & Regulation	14,242	-	-	-	(14,242)	-100.0%	
3 Support Provide Special Item	3.1.1	N Tx and E Williamson County Ctrs	3.1.1.8	North Texas - Information Technology	7,500	-	-	-	(7,500)	-100.0%	
3 Support Provide Special Item	3.1.2	Fort Bend County	3.1.2.1	Finance	1,330,388	-	-	-	(1,330,388)	-100.0%	
3 Support Provide Special Item	3.1.2	Fort Bend County	3.1.2.2	Governance and Regulation	125,795	-	-	-	(125,795)	-100.0%	
3 Support Provide Special Item	3.1.2	Fort Bend County	3.1.2.3	Information Technology	226,264	-	-	-	(226,264)	-100.0%	
3 Support Provide Special Item	3.1.2	Fort Bend County	3.1.2.4	Integrated Marketing	2,131,661	-	-	-	(2,131,661)	-100.0%	
3 Support Provide Special Item	3.1.2	Fort Bend County	3.1.2.5	Office of the CEO	471,096	-	-	-	(471,096)	-100.0%	
3 Support	3.1.2	Fort Bend County	3.1.2.6	Instructional Operations	3,523,672	-	-	-	(3,523,672)	-100.0%	



The new college is
characterized by its
courageous innovation.

4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**

Agency name:

Texas State Technical College System Administration

CODE	DESCRIPTION		Excp 2018	Excp 2019
	Item Name: Williamson County Start Up Funding Increase Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 03-01-01 North Texas and East Williamson County Centers			
OBJECTS OF EXPENSE:				
1005	FACULTY SALARIES		1,040,000	1,040,000
	TOTAL, OBJECT OF EXPENSE		\$1,040,000	\$1,040,000
METHOD OF FINANCING:				
1	General Revenue Fund		1,040,000	1,040,000
	TOTAL, METHOD OF FINANCING		\$1,040,000	\$1,040,000
FULL-TIME EQUIVALENT POSITIONS (FTE):			20.80	20.80

DESCRIPTION / JUSTIFICATION:

Authorized under Texas Education Code Chapter 130.092, the East Williamson County Higher Education Center in Hutto is a partnership between Temple College, TSTC, and Texas A&M Central Texas. TSTC has received Transition Funding support since initially authorized by the 83rd Legislature. Since its creation, TSTC's participation in the multi-institutional teaching center has required subsidy from the other TSTC operations at nearly \$1 million per year to adequately operate program offerings at TSTC in Williamson County.

EXTERNAL/INTERNAL FACTORS:

Transition funding is a substitute for the formula-funded line items since the returned-value funding formula is outcome based, deriving the formula yield after the teaching event and five years of earnings results. Since it is not a cost-recovery formula, start-up costs require funding from another mechanism. Only after the campus is open, the student navigates the curriculum, and earnings for five years are measured after leaving the College will the formula funding be activated. Consequently, transition funding will begin dissipating 6-8 years after the first cohorts enter the workforce. These cohorts began entering the workforce during Fiscal Years 2014 and 2015.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Faculty salaries are the largest component of continuing costs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$1,040,000	\$1,040,000	\$1,040,000

4.B. Exceptional Items Strategy Allocation Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719** Agency name: **Texas State Technical College System Administration**

Code	Description	Excp 2018	Excp 2019
Item Name: Williamson County Start Up Funding Increase			
Allocation to Strategy: 3-1-1 North Texas and East Williamson County Centers			
OBJECTS OF EXPENSE:			
1005	FACULTY SALARIES	1,040,000	1,040,000
TOTAL, OBJECT OF EXPENSE		\$1,040,000	\$1,040,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,040,000	1,040,000
TOTAL, METHOD OF FINANCING		\$1,040,000	\$1,040,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		20.8	20.8

4.C. Exceptional Items Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	719	Agency name:	Texas State Technical College System Administration
GOAL:	3 Provide Special Item Support		
OBJECTIVE:	1 Instructional Support Special Item Support	Service Categories:	
STRATEGY:	1 North Texas and East Williamson County Centers	Service: 19	Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2018	Excp 2019
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OBJECTS OF EXPENSE:

1005 FACULTY SALARIES	1,040,000	1,040,000
Total, Objects of Expense	\$1,040,000	\$1,040,000

METHOD OF FINANCING:

1 General Revenue Fund	1,040,000	1,040,000
Total, Method of Finance	\$1,040,000	\$1,040,000

FULL-TIME EQUIVALENT POSITIONS (FTE):	20.8	20.8
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Williamson County Start Up Funding Increase

General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

Agency name: **Texas State Technical College System Administration**

GR Baseline Request Limit = \$6,339,306

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider		2018 Funds				2019 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded					
Strategy: 1 - 1 - 2	Forecasting and Curriculum Development											
0.9	178,175	178,175	0	0.9	178,175	178,175	0		356,350	0		
0.9				0.9				*****GR-D Baseline Request Limit=\$0*****				
Strategy: 1 - 1 - 3	Staff Group Insurance Premiums											
0.0	104,690	0	104,690	0.0	112,018	0	112,018		356,350	216,708		
Strategy: 1 - 1 - 4	Workers' Compensation Insurance											
0.0	15,675	15,675	0	0.0	15,675	15,675	0		387,700	216,708		
Strategy: 1 - 1 - 5	System Office Operations											
35.5	2,342,438	1,720,578	621,860	35.5	2,342,437	1,718,762	623,675		3,827,040	1,462,243		
Strategy: 1 - 1 - 6	Technical Training Partnerships with Community Colleges											
0.0	296,133	296,133	0	0.0	296,133	296,133	0		4,419,306	1,462,243		
Strategy: 3 - 1 - 1	North Texas and East Williamson County Centers											
0.0	1,975,689	960,000	1,015,689	0.0	1,975,689	960,000	1,015,689		6,339,306	3,493,621		
36.4				36.4				*****GR Baseline Request Limit=\$6,339,306*****				
Excp Item: 1	Williamson County Start Up Funding Increase											
20.8	1,040,000	1,040,000	0	20.8	1,040,000	1,040,000	0		8,419,306	3,493,621		
Strategy Detail for Excp Item: 1												
Strategy: 3 - 1 - 1	North Texas and East Williamson County Centers											
20.8	1,040,000	1,040,000	0	20.8	1,040,000	1,040,000	0					
57.2	\$5,952,800	\$4,210,561	\$1,742,239	57.2	\$5,960,127	\$4,208,745	1,751,382					

6.A. Historically Underutilized Business Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **719** Agency: **Texas State Technical College System Administration**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	<u>HUB Expenditures FY 2014</u>			Total Expenditures FY 2014	% Goal	<u>HUB Expenditures FY 2015</u>			Total Expenditures FY 2015
			% Actual	Diff	Actual \$			% Actual	Diff	Actual \$	
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$167,006	11.2 %	3.1%	-8.1%	\$1,465	\$47,971
21.1%	Building Construction	21.1 %	3.2%	-17.9%	\$345,542	\$10,944,839	21.1 %	1.3%	-19.8%	\$60,283	\$4,728,831
32.9%	Special Trade	32.7 %	9.5%	-23.2%	\$483,251	\$5,068,462	32.9 %	10.2%	-22.7%	\$789,028	\$7,768,539
23.7%	Professional Services	23.6 %	10.5%	-13.1%	\$37,167	\$354,520	23.7 %	19.6%	-4.1%	\$114,658	\$583,633
26.0%	Other Services	24.6 %	7.0%	-17.6%	\$631,459	\$8,981,220	26.0 %	4.1%	-21.9%	\$372,875	\$9,083,457
21.1%	Commodities	21.0 %	7.8%	-13.2%	\$1,291,629	\$16,566,719	21.1 %	9.7%	-11.4%	\$1,406,494	\$14,519,783
	Total Expenditures		6.6%		\$2,789,048	\$42,082,766		7.5%		\$2,744,803	\$36,732,214

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained zero of six, or 0%, of the applicable statewide HUB procurement goals in FY 2014 and FY2015. However, the agency has increased its overall expenditures with HUBs each of the last five fiscal years. From 4.2 percent during FY2011 to 7.47 in FY2015.

Applicability:

The agency had expenditures in five of the six HUB categories for both in FY2014 and in all of the six HUB categories in FY 2015.

Factors Affecting Attainment:

- A portion of the goals showed a positive trend over the respective prior year in percent of total dollars spent on HUB contracts (5 of 6 in comparing FY 2014 to FY 2012, and also 5 of 6 in comparing FY 2015 to FY2013).
- The college routinely utilizes vendors that could qualify for HUB certification, but they have no direct incentive to complete the HUB certification steps. This creates a limited supply of "HUB certified" vendors.

"Good-Faith" Efforts:

The agency made the following good faith efforts to comply with statewide HUB procurement goals per 34 TAC Section 20.13(c):

- Developed and conducted training to internal departments regarding the HUB program and policies and procedures
- Promoted the use of HUBs with internal departments
- Attended various vendor fairs, demonstrations, and other events to learn more about HUB vendors
- Provided a purchasing/HUB overview to new employees during new employee orientation

6.A. Historically Underutilized Business Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **719** Agency: **Texas State Technical College System Administration**

- Meet with potential HUB vendors and encouraged them to apply for certification and showed them how to participate in the bidding process
- Ensured that the TPASS HUB Electronic Database is accessible to all employees and encouraged use of the directory in procurement activities.
- Posted information to our website regarding the HUB Program and provided a link to apply for HUB certification

6.H.

TSTC System Administration (719)
Estimated Funds Outside the Institution's Bill Pattern
2016–17 and 2018–19 Biennia

	2016-17 Biennium				2018-19 Biennium			
	FY 2016 Revenue	FY 2017 Revenue	Biennium Total	Percent of Total	FY 2018 Revenue	FY 2019 Revenue	Biennium Total	Percent of Total
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 4,254,392	\$ 2,776,030	\$ 7,030,422		\$ 2,776,030	\$ 2,776,030	\$ 5,552,060	
Tuition and Fees (net of Discounts and Allowances)	130,000	130,000	260,000		130,000	130,000	260,000	
Endowment and Interest Income	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>4,384,392</u>	<u>2,906,030</u>	<u>7,290,422</u>	80.3%	<u>2,906,030</u>	<u>2,906,030</u>	<u>5,812,060</u>	72.6%
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 914,616	\$ 947,079	\$ 1,861,695		\$ 1,003,904	\$ 1,064,138	\$ 2,068,042	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	<u>914,616</u>	<u>947,079</u>	<u>1,861,695</u>	20.5%	<u>1,003,904</u>	<u>1,064,138</u>	<u>2,068,042</u>	25.8%
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	152,848	147,712	300,560		150,000	150,000	300,000	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Endowment and Interest Income	31,000	31,000	62,000		31,000	31,000	62,000	
Sales and Services of Educational Activities (net)	(318,288)	(120,586)	(438,874)		(120,586)	(120,586)	(241,172)	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>(134,440)</u>	<u>58,126</u>	<u>(76,314)</u>	-0.8%	<u>60,414</u>	<u>60,414</u>	<u>120,828</u>	1.5%
TOTAL SOURCES	<u>\$ 5,164,568</u>	<u>\$ 3,911,235</u>	<u>\$ 9,075,803</u>	100.0%	<u>\$ 3,970,348</u>	<u>\$ 4,030,582</u>	<u>\$ 8,000,930</u>	100.0%

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719 Agency name: Texas State Technical College System Administration

	REVENUE LOSS			REDUCTION AMOUNT			TARGET
Item Priority and Name/ Method of Financing	2018	2019	Biennial Total	2018	2019	Biennial Total	
1 Administrative							
Category: Administrative - FTEs / Layoffs							
Item Comment: Ideally, in a reduction situation, TSTC would reduce only non-core administrative services to mitigate the impact the College’s stakeholders. TSTC has been on a crusade to cut and contain the level of noncore/administrative costs. During the last five years, the College has reduced the number of total employees by four people, despite expanding into three new markets (and adding 60+) at the same time. TSTC’s structural adjustments and budget controls have facilitated this cost containment trend. Consequently, the College would need look beyond administrative costs to cut its budget at the levels proposed.							
Strategy: 1-1-5 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$220,965	\$220,966	\$441,931	
General Revenue Funds Total	\$0	\$0	\$0	\$220,965	\$220,966	\$441,931	
Item Total	\$0	\$0	\$0	\$220,965	\$220,966	\$441,931	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				2.0	2.0		
2 Program Service Reductions							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This portion relates to the strategy for transition funding. Transition funding is a substitute for the formula-funded line items since the returned-value funding formula is outcome based, deriving the formula yield after the teaching event and five trailing years of earnings results. Consequently, reduction in the strategy would be linked to program service reductions.							
TSTC would combine the statewide impact of proposed reductions and apply to program service reductions based on markets performance and growth potential. Depending on the reduction request, TSTC would eliminate programming in areas that provide the lowest prospects for return on capital to the State.							
Strategy: 1-1-5 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$96,000	\$96,000	\$192,000	
General Revenue Funds Total	\$0	\$0	\$0	\$96,000	\$96,000	\$192,000	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719** Agency name: **Texas State Technical College System Administration**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Item Total	\$0	\$0	\$0	\$96,000	\$96,000	\$192,000	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				2.0	2.0		
AGENCY TOTALS							
General Revenue Total				\$316,965	\$316,966	\$633,931	\$633,931
Agency Grand Total	\$0	\$0	\$0	\$316,965	\$316,966	\$633,931	\$633,931
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)				4.0	4.0		

Schedule 1A: Other Educational and General Income
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Gross Tuition					
Gross Resident Tuition	0	0	0	0	0
Gross Non-Resident Tuition	0	0	0	0	0
Gross Tuition	0	0	0	0	0
Less: Resident Waivers and Exemptions (excludes Hazlewood)	0	0	0	0	0
Less: Non-Resident Waivers and Exemptions	0	0	0	0	0
Less: Hazlewood Exemptions	0	0	0	0	0
Less: Board Authorized Tuition Increases (TX. Educ. Code Ann. Sec. 54.008)	0	0	0	0	0
Less: Tuition increases charged to doctoral students with hours in excess of 100 (TX. Educ. Code Ann. Sec. 54.012)	0	0	0	0	0
Less: Tuition increases charged to undergraduate students with excessive hours above degree requirements. (TX. Educ. Code Ann. Sec. 61.0595)	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	0	0	0	0	0
Plus: Tuition waived for Students 55 Years or Older (TX. Educ. Code Ann. Sec. 54.013)	0	0	0	0	0
Less: Tuition for repeated or excessive hours (TX. Educ. Code Ann. Sec. 54.014)	0	0	0	0	0
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	0	0	0	0	0
Less: Transfer of funds for Texas Public Education Grants Program (Tex. Educ. Code Ann. Sec. 56c) and for Emergency Loans (Tex. Educ. Code Ann. Sec. 56d)	0	0	0	0	0
Less: Transfer of Funds (2%) for Physician/Dental Loans (Medical Schools)	0	0	0	0	0
Less: Statutory Tuition (Tx. Educ. Code Ann. Sec. 54.051) Set Aside for Doctoral Incentive Loan Repayment Program (Tx. Educ. Code Ann. Sec. 56.095)	0	0	0	0	0
Less: Other Authorized Deduction					
Net Tuition	0	0	0	0	0

Schedule 1A: Other Educational and General Income
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Student Teaching Fees	0	0	0	0	0
Special Course Fees	0	0	0	0	0
Laboratory Fees	0	0	0	0	0
Subtotal, Tuition and Fees (Formula Amounts for Health-Related Institutions)	0	0	0	0	0
OTHER INCOME					
Interest on General Funds:					
Local Funds in State Treasury	116,121	180,000	134,944	134,944	134,944
Funds in Local Depositories, e.g., local amounts	0	0	0	0	0
Other Income (Itemize)					
Subtotal, Other Income	116,121	180,000	134,944	134,944	134,944
Subtotal, Other Educational and General Income	116,121	180,000	134,944	134,944	134,944
Less: O.A.S.I. Applicable to Educational and General Local Funds Payrolls	(6,223)	(6,683)	(5,521)	(4,881)	(4,881)
Less: Teachers Retirement System and ORP Proportionality for Educational and General Funds	(5,489)	(5,890)	(4,763)	(4,301)	(4,301)
Less: Staff Group Insurance Premiums	(95,886)	(62,768)	(73,601)	(78,753)	(84,266)
Total, Other Educational and General Income (Formula Amounts for General Academic Institutions)	8,523	104,659	51,059	47,009	41,496
Reconciliation to Summary of Request for FY 2015-2017					
Plus: Transfer of Funds for Texas Public Education Grants Program and Physician Loans	0	0	0	0	0
Plus: Transfer of Funds 2% for Physician/Dental Loans (Medical Schools)	0	0	0	0	0
Plus: Transfer of Funds for Cancellation of Student Loans of Physicians	0	0	0	0	0
Plus: Organized Activities	0	0	0	0	0
Plus: Staff Group Insurance Premiums	95,886	62,768	73,601	75,753	84,266
Plus: Board-authorized Tuition Income	0	0	0	0	0
Plus: Tuition Increases Charged to Doctoral Students with Hours in Excess of 100	0	0	0	0	0

Schedule 1A: Other Educational and General Income
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Plus: Tuition Increases Charged to Undergraduate Students with Excessive Hours above Degree Requirements (TX. Educ. Code Ann. Sec. 61.0595)	0	0	0	0	0
Plus: Tuition rebates for certain undergraduates (TX Educ.Code Ann. Sec. 54.0065)	0	0	0	0	0
Plus: Tuition for repeated or excessive hours (TX. Educ. Code Ann. Sec. 54.014)	0	0	0	0	0
Less: Tuition Waived for Students 55 Years or Older	0	0	0	0	0
Less: Tuition Waived for Texas Grant Recipients	0	0	0	0	0
Total, Other Educational and General Income Reported on Summary of Request	104,409	167,427	124,660	122,762	125,762

Schedule 2: Selected Educational, General and Other Funds

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
General Revenue Transfers					
Transfer from Coordinating Board for Advanced Research Program	0	0	0	0	0
Transfer from Coordinating Board for Texas College Work Study Program (2015, 2016, 2017)	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program	0	0	0	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	0	0	0	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2015, 2016, 2017)	0	0	0	0	0
Other (Itemize)					
Other: Fifth Year Accounting Scholarship	0	0	0	0	0
Texas Grants	0	0	0	0	0
B-on-Time Program	0	0	0	0	0
Less: Transfer to System Administration	(2,449,107)	(833,887)	(2,278,032)	0	0
Subtotal, General Revenue Transfers	(2,449,107)	(833,887)	(2,278,032)	0	0
General Revenue HEF for Operating Expenses	0	0	0	0	0
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	0	0	0	0	0
Other Additions (Itemize)					
Increase Capital Projects - Educational and General Funds	0	0	0	0	0
Transfer from Department of Health, Disproportionate Share - State-owned Hospitals (2015, 2016, 2017)	0	0	0	0	0
Transfers from Other Funds, e.g., Designated funds transferred for educational and general activities (Itemize)	0	0	0	0	0
Transfer from Coordinating Board for Incentive Funding	0	0	0	0	0
Other (Itemize)					
Gross Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Sec. 145.001(d))	0	0	0	0	0
Correctional Managed Care Contracts	0	0	0	0	0

Schedule 3A: Staff Group Insurance Data Elements (ERS)
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %	78.67%				
GR-D/Other %	21.33%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	13	10	3	13	6
2a Employee and Children	7	6	1	7	1
3a Employee and Spouse	1	1	0	1	2
4a Employee and Family	6	5	1	6	1
5a Eligible, Opt Out	0	0	0	0	0
6a Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	27	22	5	27	10
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	0	0	0	0	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Active Enrollment	27	22	5	27	10

Schedule 3A: Staff Group Insurance Data Elements (ERS)
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	0	0	0	0	0
2c Employee and Children	0	0	0	0	0
3c Employee and Spouse	0	0	0	0	0
4c Employee and Family	0	0	0	0	0
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	0	0	0	0	0
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	13	10	3	13	6
2e Employee and Children	7	6	1	7	1
3e Employee and Spouse	1	1	0	1	2
4e Employee and Family	6	5	1	6	1
5e Eligible, Opt Out	0	0	0	0	0
6e Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	27	22	5	27	10

Schedule 3A: Staff Group Insurance Data Elements (ERS)
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	13	10	3	13	6
2f Employee and Children	7	6	1	7	1
3f Employee and Spouse	1	1	0	1	2
4f Employee and Family	6	5	1	6	1
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	27	22	5	27	10

Schedule 4: Computation of OASI
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency 719 Texas State Technical College System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2015		2016		2017		2018		2019	
	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>
General Revenue (% to Total)	98.2265	\$344,658	98.6817	\$500,281	99.1873	\$673,784	98.3327	\$287,880	98.3327	\$287,880
Other Educational and General Funds (% to Total)	1.7735	\$6,223	1.3183	\$6,683	0.8127	\$5,521	1.6673	\$4,881	1.6673	\$4,881
Health-Related Institutions Patient Income (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Grand Total, OASI (100%)	100.0000	\$350,881	100.0000	\$506,964	100.0000	\$679,305	100.0000	\$292,761	100.0000	\$292,761

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Description	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	3,260,970	5,423,791	7,445,077	2,849,974	2,849,974
Employer Contribution to TRS Retirement Programs	221,746	368,818	506,265	193,798	193,798
Gross Educational and General Payroll - Subject To ORP Retirement	1,329,776	1,180,863	1,208,803	972,035	972,035
Employer Contribution to ORP Retirement Programs	87,765	77,937	79,781	64,154	64,154
Proportionality Percentage					
General Revenue	98.2265 %	98.6817 %	99.1873 %	98.3327 %	98.3327 %
Other Educational and General Income	1.7735 %	1.3183 %	0.8127 %	1.6673 %	1.6673 %
Health-related Institutions Patient Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Proportional Contribution					
Other Educational and General Proportional Contribution (Other E&G percentage x Total Employer Contribution to Retirement Programs)	5,489	5,890	4,763	4,301	4,301
HRI Patient Income Proportional Contribution (HRI Patient Income percentage x Total Employer Contribution To Retirement Programs)	0	0	0	0	0
Differential					
Differential Percentage	1.9000 %	1.9000 %	1.9000 %	1.9000 %	1.9000 %
Gross Payroll Subject to Differential - Optional Retirement Program	308,543	251,888	251,256	258,794	258,794
Total Differential	5,862	4,786	4,774	4,917	4,917

Schedule 6: Constitutional Capital Funding
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
Activity	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
A. PUF Bond Proceeds Allocation	0	0	0	0	0
Project Allocation					
Library Acquisitions	0	0	0	0	0
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	0	0	0
Reserve for Future Consideration	0	0	0	0	0
Other (Itemize)					
B. HEF General Revenue Allocation	0	0	0	0	0
Project Allocation					
Library Acquisitions	0	0	0	0	0
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	0	0	0
Reserve for Future Consideration	0	0	0	0	0
HEF for Debt Service	0	0	0	0	0
Other (Itemize)					

Schedule 7: Personnel
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719** Agency name: **TSTC System Admin**

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	37.0	33.1	35.7	36.4	36.4
Subtotal, Directly Appropriated Funds	37.0	33.1	35.7	36.4	36.4
Non Appropriated Funds Employees	9.6	13.5	13.8	13.6	13.6
Subtotal, Other Funds & Non-Appropriated	9.6	13.5	13.8	13.6	13.6
GRAND TOTAL	46.6	46.6	49.5	50.0	50.0

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	39.0	40.0	36.0	36.0	36.0
Subtotal, Directly Appropriated Funds	39.0	40.0	36.0	36.0	36.0
Non Appropriated Funds Employees	10.0	14.0	14.0	14.0	14.0
Subtotal, Non-Appropriated	10.0	14.0	14.0	14.0	14.0
GRAND TOTAL	49.0	54.0	50.0	50.0	50.0

Schedule 7: Personnel
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719** Agency name: **TSTC System Admin**

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$2,616,909	\$2,340,482	\$2,492,516	\$2,829,548	\$2,829,548
Subtotal, Directly Appropriated Funds	\$2,616,909	\$2,340,482	\$2,492,516	\$2,829,548	\$2,829,548
Non Appropriated Funds Employees	\$1,073,158	\$1,514,226	\$1,550,724	\$1,557,924	\$1,557,924
Subtotal, Non-Appropriated	\$1,073,158	\$1,514,226	\$1,550,724	\$1,557,924	\$1,557,924
GRAND TOTAL	\$3,690,067	\$3,854,708	\$4,043,240	\$4,387,472	\$4,387,472

Schedule 8B: Tuition Revenue Bond Issuance History

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2016	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
2002	\$10,880,000	Nov 14 2002	\$10,880,000			
		<i>Subtotal</i>	\$10,880,000	\$0		
2005	\$3,125,000	Jul 8 2008	\$3,125,000			
		<i>Subtotal</i>	\$3,125,000	\$0		
2016	\$41,740,000	Apr 28 2016	\$41,740,000			
		<i>Subtotal</i>	\$41,740,000	\$0		

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 719	Agency Name: Texas State Technical College System Administration				
	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Gross Tuition	\$27,143,269	\$27,686,864	\$31,148,392	\$32,656,399	\$34,453,626
Less: Remissions and Exemptions	(4,473,821)	(4,592,900)	(5,151,326)	(5,387,693)	(5,690,939)
Less: Refunds	0	0	0	0	0
Less: Installment Payment Forfeits	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	0	0	0	0	0
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.013)	0	0	0	0	0
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$22,669,448	\$23,093,964	\$25,997,066	\$27,268,706	\$28,762,687
Less: Transfer of Funds for Texas Public Education Grants Program (TX. Educ. Code Ann. Sec. 56c) and for Emergency Loans (TX. Educ. Code Ann. Sec. 56d)	(3,551,209)	(2,704,234)	(3,491,388)	(3,604,179)	(3,604,179)
Less: Transfer of Funds (2%) for Physician/Dental Loans (Medical School)	0	0	0	0	0
Less: Statutory Tuition (TX. Educ. Code Ann. Sec. 54.051) Set aside for Doctoral Incentive Loan Repayment Program (TX. Educ. Code Ann. Sec. 56.095)	0	0	0	0	0
Less: Other Authorized Deductions	0	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$19,118,239	\$20,389,730	\$22,505,678	\$23,664,527	\$25,158,508
Debt Service on Existing Tuition Revenue Bonds	(1,055,639)	(1,057,575)	(4,272,646)	(3,764,933)	(3,744,007)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	0	0	0
Subtotal, Debt Service on Existing Authorizations	\$(1,055,639)	\$(1,057,575)	\$(4,272,646)	\$(3,764,933)	\$(3,744,007)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$18,062,600	\$19,332,155	\$18,233,032	\$19,899,594	\$21,414,501
Debt Capacity Available for New Authorizations	\$225,099,914	\$240,921,375	\$227,223,874	\$247,992,919	\$266,872,009

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Special Item: 1 **Technical Training Partnerships with Community College**

(1) Year Special Item: 2000
Original Appropriations: \$250,000

(2) Mission of Special Item:

To fund partnerships between TSTC and community colleges to increase access to technical education programs in high demand areas of the state.

(3) (a) Major Accomplishments to Date:

TSTC has successful partnerships with Wharton County Junior College in Ft. Bend, Western Texas College, Ranger College, and Texas Tech University. Partnerships have proven to be a very efficient, effective, and expedient means of providing high-demand technical education across Texas. For FY16 and FY17 funds have been allocated to East Williamson County Higher Education Center (EWC) where TSTC Waco is in partnership with Temple College and Texas A&M University-Central Texas.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

For FY17 these funds will be used at EWC, because of the funding issues related to this partnership. These funds are used in maintaining existing partnerships and planning new partnerships with the state's community colleges.

(4) Funding Source Prior to Receiving Special Item Funding:

None.

(5) Formula Funding:

N

(6) Startup Funding:

N

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

None.

(9) Consequences of Not Funding:

Significant reduction in ability to provide additional access to technical education programs in high-demand areas of the state.

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Special Item: 2 Forecasting and Curriculum Development

(1) Year Special Item: 2006
Original Appropriations: \$250,000

(2) Mission of Special Item:

Advance the employability of college students and the economic competitiveness of Texas by forecasting technical competencies needed by employers.

(3) (a) Major Accomplishments to Date:

Alignment of over 900 courses across Texas community colleges. Creation of statewide detailed work activity (DWA) skills library and curriculum alignment tool for use by colleges. Approval by THECB for use by colleges to validate curriculum learning outcomes. Modeling of softskill requirements in partnership with the TWC. Secured matching funds through additional grants and contracts. New high-tech degree programs and courses resulting from statewide studies and reports on emerging occupations for Texas colleges. All funds have been spent in the Forecasting line item.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

Operationalizes workplace competencies (soft skills) with technical competencies (hard skills) to increase retention and improve overall employability of graduates. Expand curriculum alignment platform to more Texas colleges. Integrate detailed work activity model into secondary CTE courses to promote seamless transitions into college courses. Expand national use of DWAs through licensing options.

(4) Funding Source Prior to Receiving Special Item Funding:

Perkins State Leadership Funds

(5) Formula Funding:

N

(6) Startup Funding:

N

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

None.

(9) Consequences of Not Funding:

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Employers would be less able to find qualified candidates for technical positions in critical industry clusters, thus undermining the economic competitiveness of Texas.

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Special Item: **3** **Williamson County Start Up Funding Increase**

(1) Year Special Item: 2012
Original Appropriations: \$2,400,000

(2) Mission of Special Item:

The 83rd and 84th Legislature provided \$2,400,000 and \$2,000,000, respectively, in Special Item Support for Start Up Funding at TSTC in Williamson County. TSTC's funding model for Instruction and Administration, the "returned value" (RTV) funding model, only funds results; consequently, it does not provide funding for start-up operations like other cost-reimbursement (e.g., contact-hour based) models. RTV funding returns a portion of the economic value to the state generated from wages earned (over five years) by former students. Consequently, there is an 8-10 year inherent lag between the campus start-up, teaching event, the students' 5-year earnings contribution, the funding formula measurement, and the allocation through appropriations funding. For start-up locations, significant costs accumulate during this time.

Basic start-up costs include, but are not limited to, operations personnel, debt service on financed equipment (TSTC's programs require costly, industrial equipment), and consumables (many programs have significant consumable cost, such as welding rods), and advertising costs. Start-up administrative costs are mitigated by TSTC's centralized administration structure.

As student earnings begin to reach the end of the 5-year measurement period, the funding formula will recognize these results and the need for transition funding will decline.

(3) (a) Major Accomplishments to Date:

Significant enrollment growth (35-40% annual growth) in recent two years with continued momentum anticipated through remainder of 2016/2017.

Increased inventory of programs to include workforce critical Information Technology related programs including Cyber Security, Computer Science, Computer Technology Support, and Global Communications.

Creation of night and weekend cohorts to accommodate enrollment growth and target non-traditional demographics.

Actively participating as a member of the community through the Round Rock Chamber of Commerce, Hutto Area Chamber of Commerce, Austin Chamber of Commerce, Hutto Economic Development Corporation, Capital Area Economic Development District and others..

Forged relationships with surrounding ISDs.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Grow enrollment beyond current instructional and space capacity.

Develop annual fundraising component to raise outside instructional aid and capital equipment donations.

Grow dual credit capacity with surrounding ISDs with focus on technical pathways.

Additional support from grant funded opportunities such as National Science Foundation Advanced Technological Education (ATE) which supports technician education in high-tech fields, encouraging partnerships between academic institutions and industry through curriculum development, professional development for faculty, and career pathways and TWC Skills Development Fund grants to support needed customized training in the region.

(4) Funding Source Prior to Receiving Special Item Funding:

None.

(5) Formula Funding:

N

(6) Startup Funding:

Y

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

GR-Dedicated, 770 Tuition & Fees

(9) Consequences of Not Funding:

Significant reduction in services.

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Special Item: 4 **Williamson County Start Up Funding - Restoration of 4%**

(1) Year Special Item: 2018
Original Appropriations: \$1,040,000

(2) Mission of Special Item:

Transition funding for the start-up locations is included in the baseline reduction calculation; however, formula items for higher education have been excluded from the related reduction request. Because transition funding is a substitute for strategies that are within the formula-driven strategies, inclusion of transition funding in the base reduction calculation is inconsistent with other exemptions.

Transition funding is a substitute for the formula-funded line items since the returned-value funding formula is outcome based, deriving the formula yield after the teaching event and five trailing years of earnings results. Since it is not a cost-recovery formula, start-up costs require funding from another mechanism. Only after (1) the campus is open, (2) the student navigates the curriculum, and (3) earnings for five years are measured after leaving TSTC will the formula funding be activated. Consequently, transition funding will begin dissipating 6-8 years after the first cohorts enter the workforce. Due to the operational nature of transition funding, not exempting TSTC transition funding from based reductions is inconsistent with the exemptions to formula-funded appropriations.

Start-up costs for technical training are extraordinarily high because of the space and capital equipment required to deliver the hands-on, industrial training necessary for these new campus locations. This request restores that funding to support essential start up operations.

(3) (a) Major Accomplishments to Date:

Significant enrollment growth (35-40% annual growth) in recent two years with continued momentum anticipated through remainder of 2016/2017.

Increased inventory of programs to include workforce critical Information Technology related programs including Cyber Security, Computer Science, Computer Technology Support, and Global Communications.

Creation of night and weekend cohorts to accommodate enrollment growth and target non-traditional demographics.

Actively participating as a member of the community through the Round Rock Chamber of Commerce, Hutto Area Chamber of Commerce, Austin Chamber of Commerce, Hutto Economic Development Corporation, Capital Area Economic Development District and others..

Forged relationships with surrounding ISDs.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

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Equal opportunity shall be afforded within Texas State Technical College to all employees and applicants for admission or employment regardless of race, color, gender, religion, national origin, age, disability, genetic information or veteran status. TSTC complies with the Texas Equal Opportunity Plan. The person designated to coordinate compliance activities is the Dean of Students, James Fickens. He can be reached at james.fickens@tstc.edu.



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