

Meetings of the Board of Regents

May 15-16, 2019
Waco, Texas



May 1, 2019

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

RE: Action Items for the Meetings of the Board of Regents on May 15-16, 2019

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the May 15-16, 2019 meetings. These materials have been reviewed and approved by the appropriate staff members as indicated.

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

Sincerely,



Michael L. Reeser
Chancellor & CEO

Attachments

May 1, 2019

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

SUBJECT: Quarterly Control & Compliance Attestation

Regents:

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

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

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

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

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

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

2. There are no contingent claims that have not been reported to our Chief Financial Officer or General Counsel; and
3. I have maintained adequate internal control over financial reporting, effective and efficient operations, and regulatory compliance within my areas of operating responsibility as of March 31, 2019, based on criteria established by prudent risk management practices.
4. There have been no changes in internal control that might negatively affect the effectiveness of such controls, including any corrective actions taken with regard to related deficiencies and weaknesses previously identified. I have resolved, or am currently in the process of resolving, all such issues identified and communicated to me during previous audits (internal or external).
5. All material transactions have been communicated to the Chief Financial Officer for recording and disclosure in the financial statements and/or Board reports.
6. The following, to the extent applicable, have been appropriately identified and communicated for proper recording and disclosure:
 - a. Related-party transactions associated with vendor relationships; and
 - b. Significant contractual obligations, or other contingent liabilities.
7. Violations or possible violations of laws or regulations whose effects should be considered for disclosure due to their level of impact have been communicated to you, our General Counsel, the Internal Audit Director, or the Audit Committee.
8. The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
9. Other than those previously disclosed, no events have occurred subsequent to March 31, 2019, that should be disclosed due to their impact on the financial statements, effectiveness of existing systems of control, or regulatory compliance.

Please note, no qualifying matters occurred during the period covered by this correspondence. So, this two-page letter makes up the entirety of this installment of the periodic disclosures.

Sincerely,



Michael L. Reeser
Chancellor & CEO



TSTC Board of Regents Meeting(s) Connally Meeting & Conference Center (CM&CC)

Wednesday, May 15, 2019

When	What	Where	Dress	Who
3:00p.m. - 5:30p.m.	Hotel Check-In	The Hilton Waco	As You Wish	Regents & Spouses
5:45p.m.	Travel to Campus*	The Hilton Waco to TSTC	Business Casual	Regents & Spouse
6:00p.m.	Reception	Houston Room	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)
6:30p.m.	Dinner	Houston Room	Business Casual	Regents & Spouses, Leadership Team & Spouses & invited guest(s)
7:00p.m.	Special Meeting of the Board of Regents	Houston Room	Business Casual	Regents, Leadership Team, Guest(s) & public citizens

Thursday, May 16, 2019

When	What	Where	Dress	Who
7:45a.m.	Travel to Campus*	The Hilton Waco to TSTC	Business Suit & Tie	Regents
8:00a.m. - 9:00a.m.	Breakfast	Houston Room	Business Suit & Tie	Regents, Leadership Team & invited guest(s)
	Student Learning & Student Development Working Group	The Bowie Room	Business Suit & Tie	Regent Abad (Chair), Regent Tremont, Jeff Kilgore, Rick Herrera & invited guest(s)
	General Administration Working Group	The Goliad Room	Business Suit & Tie	Regent Cleveland (Chair), Regent McDonald, Ray Rushing, Gail Lawrence, Roger Miller, Michael Bettersworth, Elton Stuckly & invited guest(s)
9:00a.m. - 10:00a.m.	Audit Working Group	The Gonzales Room	Business Suit & Tie	Regent Andarza (Chair), Regent Tremont, Jason Mallory & invited guest(s)
	Facilities Working Group	Gail Lawrence's Conference Room	Business Suit & Tie	Regent Skinner (Chair), Regent Cleveland, Rick Herrera, Ray Fried & invited guest(s)
	Fiscal Affairs Working Group	Jonathan Hoekstra's Conference Room	Business Suit & Tie	Regent Honey (Chair), Regent Meade, Jonathan Hoekstra & invited guest(s)
10:00a.m. - 10:30a.m.	Ad Hoc Committee Meeting	Crockett Room	Business Suit & Tie	Chairman Hatchel, Regents Honey, Skinner, Andarza; Mike Reeser, Michael Bettersworth & Jonathan Hoekstra
10:30a.m. - 11:30a.m.	Audit Committee Meeting	Austin Room	Business Suit & Tie	Regents, Leadership Team, Guest(s) & public citizens
11:30a.m. - 12:30p.m.	Lunch	Houston Room	Business Suit & Tie	Regents, Leadership Team & invited guest(s)
12:30 p.m.	The Board of Regents Meeting	Austin Room (Live Broadcast & Closed Caption)	Business Suit & Tie	Regents, Leadership Team, Guest(s) & public citizens

*Transportation that is provided by TSTC is an opt-in service. Regents are free to self-drive to and from campus as they see fit. Please notify the Chancellor's office if you opt-out of TSTC transportation.

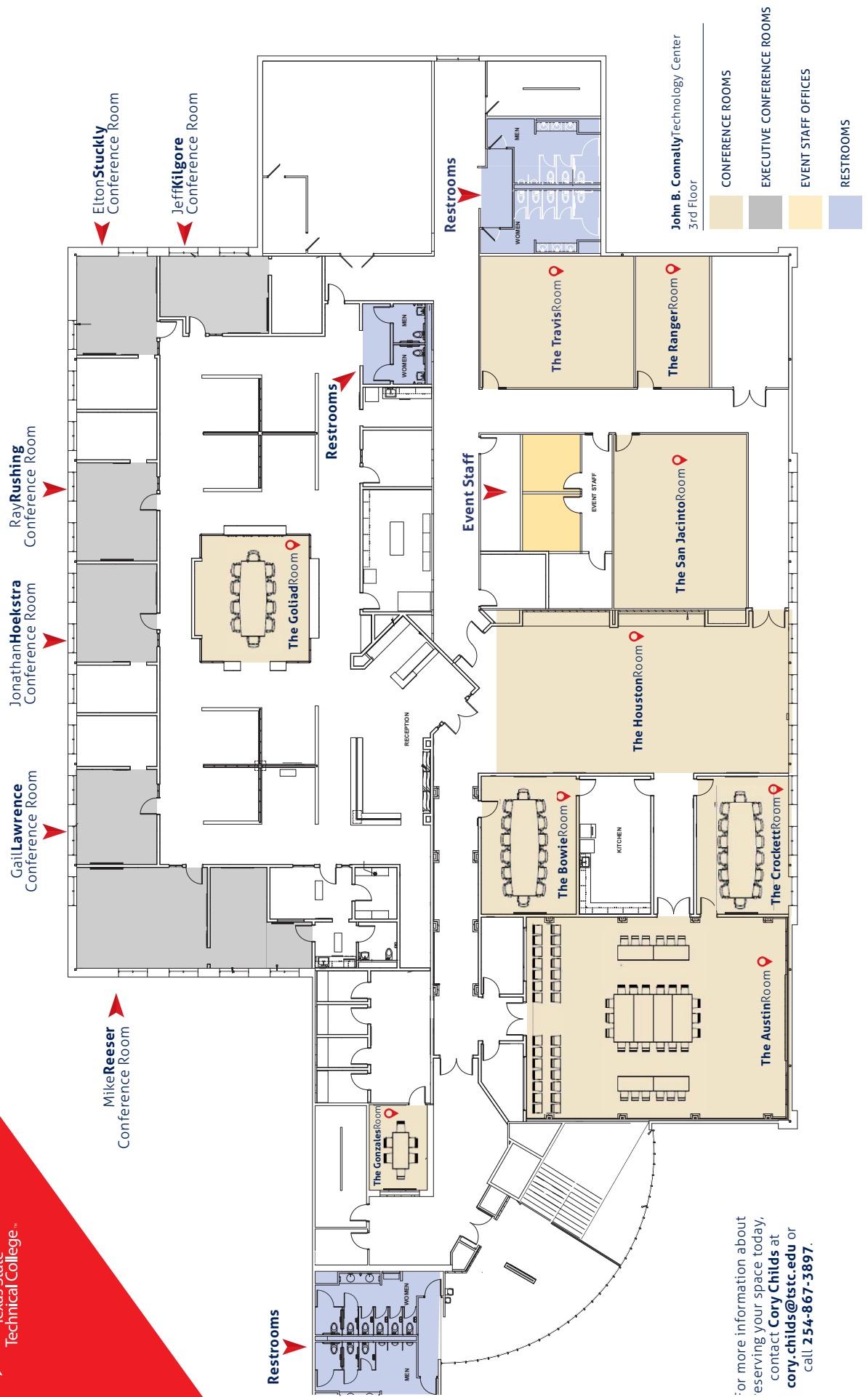
Please note: Meetings are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of preceding meetings. The estimated times are approximate and may be adjusted as required with no prior notice.



* Yellow box indicates reserved parking area for Regents.

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

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



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

TEXAS STATE TECHNICAL COLLEGE

**Special Meeting of the
Board of Regents**

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

**Wednesday, May 15, 2019
7:00 p.m.
AGENDA**

- I. MEETING CALLED TO ORDER**
- II. DETERMINATION OF A QUORUM**
- III. APPROVE BOARD RESOLUTION 22-19**
- IV. ADJOURN**

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

TEXAS STATE TECHNICAL COLLEGE

**Meeting of the
Board of Regents**

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

**Thursday, May 16, 2019
12:30 p.m.**

AGENDA

- I. MEETING CALLED TO ORDER**
- II. INVOCATION**
- III. DETERMINATION OF QUORUM**
- IV. ADOPTION OF AGENDA**
- V. APPROVAL OF MINUTES OF JANUARY 30 AND 31, 2019 MEETINGS**
- VI. RECOGNITION OF GUESTS**
- VII. CHANCELLOR COMMENTS**
- VIII. COMMITTEE REPORTS & MINUTE ORDERS**

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

Committee Chair Comments

Minute Orders:
Proposed MO#

None.

Reports:

None.

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

- b. **Committee for General Administration**
Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 13-19(c) Approve the Addition of Board Self Evaluation and Regent
Dismissal to the Texas State Technical College Board of Regents
Bylaws..... 27
Ray Rushing

Reports:

1. TSTC Foundation Mid-Year Update.....Oral Report
Beth Wooten
2. Marketing UpdateOral Report
Nick Alvarado

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

Committee Chair Comments

Minute Orders:

Proposed MO#

- 14-19(c) Approve the Concept for the Abatement and Demolition of
Buildings at Texas State Technical College in Waco and Authorize
the Chancellor to Proceed with Contracts for the Concept 38
Ray Fried

- 15-19(c) Approve the Project and Budget to Replace the Fire Hydrant
Loop at Texas State Technical College in Sweetwater and
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..... 39
Ray Fried

- 16-19(c) Delegate the Authority to the Chancellor to Enter into and
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Ray Fried



17-19(c)	Approve the Project and Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for the Project	42
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Ray Fried

18-19(c)	Approve the Project and Budget to Rehabilitate the Loop Road Paving at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project	43
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Ray Fried

Reports:

1.	Major Facility Projects Status Update	44
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Ray Fried

- d. **Committee for Fiscal Affairs**
Keith Honey, Chair; Alex Meade, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

19-19(c)	Authorize the Ground Lease Agreement with Abilene Independent School District to Provide the Site for a Career and Technical Education High School	46
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Jonathan Hoekstra

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Jonathan Hoekstra

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Jonathan Hoekstra

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1.	Budget Performance Report.....	54
	<i>Jonathan Hoekstra</i>	
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3.	Pledged Collateral Report.....	58
	<i>Jonathan Hoekstra</i>	
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	<i>Jonathan Hoekstra</i>	
5.	Semi-Annual Letter & Report Certifying Debt Management Policy Compliance	61
	<i>Jonathan Hoekstra</i>	
6.	Annual Financial Reports (AFR) Summary	65
	<i>Jonathan Hoekstra</i>	
7.	Human Resources Update	Oral Report
	<i>Pamela Mayfield</i>	

IX. CONSENT AGENDA ITEMS

- 13-19(c) Approve the Addition of Board Self Evaluation and Regent Dismissal to the Texas State Technical College Board of Regents Bylaws
- 14-19(c) Approve the Concept for the Abatement and Demolition of Buildings at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Contracts for the Concept
- 15-19(c) Approve the Project and Budget to Replace the Fire Hydrant Loop at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project
- 16-19(c) Delegate the Authority to the Chancellor to Enter into and Execute a Grounds Service Contract Agreement Greater than One Million Dollars (\$1,000,000)

- 17-19(c) Approve the Project and Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for the Project
- 18-19(c) Approve the Project and Budget to Rehabilitate the Loop Road Paving at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project
- 19-19(c) Authorize the Ground Lease Agreement with Abilene Independent School District to Provide the Site for a Career and Technical Education High School
- 20-19(c) Authorize the Reimbursement Resolution Associated with Acquisition of Full Ownership in the University Articulation and Career Center at Texas State Technical College in Harlingen
- 21-19(c) Approve the Reallocation of Higher Education Assistance Funds for Fiscal Year 2019

X. UNFINISHED BUSINESS

XI. NEW BUSINESS

XII. PUBLIC COMMENTS

XIII. RECESS OPEN MEETING

- a. The Open Meeting is recessed and the Regents retire to the Crockett Room to conduct the Closed Meeting.

XIV. CLOSED MEETING

- a. The Closed Meeting is called to Order and a Quorum is determined.
- b. Consultation with Attorney (Texas Government Code, Section 551.071)

Texas Government Code, Section 551.071: "A governmental body may not conduct a private consultation with its attorney except:

- (1) *When the governmental body seeks the advice of its attorney about:*
 - (A) *pending or contemplated litigation; or*
 - (B) *a settlement offer; or*

(2) *On a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter."*

1. Ted Donovan v. TSTC
2. John Clark Owen v. TSTC

- c. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)

Texas Government Code, Section 551.072: "A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person."

1. Potential Real Estate Acquisition

- d. Personnel Matters (Texas Government Code, Section 551.074)

Texas Government Code, Section 551.074

"(a) This chapter does not require a governmental body to conduct an open meeting:

(1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or

(2) to hear a complaint or charge against an officer or employee.

(b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing."

- e. Adjourn

- f. Regents return to Austin Room at conclusion of Closed Meeting.

XV. OPEN MEETING RECONVENES

XVI. ACTION

Possible Action from Closed Meeting

XVII. CHANCELLOR COMMENTS

XVIII. BOARD COMMENTS

XIX. ADJOURN

**Texas State Technical College
Board of Regents Special Meeting
Minutes**

Wednesday, January 30, 2019, 10:00a.m.

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

MEETING CALLED TO ORDER

The special meeting of the Texas State Technical College Board of Regents was called to order at 10:09 a.m., January 30, 2019, by Chair Hatchel.

DETERMINATION OF QUORUM

Members Present: John Hatchel, Ivan Andarza, Tiffany Tremont, Pat McDonald, Tony Abad and Keith Honey, Ellis Skinner

Members Absent: Alex Meade, Curtis Cleveland

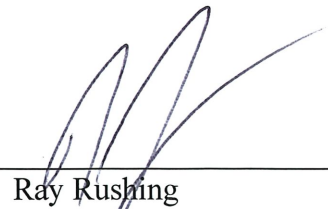
A quorum was present and the notice of the meeting had been published.

MANAGEMENT & BOARD PLANNING

1. Review of TSTC's Mission
2. TSTC Milestones
3. Higher Ed Landscape
4. Interim Check-In
5. Assessment & Improvement
6. Legislative Update

ADJOURN

The meeting adjourned at 2:22 p.m.



Ray Rushing
Secretary to the Board of Regents

TEXAS STATE TECHNICAL COLLEGE

MINUTES

**Board of Regents
Audit Committee Meeting**

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

Thursday, January 31, 2019

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at 10:34 a.m., January 31, 2019, by Chair Andarza.

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

Members Absent: Alex Meade

A quorum was present.

MINUTE ORDERS

Proposed MO#

01-19(c) Approval of SOS GA 1.4

Jason D. Mallory

REPORTS

The following reports were presented to the Committee:

1. Status of Fiscal Year 2019 Audit Schedule & Other Projects

Jason D. Mallory

2. Summary of Audit Reports

Jason D. Mallory

3. Follow-up Schedule & Status

Jason D. Mallory

4. Facilities Development Project Compliance Audit – West Texas Campuses (19-006A)
Jason D. Mallory
5. Facilities Development Project Compliance Audit – Marshall Campus (19-007A)
Jason D. Mallory
6. Audit of Google Drive (19-004A)
Jason D. Mallory
7. Self-Audit of TRS Retirement Benefits Participation (19-005A)
Jason D. Mallory
8. Audit of Police Evidence Room – Harlingen Campus (19-013A)
Jason D. Mallory
9. TAC 202 Compliance – Quarterly Update (19-012A)
Jason D. Mallory
10. Attestation Disclosures
Jason D. Mallory

CHANCELLOR COMMENTS

None.

BOARD COMMENTS

None.

ADJOURN

The meeting adjourned at 11:00a.m.



Ray Rushing
Secretary to the Board of Regents

TEXAS STATE TECHNICAL COLLEGE

MINUTES

Board of Regents Meeting

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

Thursday, January 31, 2019

MEETING CALLED TO ORDER

The meeting of the Texas State Technical College Board of Regents was called to order at 11:06 a.m., January 31, 2019, by Chair Hatchel.

INVOCATION

Mr. Jonathan Hoekstra delivered the invocation.

DETERMINATION OF QUORUM

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

Members Absent: Alex Meade

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

ADOPTION OF AGENDA

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

APPROVAL OF MINUTES

Upon a motion by Regent Skinner and second by Regent Honey, the Minutes of the November 8, 2018, Board of Regents and Audit Committee Meetings were approved unanimously.

RECOGNITION OF GUESTS

None.

CHANCELLOR'S COMMENTS

Two videos were shown.

COMMITTEE REPORTS AND MINUTE ORDERS

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

Committee Chair Comments

Minute Orders: Proposed MO#

- 02-19(c) Annual Approval of Current Associate Degree and Certificate Programs

Jeff Kilgore

Reports:

None.

- b. **Committee for General Administration**
Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

Minute Orders: Proposed MO#

- 03-19c) Rescind Minute Order 08-15(c) Expanded Statement of Purpose for Texas State Technical College

Gail Lawrence

- 04-19(c) Reaffirm Texas State Technical College's Mission Statement

Gail Lawrence

Reports:

None.

c. **Committee for Facilities**

Ellis Skinner, Chair; Curtis Cleveland, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 05-19(c) Approve the concept to replace the fire hydrant loop at Texas State Technical College in Sweetwater

Ray Fried

Reports:

1. Major Facility Projects Status Update

Ray Fried

d. **Committee for Fiscal Affairs**

Keith Honey, Chair; Alex Meade, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- 06-19(c) Approval of the revised Schedule of Charges for the Incidental Cost of Flight Instruction Effective Fall 2019

Jonathan Hoekstra

- 07-19(c) Declaration as Surplus Property Not Needed for Educational and Training Purposes and Authorization to Sell Two Cessna L-19 Bird Dog Aircraft

Jonathan Hoekstra

- 08-19(c) Financing of the Purchase of the Development Corporation of Harlingen, Inc. (DC) Interest in the University Articulation and Career Center (UACC or University Center) at Texas State Technical College (TSTC) in Harlingen

Jonathan Hoekstra

- 09-19(c) Interagency Agreement with the Texas Workforce Commission for the Use of Office Space at Texas State Technical College (TSTC) in Waco

Jonathan Hoekstra

- 10-19(c) Employee Holiday Calendar for Fiscal Year 2020

Jonathan Hoekstra

- 11-19(c) Student Housing Rates for Fall 2019 at Texas State Technical College

Jonathan Hoekstra

Reports:

1. Budget Performance Report

Jonathan Hoekstra

2. TSTC Full Time Equivalent (FTE) Reports

Jonathan Hoekstra

3. Pledged Collateral Report

Jonathan Hoekstra

4. Quarterly Investment Report

Jonathan Hoekstra

II. CONSENT AGENDA ITEMS

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

- 01-19(c) Approval of SOS GA 1.4

“The Board of Regents approves SOS GA.1.4.”

- 02-19(c) Annual Approval of Current Associate Degree and Certificate Programs

“The Board of Regents approves the current list of associate degree and certificate programs. Activation of any currently approved program is contingent upon meeting all related THECB requirements.”

- 03-19(c) Rescind Minute Order 08-15(c) Expanded Statement of Purpose for Texas State Technical College

“The Board Regents rescinds the following Minute Order:

08-15(c) Expanded Statement of Institutional Purpose for Texas State Technical College”

- 04-19(c) Reaffirm Texas State Technical College’s Mission Statement

“The Board Regents reaffirms the mission statement of Texas State Technical College.”



- 05-19(c) Approve the Concept to Replace the Fire Hydrant Loop at Texas State Technical College in Sweetwater

"The Texas State Technical College Board of Regents approves the concept for the construction of a new fire loop system on the Sweetwater Campus and authorizes the Chancellor or his designee to enter into a contract with an engineering firm to complete the design and field services for the fire loop system."

- 06-19(c) Approval of the Revised Schedule of Charges for the Incidental Cost of Flight Instruction Effective Fall 2019

"The Board of Regents approved the Revised Schedule of Charges for the Incidental Cost of Flight Instruction Effective Fall 2019."

- 07-19(c) Declaration as Surplus Property Not Needed for Educational and Training Purposes and Authorization to Sell Two Cessna L-19 Bird Dog Aircraft

"The Board of Regents declares two Cessna L-19 Bird Dog aircraft as surplus property not needed for educational and training purposes at Texas State Technical College. The Board of Regents further approves the sale of two Cessna L-19 Bird Dog aircraft and authorizes the Chancellor or his designee to sell the aircraft and purchase additional aircraft the program needs, and / or to purchase additional capital equipment for training projects with the proceeds from the sale."

- 08-19(c) Financing of the Purchase of the Development Corporation of Harlingen, Inc. (DC) Interest in the University Articulation and Career Center (UACC or University Center) at Texas State Technical College (TSTC) in Harlingen

"The Board of Regents authorizes the financing for the purchase of the Development Corporation of Harlingen Inc. interest in the University Articulation and Career Center at Texas State Technical College in Harlingen in an amount not to exceed \$4,400,000 and authorizes the Chancellor or his designee to submit an application for approval to the Texas Bond Review Board and an application for financing to the Texas Public Finance Authority, as required."

- 09-19(c) Interagency Agreement with the Texas Workforce Commission for the Use of Office Space at Texas State Technical College (TSTC) in Waco

"The Board of Regents approves granting access and use of assigned office space to the Texas Workforce Commission and authorizes the Chancellor or his designee to enter into an Interagency Cooperation Agreement with the Texas Workforce Commission for the use of such space."

- 10-19(c) Employee Holiday Calendar for Fiscal Year 2020

"The Board of Regents approves the Fiscal year 2020 Employee Holiday Schedule for Texas State Technical College."

- 11-19(c) Student Housing Rates for Fall 2019 at Texas State Technical College

"The Board of Regents approves the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2019 Semester."

UNFINISHED BUSINESS

None.

NEW BUSINESS

- A. Appointments for Ad Hoc Committee for the purpose of reviewing and amending the Strategic Plan.

Ivan Andarza, Keith Honey and Tony Abad.

PUBLIC COMMENTS

None.

CLOSED MEETING

Chairman Hatchel announced: The meeting of the TSTC Board of Regents held at the Connally Meeting & Conference Center in Waco, Texas on Thursday, January 31, 2019, after proper posting and in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in sections 551.071, 551.072, and 551.074, will recess from open meeting into closed meeting at 12:01p.m.

- e. The Closed Meeting is called to Order and a Quorum is determined at 12:12p.m.

- f. Consultation with Attorney (Texas Government Code, Section 551.071)

Texas Government Code, Section 551.071: "A governmental body may not conduct a private consultation with its attorney except:

- (1) When the governmental body seeks the advice of its attorney about:
 - (A) pending or contemplated litigation; or*
 - (B) a settlement offer; or**
- (2) On a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter."*

1. Ted Donovan v. TSTC

Discussion of the Ted Donovan v. TSTC case took place.

- g. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)

Texas Government Code, Section 551.072: "A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person."

- h. Personnel Matters (Texas Government Code, Section 551.074)

Texas Government Code, Section 551.074

- "(a) This chapter does not require a governmental body to conduct an open meeting:
 - (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or*
 - (2) to hear a complaint or charge against an officer or employee.**
- (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing."*

1. Chancellor & CEO Performance Evaluation

- i. No action was taken in the Closed Meeting.

- j. Adjourn

The January 31, 2019 Closed Session of the Texas State Technical College Board of Regents adjourned at 1:05 p.m.

- k. Regents return to the Austin Room at conclusion of the Closed Meeting.

OPEN MEETING RECONVENES

The January 31, 2019 Open Meeting of the Texas State Technical College Board of Regents reconvened at 1:07p.m.

ACTION ON CLOSED MEETING

Minute Order:

12-19 The Board of Regents Set the Chancellor's Total Compensation at \$420,000 Annually

CHANCELLOR COMMENTS

Thank you.

BOARD COMMENTS

None.

ADJOURN

Chair Hatchel announced that the next Board of Regents meeting is scheduled for May 16, 2019 at the TSTC Waco Campus.

The meeting adjourned at 1:13p.m.



Ray Rushing
Secretary to the Board of Regents

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Committee for Student Learning and Student Development Tony Abad, Chair; Tiffany Tremont, Member

Committee Chair Comments

Minute Orders: Proposed MO#

None.

Reports:

None.

(c) denotes Consent Agenda Item

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Committee for General Administration Curtis Cleveland, Chair; Pat McDonald, Member

Committee Chair Comments

Minute Orders: Proposed MO#

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		<i>Ray Rushing</i>

Reports:

TSTC Foundation Mid-Year Update	Oral Report
	<i>Beth Wooten</i>
Marketing Update	Oral Report
	<i>Nick Alvarado</i>

(c) denotes Consent Agenda Item

Board Meeting Date: May 16, 2019 **Proposed Minute Order #:** 13-19(c)

Proposed By: Ray Rushing, Vice Chancellor & Chief Legal Officer and Secretary to the Board of Regents

Subject: **Approve the Addition of Board Self Evaluation and Regent Dismissal to the Texas State Technical College Board of Regents Bylaws**

Background: The Texas State Technical College (TSTC) Board of Regents is the managing board of TSTC, a state agency, and is statutorily required to maintain bylaws. These bylaws must contain certain duties and requirements.

Justification: TSTC began operating under single accreditation on January 1, 2015. The TSTC Board of Regents bylaws were updated on November 8, 2018 to correctly reflect the present accreditation status. Further research has also led to the necessity to add a section on board self evaluation and board dismissal.

Additional Information: None.

Fiscal Implications: None.

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

Attachment(s): Bylaws of the Board of Regents of the Texas State Technical College

Recommended Minute Order: "The Board of Regents approves the addition of the Board Self Evaluation and the Regent Dismissal sections to the previously approved Bylaws of the Board of Regents of the Texas State Technical College."

Recommended By:



Ray Rushing, Vice Chancellor & Chief Legal Officer and Secretary to the Board of Regents

**BYLAWS OF THE
BOARD OF REGENTS OF
THE TEXAS STATE TECHNICAL COLLEGE**

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ARTICLE I. RESPONSIBILITY, POWERS, AND DUTIES

The Texas Legislature vested the organization and control of the Texas State Technical College ("College") in the Board of Regents ("Board") by the statutory provision contained in Chapter 135 of the Texas Education Code. In case there is an apparent conflict between any section of these Bylaws and the laws of the State of Texas, the latter shall prevail.

SECTION 1. RESPONSIBILITY

In accordance with Texas Education Code Section 51.352, it is the policy of the State of Texas that the Board shall exercise the traditional and time-honored role for boards of institutions of higher education and shall constitute the keystone of the governance structure. In this regard, the Board is expected to preserve institutional independence and to defend the Board's right to manage the Board's own affairs through the Board's chosen administrators and employees; shall enhance the public image of each institution under the Board's governance; shall interpret the community to the campus and interpret the campus to the community; shall nurture each institution under the Board's governance to the end that each institution achieves its full potential within its role and mission; and shall insist on clarity of focus and mission of each institution under the Board's governance. The Board shall provide the policy direction for the College. The College consists of all locations, as the entire network operates under a single accreditation. The Board shall establish, for the College, goals consistent with the role and mission of the College; appoint the Chancellor and evaluate the Chancellor and assist the Chancellor in the achievement of performance goals; and ensure that the Board's formal position on matters of importance to the College under the Board's governance is made clear to the coordinating board (Texas Higher Education Coordinating Board is an agency of the U.S. state of Texas's government that oversees all public post-secondary education in the state) when such matters are under consideration by the coordinating board. Each member of the Board has the legal responsibilities of a fiduciary in the management of funds under the control of the College.

SECTION 2. POWERS AND DUTIES

Chapter 135 of the Texas Education Code expressly authorizes the Board to enact bylaws, rules, and regulations as it deems necessary for the successful management and operation of the College and expressly grants the Board the following duties and powers:

1. prescribe and award certificates, diplomas, and associate degrees;
2. collect tuition;
3. enter agreements which exempt non-resident fees;
4. contract to provide educational programs or programs for economic development;
5. sue and be sued in McLennan or Travis County;
6. issue bonds and notes and pledge revenue;
7. lease, sell, transfer or exchange land and permanent improvements;
8. procure property and liability insurance;
9. provide workers' compensation insurance;
10. contract with institutions of higher education;
11. exercise the power of eminent domain; and
12. administer a program for forecasting technical education program needs.

The Board shall also perform all other actions expressly contained in laws, rules, and regulations. In addition to the express powers and duties contained in laws, rules, and regulations, the Board has the implied or incidental power to do whatever is reasonably necessary to accomplish the mission for which the College was established.

SECTION 3. BOARD SELF EVALUATION

1. Recognizing the importance of having exceptional leadership throughout Texas State Technical College and that each of us, our institution, and the people it serves benefit professionally and personally from constructive reviews of how we exercise our responsibilities, the board establishes this policy on board assessment. In doing so, the board acknowledges the importance of fulfilling its responsibilities for effective governance.
2. The board shall conduct an assessment of its governance annually.
3. The purposes of the board assessment include:
 - a. To strengthen board performance;
 - b. To identify and reach consensus on board goals;
 - c. To ensure that all members have a clear and common understanding of board responsibilities;
 - d. To clarify mutual expectations of board members and the chief executive officer;
 - e. To strengthen relationships among board members and with the chief executive officer.
4. The Executive committee or an ad hoc committee shall be responsible for directing the Human Resources department to devise the appropriate methodology and tool for the board assessment in consultation with the chief executive officer.

SECTION 4. BOARD DISMISSAL

1. It is a ground for removal from the board that a member:
 - a. Commits malfeasance of office;
 - b. Cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or
 - c. Is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year, unless the absence is excused by majority vote of the board.
2. The Executive Committee will develop a procedure for removal with the assistance of the General Counsel that insures due process for the regent on an as needed basis.

ARTICLE II. OFFICERS OF THE BOARD

SECTION 1. OFFICERS OF THE BOARD

Officers of the Board shall be a Chair, Vice Chair, Executive Place One, and Executive Place Two, who shall hold office for a term of one year or until a successor is duly elected.

Not later than thirty days prior to the first regular meeting after the start of the fiscal year, nominations for the Chair, Vice Chair, Executive Place One, and Executive Place Two, shall be sent to the General Counsel in writing by mail, facsimile or electronic mail. The General Counsel shall confirm that the nominees are willing to serve as Officers of the Board. The General Counsel will provide the slate of Officers of the Board to be voted on as the last order of business at the first regular meeting after the start of the fiscal year. The newly elected Officers of the Board shall assume office at the time of the election. In the event of a vacancy of the Officers of the Board, the election for the vacancy shall be done in the same process as stated above. The person or persons elected to fill the vacancy shall serve for the remaining portion of the unexpired term.

A three-fourths majority of the full Board is required to remove a duly elected officer from office.

SECTION 2. CHAIR OF THE BOARD

The Chair of the Board is responsible for the procedural operations of the Board. The Chair of the Board shall preside at all meetings of the Board, serve as the official spokesperson for the Board, and perform those duties designated to that office.

SECTION 3. VICE CHAIR OF THE BOARD

The Vice Chair shall perform all duties set forth in Article II, Section 2, in the Chair's absence, incapacity or retirement from the Board until the Chair of the Board resumes office or a successor has been duly elected as provided in Article II, Section 1 above.

SECTION 4. EXECUTIVE COMMITTEE PLACE ONE AND PLACE TWO

The Executive Committee Place One and Place Two shall perform the duties of the Executive Committee as provided in Article IV, Section 2 below.

ARTICLE III. PERSONNEL

SECTION 1. CHANCELLOR OF THE COLLEGE

The Board shall appoint a Chancellor who shall be the chief executive officer of the College. The Chancellor shall report to the Board and serve at the pleasure of the Board. The Board shall determine the Chancellor's term of office, salary, and duties.

The Chancellor is responsible to the Board for the general management and success of the College and the Board shall cooperate with the Chancellor to carry out that responsibility. The Chancellor shall recommend a plan for the organization of the College.

The Board shall have the right and duty to be fully informed on all matters that influence their obligations as Regents and at all times be free to seek and receive information to ensure that its policies are effectuated. However, the Board shall not interfere in the administration of the

College, and thus, the regular channel of communication between the Board and the administration, faculty, and staff of the College is through the Office of the Chancellor.

SECTION 2. SECRETARY TO THE BOARD

The Board shall appoint a Secretary to the Board. The Secretary shall report to the Board and serve at the pleasure of the Board. The Secretary shall be responsible for all administrative and recordkeeping functions in support of the Board and in support of the Regents in the performance of their official duties.

SECTION 3. DIRECTOR OF AUDITS

The Board shall appoint a Director of Audits. The Director of Audits shall report to the Board through the Audit Committee and serve at the pleasure of the Board. The duties of the Director of Audits shall be those prescribed by the Board in the Audit Committee Charter.

SECTION 4. GENERAL COUNSEL

The General Counsel shall be appointed by the Board, upon the recommendation of the Chancellor. The General Counsel shall report to the Chancellor, and subject to the prior approval of the Board, may be dismissed or reassigned by the Chancellor without cause. The General Counsel shall represent the College in all legal matters; shall be responsible for providing or overseeing all legal services, including the conduct and resolution of litigation, the prosecution and settlement of all claims, the legal review of all significant transactions; and shall serve as the liaison to the Office of the Attorney General of the State of Texas, in accordance with applicable state law and with published policies of the College.

ARTICLE IV. COMMITTEES

SECTION 1. PROCEDURES

Committees shall report and make recommendations to the Board. All matters not deemed appropriate for standing or special committee consideration, but upon which action is required, shall be placed on the agenda for full Board consideration. Unless specifically authorized by official action of the Board, a committee shall not act for the Board. Committee meetings shall be called by the Committee Chair and held in accordance with applicable sections of Article V.

SECTION 2. EXECUTIVE COMMITTEE

The Chair of the Board, the Vice Chair of the Board, and two Regents that are elected by the Board to serve as Executive Place One and Executive Place Two, as provided in Article II, Section 4 above, and the past chairman as a voting *ex officio* member, shall constitute an Executive Committee. The Executive Committee is authorized to act on behalf of the full Board on matters requiring Board action between regularly scheduled meetings which, in the judgment of the Chair, do not warrant calling a special meeting of the full Board. The Chair of the Board shall give a report on actions taken by the Executive Committee, if any, at the first Board meeting held following such Executive Committee Actions.

SECTION 3. STANDING COMMITTEES

Not later than thirty days after the first regular meeting after the start of the fiscal year, the Chair of the Board shall make appointments to standing committees and appoint a committee chair for each standing committee. Standing Committees shall have no more than four committee members. The committee chair and committee members shall serve for a period of one year or at the pleasure of the Chair. The Chair of the Board may appoint members to fill unexpired terms in the event of a vacancy. Standing committees shall meet at least four times during the fiscal year at such dates, times and locations as the committee chair shall designate at the first regular meeting of the fiscal year and may be changed to meet the needs of the committee. Any Regent may attend and participate in the discussion at any such committee meeting. The Chancellor will designate a staff member as liaison for each standing committee. The staff member designated shall provide information and assistance as needed to the committee chair to conduct the business of the standing committee. The standing committees are Audit Committee, Committee for Facilities, Committee for Fiscal Affairs, Committee for General Administration, Committee for Student Learning and Student Development.

A. AUDIT COMMITTEE

The Audit Committee shall report and make recommendations to the Board on matters as designated in the Audit Committee Charter. No member of the Audit Committee shall also be a member of the Committee for Fiscal Affairs.

B. COMMITTEE FOR FACILITIES

The Committee for Facilities shall report and make recommendations to the Board on matters relating to long range planning and master planning for building and other physical facilities of the College; facility project concepts; appointment of architects, engineers, etc.; facility project plans and specifications; advertisement and acceptance of construction contract bids; the award of contracts for construction, rehabilitation and repair contracts above the dollar level of projects delegated to the administration; and the acceptance of completed facility projects.

C. COMMITTEE FOR FISCAL AFFAIRS

The Committee for Fiscal Affairs shall report and make recommendations to the Board on matters relating to fiscal policies, operating and capital budgets, developmental gifts and grants and other policies related to the fiscal operations of the College.

D. COMMITTEE FOR GENERAL ADMINISTRATION

The Committee for General Administration shall report and make recommendations to the Board on matters relating to Human Resources, Legislative Affairs, Marketing, The TSTC Foundation, and the Office of General Counsel on an as needed basis for Board action or information.

E. COMMITTEE FOR STUDENT LEARNING AND STUDENT DEVELOPMENT

The Committee for Student Learning and Student Development shall report and make recommendations to the Board on matters relating to the role, mission, and policies regarding the granting of degrees, diplomas and certificates; technical and academic programs offered by the campuses of the College; and other policies regarding teaching, learning, student life and student development.

SECTION 4. SPECIAL COMMITTEES

Special committees may be appointed by the Chair of the Board with such purpose as the Chair of the Board may determine or, upon receipt of a request to establish a special committee for a specified purpose by a majority of the Board, the Chair of the Board shall promptly appoint a special committee for the specified purpose. Special Committees shall have no more than four committee members. The purpose of a special committee shall not conflict with a standing committee. The special committee shall report to the Board on those matters for which the special committee was created and shall function until discharged.

ARTICLE V. MEETINGS

Meetings shall be conducted by the rules contained in the current edition of Robert's Rules of Order Newly Revised in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any state or federal law.

SECTION 1. REGULAR MEETINGS

There shall be four regular meetings of the Board each Fiscal year. Regular meetings of the Board shall be held at such dates, times, and locations as the Chair of the Board shall designate at the first regular meeting of the fiscal year and may be changed to meet the needs of the Board. The Secretary to the Board shall give written notice, including a copy of the agenda, to each Regent by mail, facsimile or electronic mail in time to reach each Regent not less than ten days prior to the scheduled time of the meeting.

SECTION 2. SPECIAL MEETINGS

Special meetings may be held upon call of the Chair or upon request of a majority of the Board. The Secretary to the Board shall give written notice, including a copy of the agenda, to each Regent by mail, facsimile or electronic mail in time to reach each Regent not less than seventy-two hours prior to the scheduled time of the meeting.

SECTION 3. NOTICE OF EMERGENCY MEETING OR EMERGENCY ADDITION TO AGENDA

In the event of an emergency or an urgent public necessity, meetings will be held in accordance with the Texas Open Meetings Act.

SECTION 4. MEETINGS USING TELEPHONE OR VIDEOCONFERENCE

A regular or special meeting may be held by video conference call only if a majority of the quorum of the Board is physically present at one location of the meeting.

Regular meetings may not be held by telephone conference call. Special meetings may be held by telephone conference call only if: (1) the meeting is a special called meeting and immediate action is required; and (2) the convening at one location of a quorum of the Board is difficult or impossible.

SECTION 5. QUORUM

A majority of the Board shall constitute a quorum for the transaction of business. A Regent is considered present if the Regent is in person at a meeting; if the meeting is held by video conference call, then a Regent is present if the Regent is on the video conference call; and if the meeting is held by telephone conference call, then a Regent is present if the Regent is on the telephone conference call.

SECTION 6. VOTING

Except as may be specifically provided in other sections of these bylaws, a majority vote of a quorum of the Board or any committee is required to either approve or reject any item of business properly presented to the Board or any committee. Regents may either vote or abstain from voting on items presented for Board action. Upon request from a Regent, the minutes shall show the record of a Regent's vote on any item.

A Regent must be present to vote. A Regent is considered present if the Regent is in person at a meeting; if the meeting is held by video conference call, then a Regent is present if the Regent is on the video conference call; and if the meeting is held by telephone conference call, then a Regent is present if the Regent is on the telephone conference call. Regents may not vote by proxy.

SECTION 7. AGENDA

The Secretary to the Board, at the direction of the Chancellor, shall prepare and distribute the agenda and materials supporting each agenda item for each committee or Board meeting. At the request of the Chair of the Board for a Board meeting or a Committee Chair for a committee meeting, more than ten days prior to a regular meeting or seventy-two hours prior to a special meeting, the Secretary to the Board shall add to the agenda any item or matter requested by the Chair of the Board or the Committee Chair. The Chancellor may retract items from the Agenda unless the item was requested by the Chair of the Board or the Committee Chair. The Secretary to the Board shall maintain a schedule for submission of materials supporting each agenda item and, in consultation with the Chancellor, assign each submission to the appropriate committee for consideration and disposition or the Board.

SECTION 8. CONSENT DOCKET

For regular meetings, all proposed action items, after consideration by a committee, shall be placed on a consent docket. The consent docket shall list each item separately with enough detail to describe the substance of the item to the casual reader. Items on the consent docket will go directly to the Board for action, without additional discussion or consideration by the Board, and will be included in an omnibus resolution approving all consent docket items together. If any

Regent requests, prior to approval of the consent docket, that any item be removed from a consent docket, it shall be removed and considered separately by the Board at that meeting, and may be approved, rejected, or tabled and sent to the appropriate committee for further consideration if applicable.

SECTION 9. PUBLIC COMMENT

At each regular meeting of the Board, the Board may provide "Public Comment" time. Any person may register in advance to speak during "Public Comment" time. A registration sheet will be maintained in the location of the Board meeting and will be available for registration. Only those persons who have registered prior to the time that the meeting is convened shall be permitted to speak at that meeting unless the Chair decides to relax this requirement. Each person registering to speak during "Public Comment" time must provide his/her name and the topic on which he/she wishes to speak. Registrants will be provided the opportunity to speak on a "first to register" basis. If a registrant is called to speak and does not respond then that registration shall be deleted. Each person called to speak shall be limited to three minutes of comment time. "Public Comment" time at each Board meeting shall be limited to a total of thirty minutes; provided, however, that the Chair shall have the discretion to extend the total time for "Public Comment."

ARTICLE VI. AMENDMENT OF BYLAWS

SECTION 1. AMENDMENTS

The bylaws shall be amended by a two-thirds majority vote of the full Board at a regular meeting, or a special meeting duly called for that purpose. Any proposed amendment shall be submitted in writing to the Secretary to the Board at least thirty days before such meeting and it shall be the duty of the Secretary to the Board to provide a copy to each Regent.

Where state and federal laws are incorporated in whole or in part in these bylaws, these laws shall automatically be adopted as amendments to these bylaws without further action by the Board. The Secretary to the Board shall communicate all such changes to each Regent.

SECTION 2. ADOPTION

After proper notice, these amended bylaws were adopted at a regular meeting of the Board of Regents of Texas State Technical College on the ____ day of _____, 2019 at Waco, Texas.

John Hatchel, Chair

ATTEST:

Ray Rushing, Secretary

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Ellis Skinner, Chair; Curtis Cleveland, Member

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(c) denotes Consent Agenda Item

Board Meeting Date: May 16, 2019

Proposed Minute Order #: 14-19(c)

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer
Subject: **Approve the Concept for the Abatement and Demolition of Buildings at Texas State Technical College in Waco and Authorize the Chancellor to Proceed with Contracts for the Concept**

Background: Texas State Technical College (TSTC) in Waco was created through legislation for a new technical and vocational training school on the existing James Connally Air Force Base in 1965. The College inherited all land and structures on the base, to include military housing units, administrative buildings and airport of the former military base. Although TSTC has made use of these structures throughout its history, the housing units and some buildings have now outlived their useful life and renovation is no longer a viable or economically feasible option. Construction materials used in these buildings contain hazardous material and must be abated during demolition. This project will address the abatement and demolition of over 450 buildings built before TSTC acquired the campus.

Justification: As there is no traditional funding mechanism within the College's budget for large-scale demolition projects, TSTC requested a one-time appropriation from the 86th Legislature for the abatement and demolition costs related to over 450 structures on the Waco campus, mostly former military housing units. If approved, the request for \$29,644,640 would be funded in the current fiscal year. As many of these housing units and buildings are still in use, it is important that the College take steps to develop a strategic plan for a phased demolition process in order to minimize disruption on campus and to access the funds in a timely fashion.

Additional Information: TSTC will engage in a Master Plan to coordinate the abatement and demolition of existing buildings along with a new housing project and repurposing of existing buildings to ensure the projects will cause minimum disruption to our students and not have a negative impact on enrollment. Approval of the concept authorizes the Chancellor or his designee to proceed with contracts for pre-construction services in an amount up to ten percent of the aggregate cost of the project.

Action Schedule:

Approve Concept	MO 14-19(c)
Approve Budget	Summer 2019
Accept Project	To Be Determined

Fiscal Implications: Contingent on funds made available by legislative appropriation.

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

Attachment(s): None.

Recommended Minute Order: "The Board of Regents approves the concept for the abatement and demolition of buildings on the Waco campus, contingent on the legislative appropriation of funds, and authorizes the Chancellor or his designee to proceed with contracts for pre-construction services up to ten percent of the aggregate cost of the project."

Recommended By:



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

Board Meeting Date: May 16, 2019 Proposed Minute Order #: 15-19(c)

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

Subject: **Approve the Project and Budget to Replace the Fire Hydrant Loop at Texas State Technical College (TSTC) in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project**

Background: By Minute Order 05-19(c) the Board of Regents approved the concept for the construction of a new fire loop system at TSTC in Sweetwater. Jacobs and Martin Engineering was selected to perform the engineering design for the project.

Justification: The present fire loop is not operating adequately to service the Sweetwater campus and must be replaced.

TSTC is anticipating a summer 2019 construction schedule for the project.

Additional Information: The total project budget is Seven Hundred Eighty-Eight Thousand Dollars (\$788,000).

Action Schedule: Approve Concept MO 05-19(c)
Approve Project and Budget MO 15-19(c)

Fiscal Implications: Fund available as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the project and budget for the construction of a new fire loop system on the Sweetwater Campus and authorizes the Chancellor or his designee to enter into contracts for the construction of the fire loop system."

Recommended By:



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

Board Meeting Date: May 16, 2019

Proposed Minute Order #: 16-19(c)

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

Subject: **Delegate the Authority to the Chancellor to Enter into and Execute a Grounds Service Contract Agreement in Excess of One Million Dollars (\$1,000,000)**

Background: During the 84th Legislative Session, the passage of Senate Bill 20 amended the Government Code to make comprehensive changes to state agency contracting, purchasing and accounting procedures. The Bill establishes requirements applicable to contracts with a total value in excess of one million dollars. One of these requirements is that the Texas State Technical College (TSTC) Board of Regents must approve contracts with a total value over one million dollars or delegate the authority to exceed that amount to the Chancellor or his designee.

Justification: Texas State Technical College is proposing to enter into a Grounds Service Contract agreement for mowing and landscape maintenance on the Waco Campus. The contract will be for an initial term of 15 months with the option to renew for two consecutive one year terms.

Additional Information: None.

Fiscal Implications: Funds available as currently budgeted.

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

Attachment(s): Letter from Legal Counsel

Recommended Minute Order: "The Texas State Technical College Board of Regents delegates authority to the Chancellor or his designee to enter into and execute the Grounds Service Contract in excess of One Million Dollars for the grounds maintenance at Texas State Technical College in Waco."

Recommended By:



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

April 4, 2019

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

Re: Authorization to enter into a Ground Service Contract greater than One Million Dollars (\$1,000,000.00).

As requested, I have reviewed and considered the legal ramifications of the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate a Ground Service Contract greater than One Million Dollars (\$1,000,000.00) and to sign all necessary documents to complete said contract.

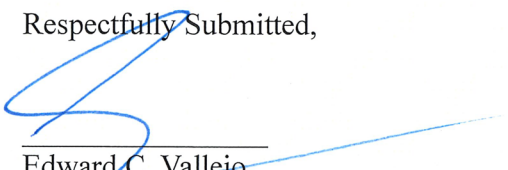
During the 84th Legislative Session comprehensive changes were made to the Texas Government Code. Generally, the TSTC Board of Regents alone has authority to approve and sign contracts with a value of One Million Dollars (\$1,000,000.00) or greater. However, among the changes made to the Texas Government Code is a provision that allows the TSTC Board of Regents to delegate this authority to the Chancellor or his designee.

TSTC is proposing to enter into a Grounds Service Contract for mowing and landscape maintenance on the Waco Campus. The term of the contract will be for no more than three years.

Having reviewed the changes to the Texas Government Code, after the passage of Senate Bill 20 during the 84th Legislative Session, it is my opinion that the delegation of authority from the Board of Regents to the Chancellor or his designee to enter into and sign contracts in excess of One Million Dollars (\$1,000,000.00) for the purchase of goods or services comports with state law and TSTC policy, and that this delegation is in the best interest of TSTC students as well as the State of Texas.

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

Respectfully Submitted,


Edward C. Vallejo
Associate General Counsel

cc: Ray Rushing, J.D.
General Counsel of TSTC and Secretary, TSTC Board of Regents

Rick Herrera
Vice Chancellor & Chief Student Services Officer

Board Meeting Date: May 16, 2019 **Proposed Minute Order #:** 17-19(c)
Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Approve the Project and Budget to Renovate the HVAC Lab in Building 20HI at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into Contracts for the Project**

Background: Texas State Technical College (TSTC) is transitioning to a Competency Based Education (CBE) institution. Phase one will start this transition with the Heating Ventilation and Air-condition Programs. The timeline for implementation is the fall semester of 2020.

Justification: In order to best support the College's competency-based teaching and learning initiative, it is necessary to pursue the open-lab concept. Such a lab configuration not only allows for increased access (entry points) for students throughout the academic year, but also equips faculty to work with multiple level learners in the same lab space at the same time. The implementation of this design will improve both learning and retention.

Additional Information: TSTC has chosen to name our specific version of CBE "Performance-Based Education (PBE)" in order to better support and complement our performance-based funding model. The common denominator, within the greater context, will be preparing a higher quality graduate for the Texas workforce. The project budget is Five Hundred Eighty Thousand Dollars (\$580,000).

Fiscal Implications: Funds available as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the project and budget to renovate the Heating Ventilation and Air-conditioning Program laboratory in Building 20HI on the Harlingen campus and authorizes the Chancellor or his designee to enter into contracts for the design and construction of the renovation."

Recommended By:



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

Board Meeting Date: May 16, 2019 Proposed Minute Order #: 18-19(c)

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

Subject: **Approve the Project and Budget to Rehabilitate the Loop Road Paving at Texas State Technical College in Sweetwater and Authorize the Chancellor to Enter into Contracts for the Project**

Background: By Minute Order 07-17(c) the Texas State Technical College (TSTC) Board of Regents approved the concept for the rehabilitation of the loop road paving at the Sweetwater campus. The firm of Enprotec / Hibbs & Todd, Inc. was selected to perform the engineering design for the project.

Justification: The loop road and parking lots at TSTC in Sweetwater are constructed of asphalt paving. The asphalt paving and sub base are showing significant wear and failing in some locations. It is prudent to make repairs timely to extend the life of the paving and sub base.

Additional Information: The budget for the project is five hundred thousand dollars (\$500,000).

Action Schedule:

Approve Concept	MO 07-17(c)
Approve Budget	MO 18-19(c)
Accept Project	Fall 2019

Fiscal Implications: Funds available as currently budgeted.

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

Attachment(s): None.

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the project and budget for the construction of the rehabilitation of the loop road paving on the Sweetwater campus and authorizes the Chancellor or his designee to enter into contracts for the construction of the project."

Recommended By:



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

**Texas State Technical College
Major Facility Projects-Status Update May 2019**

#	Project Name	Campus	Managing Campus	Delivery Method	Fund Source	Cost Allocation	Required Approvals	% Complete
1	TSTC Monument and Wayfinding Project	Statewide	Statewide	Construction Manager at Risk	HEAF Bond \$ 780,000	Owners reserve Abilene - Complete \$ 311,741 Waco - Complete \$ 46,321 Marshall - Complete \$ 73,790 Harlingen - Complete \$ 49,885 Sweetwater - Complete \$ 119,000 Breckenridge - in progress \$ 91,928 Brownwood - in progress \$ 51,544 Abilene - estimate \$ 31,791 Total Budget \$ 780,000	MO03-17(c) Approve Project and Budget Approved MO amount \$780,000	49%
2	Rework and Replace Paving on Sweetwater Campus	Sweetwater	Sweetwater	RFQ/ RFP	HEAF Bond \$ 40,000 Total Funds \$ 460,000	Engineering / Design Construction Cost \$ 40,000 Total Budget \$ 460,000	MO07-17(c) Approve Concept Approve Project and Budget MO18-19(c)	10%
3	Sweetwater Housing Study and Renovation Project	Sweetwater	Sweetwater	RFQ	Insurance Proceeds \$ 70,000 Total Budget \$ 70,000	Study, Design, and opinion of cost Total Budget \$ 70,000	MO06-18(c) Approve Concept	90%
4	Sweetwater Fire Loop Replacement	Sweetwater	Sweetwater	RFQ/ RFP	Local Funds \$ 788,000 Total Funds \$ 788,000	Engineer Design Construction Cost \$ 103,000 Total Budget \$ 685,000 Total Funds \$ 788,000	MO05-19(c) Approve Concept Approve Project and Budget MO15-19(c)	6%
5	Abate and Demo Airbase Buildings on Waco Campus	Waco	Waco	RFQ/ RFP	Proposed appropriation \$ 29,644,640 Total Funds \$ 29,644,640	Master Plan Demo Plan Demolition Contracts Total Budget \$ 29,644,640	MO14-19(c) Approve Concept TBD TBD	0%
6	Renovate Building 20H1 HVAC Lab in Harlingen	Harlingen	Harlingen	IDIQ/ RFP	Local Funds \$ 580,000 Total Funds \$ 580,000	A/E Design Construction Cost \$ 57,000 Total Budget \$ 523,000 Total Funds \$ 580,000	Approve Project and Budget MO17-19(c)	0%

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Committee for Fiscal Affairs Keith Honey, Chair; Alex Meade, Member

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(c) denotes Consent Agenda Item

Board Meeting Date: May 16, 2019 **Proposed Minute Order #:** 19-19(c)

Proposed By: Ray Rushing, Vice Chancellor, Chief Legal Officer & Secretary to the Board of Regents

Subject: **Authorize the Chancellor to Enter into and Execute the Ground Lease Agreement with Abilene Independent School District to Provide the Site for a Career and Technical Education High School**

Background: Texas State Technical College (TSTC) has leased instructional space to the Abilene Independent School District (AISD) Academy of Technology, Engineering, Math, and Science since August 1, 2010, approved by Minute Order 46-10 on May 14, 2010. The lease agreement has an initial term that will expire on September 30, 2020.

Justification: TSTC and AISD wish to enter into a new ground lease agreement to grant AISD a leasehold interest on the campus at TSTC in Abilene adjacent to the Abilene Regional Airport. The lease will assist in the accomplishment of constructing and building the AISD Career and Technical Education High School (CATE High School). The initial term of the ground lease agreement is seventy-five (75) years, beginning April of 2019 and ending April of 2094. The premises is an 11.995 acre tract of land, which will be leased to AISD at a rate of \$10.00 per year. AISD shall pay all operating costs attributable to the leased premises.

This agreement will create a joint council between TSTC and AISD in which TSTC will direct and assist AISD in implementing curriculum at the CATE High School that compliments TSTC coursework offerings. Furthermore, TSTC will be given office space for a TSTC recruiter at the CATE High School, along with the option for TSTC to teach at least one technical course at the Career and Technical Education High School.

Additional Information: None.

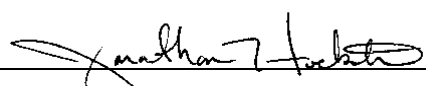
Fiscal Implications: The lease is for seventy-five years, expiring in April of 2094, with the College receiving \$10.00 annually pursuant to the Ground Lease Agreement.

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

Attachment(s): Letter from Legal Counsel

Recommended Minute Order: "The Board of Regents authorizes the Chancellor or his designee to enter into and execute the Ground Lease Agreement with Abilene Independent School District to provide the site for the Career and Technical Education High School for Abilene Independent School District."

Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

April 8, 2019

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

Re: Approval of a Ground Lease Agreement (Agreement) with the Abilene Independent School District (AISD) to Provide the Site for the Career and Technical Education High School (CTE) for the Abilene Independent School District.

As requested, I have reviewed and considered the legal ramifications of the Agreement with the AISD to provide a site for the construction of the AISD CTE.

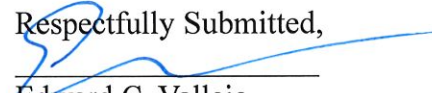
The AISD has leased instructional space from TSTC since August 1, 2010, for the AISD's Academy of Technology, Engineering, Math, and Science High School, which is set to expire on September 30, 2020. The AISD would like to build a CTE. In order to accomplish this goal, AISD desires to lease approximately 11.995 acres of a 51.891 acres site owned by TSTC. The Agreement would also be used to more firmly establish the relationship between the AISD and TSTC.

This being the lease of real property only, without improvements, typical lease terms and conditions do not apply. Further, the 11.995 acres to be leased is not needed nor anticipated to be needed in the foreseeable future by TSTC.

Having reviewed the Agreement, it is my opinion that the terms and conditions comport with state law and TSTC policy, and that leasing the real property in question is in the best interest of TSTC students as well as the State of Texas. Further, it is my opinion that the delegation of authority from the Board of Regents to the Chancellor or his designee to enter into and sign the Agreement comports with state law and TSTC policy, and that this delegation is in the best interest of TSTC students as well as the State of Texas.

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

Respectfully Submitted,


Edward C. Vallejo
Associate General Counsel

cc: Ray Rushing, J.D.
Vice Chancellor & Chief Legal Officer and Secretary to the Board of Regents

Gail Lawrence
Executive Vice Chancellor & Chief of Staff

Board Meeting Date: May 16, 2019

Proposed Minute Order #: 20-19(c)

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

Subject: **Authorize the Reimbursement Resolution Associated with Acquisition of Full Ownership in the University Articulation and Career Center at Texas State Technical College in Harlingen**

Background: The Texas State Technical College (TSTC) Board of Regents approved the purchase of the Development Corporation of Harlingen Inc.'s ownership interest in the University Articulation and Career Center (UACC or University Center) on November 8, 2018, via Minute Order 34-18(c). The purchase transaction is expected to close on or about June 7, 2019.

Justification: The possibility of a larger Revenue Financing System bond issuance by TSTC in the next 18 months affords substantial savings in bond issuance costs compared to a stand-alone bond issuance for the UACC purchase.

Additional Information: The attached resolution permits TSTC to use future bond proceeds to reimburse costs expended at the purchase closing up to 18 months after the date the expenditures are paid.

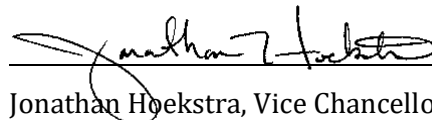
Fiscal Implications: Excess cash reserves will be used to fund the purchase at closing in anticipation of a possible bond issuance in the following 18 months. Underwriting expenses may be minimized by combining financing with the possible Tuition Revenue Bond (TRB) issuance.

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

Attachment(s): Resolution Expressing Official Intent to Reimburse Costs Incurred to Acquire Full Ownership Interest in the University Articulation and Career Center Building in Harlingen

Recommended Minute Order: "The Board of Regents expresses official intent to reimburse costs incurred to acquire full ownership interest in the University Articulation and Career Center building in Harlingen pursuant to Resolution 20-19 attached hereto and incorporated herein."

Recommended By:



Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

RESOLUTION NO. 20-19

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE COSTS INCURRED TO ACQUIRE FULL OWNERSHIP INTEREST IN THE UNIVERSITY ARTICULATION AND CAREER CENTER BUILDING IN HARLINGEN

WHEREAS, the TEXAS STATE TECHNICAL COLLEGE SYSTEM (the "**System**") and the *Development Corporation of Harlingen, Inc. ("DCOH")* jointly own a building located at 2424 Boxwood Street in Harlingen, Texas known as the *University Articulation and Career Center* (the "**Harlingen Building**"); and

WHEREAS, approximately 42% of the Harlingen Building is owned by the System and approximately 58% is owned by DCOH; and

WHEREAS, the Harlingen Building is located on land owned entirely by the System; and

WHEREAS, the System and DCOH entered into a ground lease pursuant to which DCOH received a leasehold interest in such land representing its proportional interest in the Harlingen Career Center; and

WHEREAS, the System and DCOH have entered into an agreement pursuant to which the parties have agreed to terminate the ground lease and the System has agreed to purchase DCOH's interest in the Harlingen Building for **\$4,400,000**; and

WHEREAS, following the acquisition of DCOH's ownership interest in the Harlingen Building, the System will use such facility primarily for classrooms and administrative offices related to its educational mission; and

WHEREAS, the System will pay expenditures in connection with the acquisition of DCOH's interest in the Harlingen Building (herein referred to as the "**Project**") prior to the issuance of tax-exempt obligations, in one or more series and issued pursuant to a competitive sale, negotiated underwriting or private placement (the "**Obligations**"), to finance the Project; and

WHEREAS, the Board of Regents of the System hereby finds, considers, and declares that the reimbursement of the System for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the System and, as such, chooses to declare its intention to reimburse itself for such payments at such time as the System issues Obligations to finance the Project;

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE TEXAS STATE TECHNICAL COLLEGE SYSTEM THAT:

SECTION 1. EXPECTATION TO INCUR DEBT. The System reasonably expects to incur debt, as one or more series of Obligations, with an aggregate maximum principal amount currently expected not to exceed \$4,400,000, for the purpose of paying the costs of the Project (including related acquisition expenses); and

SECTION 2. REIMBURSEMENT OF PRIOR EXPENDITURES. All costs to be reimbursed pursuant hereto will be capital expenditures. No Obligations will be issued by the System in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid, or (2) the date on which the property, with respect to which such expenditures were made, is placed in service; provided, however, in no event may proceeds of Obligations issued or incurred based on the provisions of this Resolution be used to reimburse the System for an expenditure more than three years after the date such expenditure was paid.

SECTION 3. PUBLIC RECORD. This Resolution shall be maintained as a public record available for inspection by all persons in accordance with the provisions of Chapter 552, Texas Government Code, and no later than 30 days after this date, this Resolution will be made available for inspection by all members of the general public at the primary administrative offices of the System (currently located in Waco, Texas).

SECTION 4. INCORPORATION OF RECITALS. The Board of Regents of the System hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Board of Regents hereby incorporates such recitals as a part of this Resolution.

SECTION 5. EFFECTIVE DATE. This Resolution shall become effective immediately upon passage thereof.

[The remainder of this page intentionally left blank]

***PASSED AND APPROVED BY THE BOARD OF REGENTS OF THE TEXAS STATE
TECHNICAL COLLEGE SYSTEM AT A REGULAR MEETING HELD ON MAY 16, 2019.***

Chair, Board of Regents

Attest:

Secretary, Board of Regents

(Seal)

** **

Signature Page to Reimbursement Resolution
Relating to Acquiring Full Ownership Interest in the
University Articulation and Career Center Building in Harlingen

CERTIFICATE FOR RESOLUTION

I, the undersigned Secretary of the Board of Regents (the "**Board**") of the **TEXAS STATE TECHNICAL COLLEGE SYSTEM** (the "**System**"), hereby certify as follows:

1. The Board of the System convened in Regular Meeting on May 16, 2019, at the regular designated meeting place (the "**Meeting**"), and the roll was called of the duly constituted officers and members of the Board, to-wit:

John K. Hatchel, Chair
Ivan Andarza, Vice Chair
Tony Abad
Curtis Cleveland
Keith Honey

Charles "Pat" McDonald
Alejandro "Alex" Meade, III
Ellis M. Skinner II
Tiffany Tremont

and all of said persons were present, except the following absentees: _____
_____, thus constituting a quorum. Whereupon, among other business the following was transacted at the Meeting: a written

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE COSTS INCURRED TO ACQUIRE FULL OWNERSHIP INTEREST IN THE UNIVERSITY ARTICULATION AND CAREER CENTER BUILDING IN HARLINGEN

(the "**Resolution**") was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be passed; and, after due discussion, said motion, carrying with it the passage of the Resolution, prevailed and carried by the following votes:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the Resolution passed at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 16th day of May, 2019.

(SEAL)

Secretary, Board of Regents

Board Meeting Date: May 16, 2019 **Proposed Minute Order #:** 21-19(c)
Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: **Approve the Reallocation of Higher Education Assistance Funds for Fiscal Year 2019**

Background: Texas State Technical College (TSTC) was included in the Higher Education Assistance Fund (HEAF) through a change in the Texas Constitution in 1995. The 85th Texas Legislature appropriated \$8,662,500 of HEAF funds for each year of the current biennium to TSTC. These funds may be used primarily for the purchase of capital equipment, construction and renovation of instructional and administrative buildings, and retirement of debt service. Up to 50 percent of the allocation may be pledged for HEAF bond debt service. HEAF may be used at each TSTC location that is designated as a campus.

Justification: The recommended change to the HEAF allocations for Fiscal Year 2019 are based on project prioritization after re-assessment. The following table provides a comparison of the requested change to the initial FY 2019 recommended allocation:

	FY 2019 Amended Allocation:	FY 2019 Original Allocation:
Central Admin	\$0	\$0
Fort Bend	1,522,708	1,382,205
Harlingen	2,450,280	2,450,280
Marshall	677,011	617,586
North Texas	269,170	289,170
Waco	2,411,022	2,164,022
West Texas	1,332,309	1,759,237
Totals	\$ 8,662,500	\$ 8,662,500

Additional

Information: None.

Fiscal Implications: Funds available as appropriated.

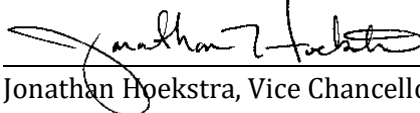
Attestation: This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): None.

Recommended Minute Order: "The Board of Regents approves the reallocation of Higher Education Assistance Funds for Fiscal Year 2019 in the following manner:

TSTC Central Admin	\$ 0
TSTC Fort Bend	\$ 1,522,708
TSTC Harlingen	\$ 2,450,280
TSTC Marshall	\$ 677,011
TSTC North Texas	\$ 269,170
TSTC Waco	\$ 2,411,022
TSTC Sweetwater	\$ 1,332,309"

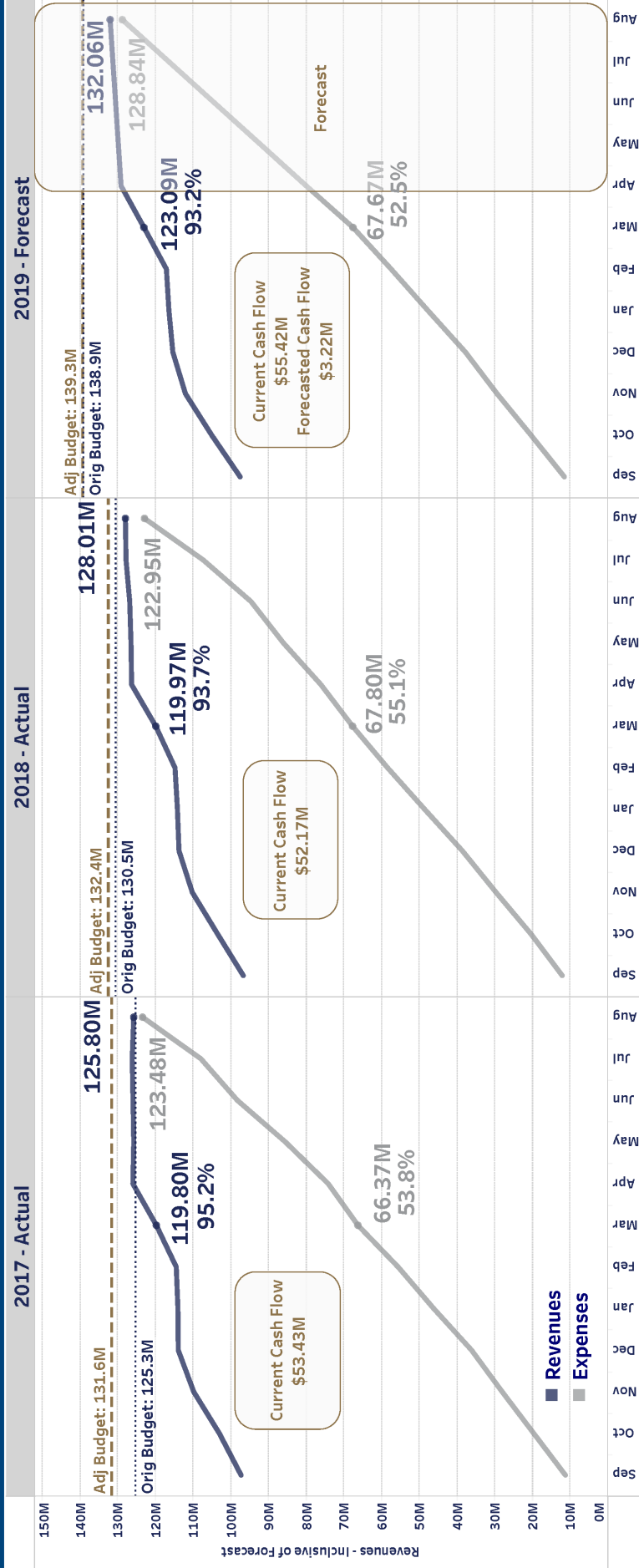
Recommended By:


Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer



Texas State Technical College Budget Performance - Core Operations

As of March 31, 2019

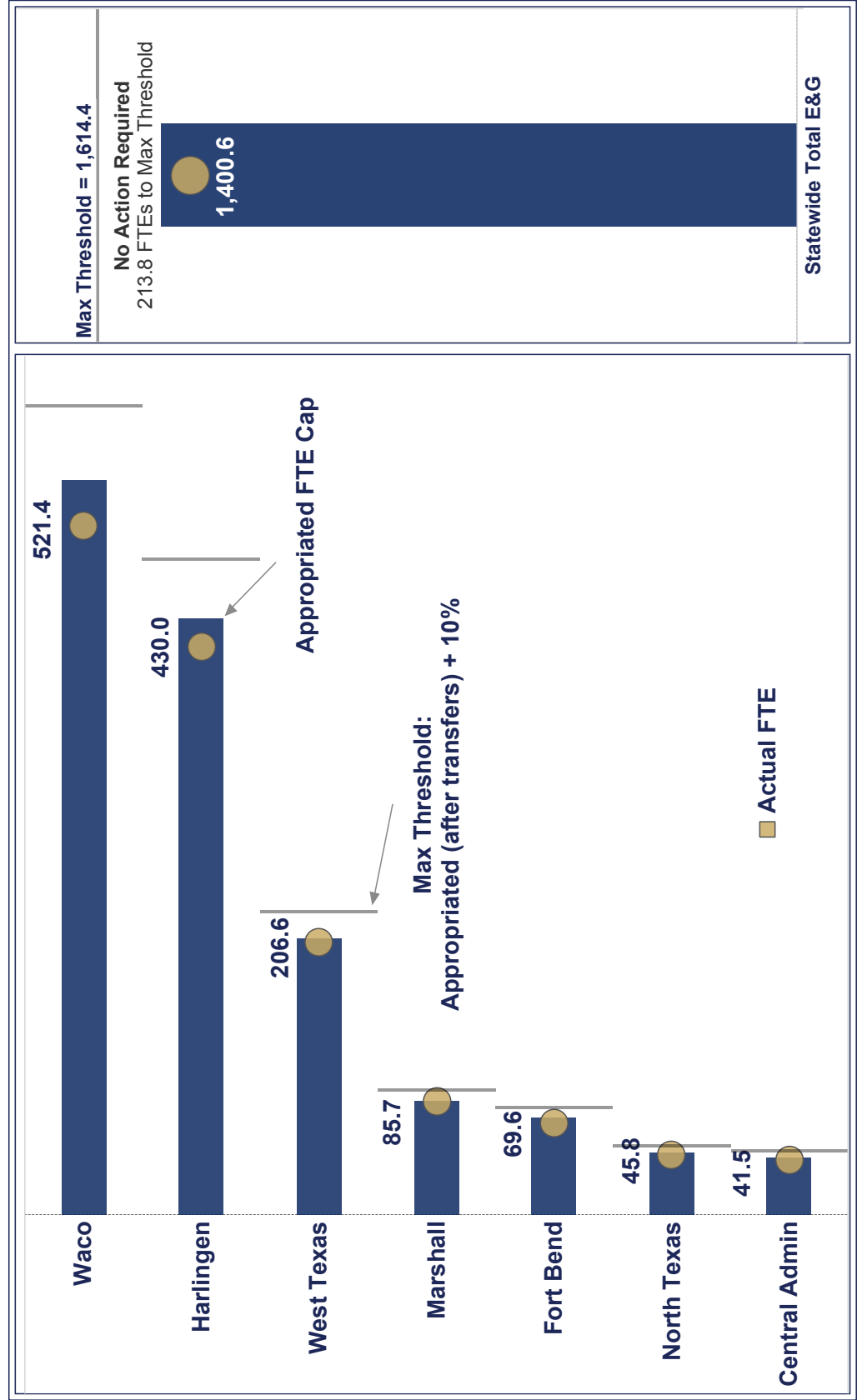


Texas State Technical College

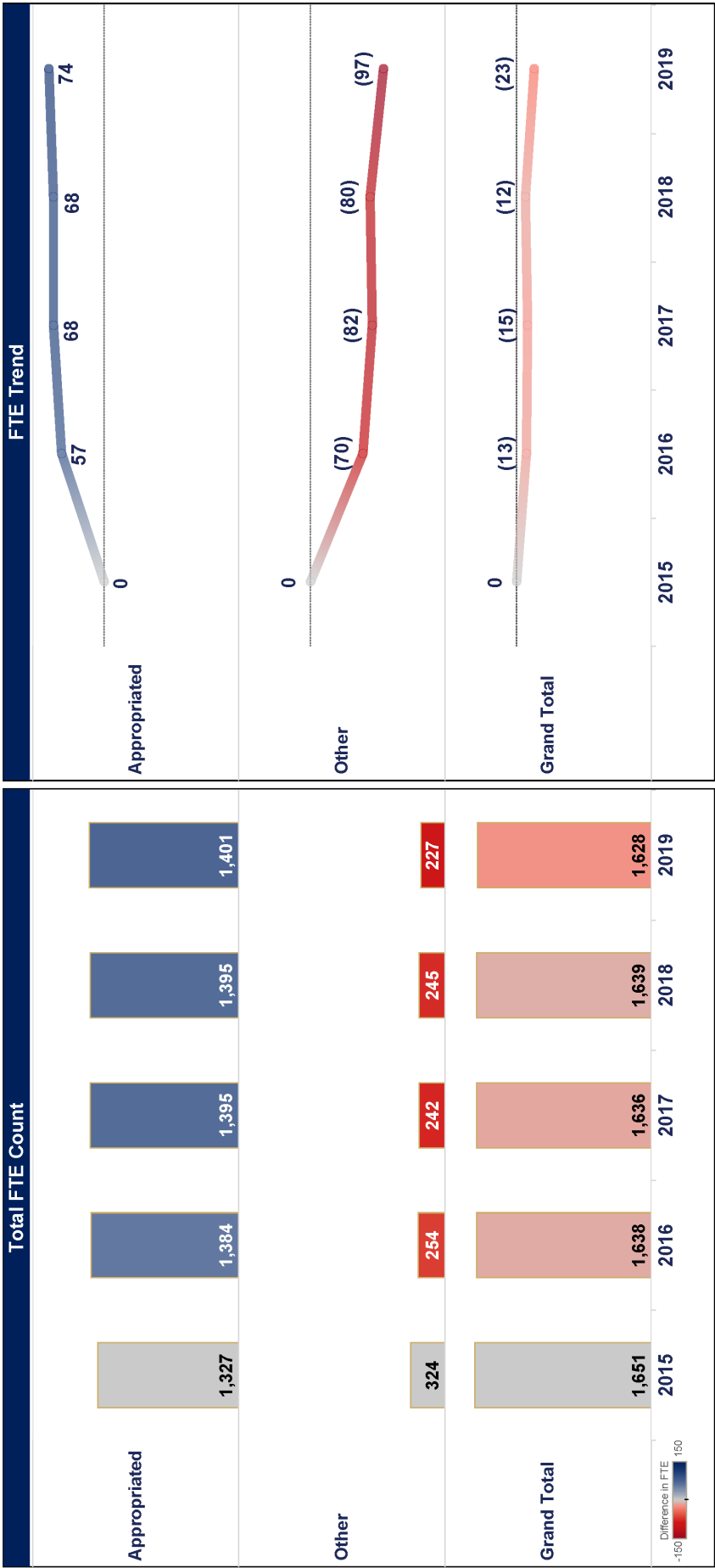
State Appropriated Employees - Full Time Equivalent Report

FY 2019 - For the Quarter Ending February 28, 2019

The number of Full Time Equivalent employees is within the max threshold of 1,614 by 214 FTEs, therefore no action is required.



Texas State Technical College
 Variance of Annual FTEs by Funding Source
 As of February 28, 2019



Texas State Technical College
Variance of FTEs by Title Category by Campus
As of 2nd Quarter of Each Year

FTE Title Category	Campus	2015	2016	2017	2018	2019
FTE Administrators	Fort Bend	0 - 0	0 - 0	5 - 5	4 - 4	4 - 4
	Harlingen	15 - 0	16 - 1	12 - (3)	5 - (10)	5 - (10)
	Marshall	8 - 0	6 - (2)	2 - (6)	2 - (6)	1 - (7)
	North Texas	0 - 0	0 - 0	2 - 2	2 - 2	2 - 2
	System	12 - 0	12 - 0	12 - 0	10 - (2)	10 - (3)
	Waco	15 - 0	20 - 5	14 - (1)	15 - 0	11 - (4)
	West Texas	5 - 0	10 - 5	8 - 3	4 - (1)	6 - 1
FTE Faculty	Fort Bend	0 - 0	0 - 0	21 - 21	25 - 25	26 - 26
	Harlingen	174 - 0	167 - (7)	162 - (12)	166 - (8)	166 - (8)
	Marshall	55 - 0	63 - 8	40 - (15)	45 - (11)	37 - (18)
	North Texas	0 - 0	0 - 0	16 - 16	20 - 20	19 - 19
	System	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
	Waco	262 - 0	255 - (7)	255 - (8)	243 - (19)	237 - (25)
	West Texas	73 - 0	76 - 3	76 - 3	79 - 6	89 - 16
FTE Other Staff	Fort Bend	0 - 0	0 - 0	26 - 26	41 - 41	46 - 46
	Harlingen	390 - 0	376 - (14)	352 - (38)	333 - (57)	329 - (61)
	Marshall	65 - 0	66 - 1	51 - (14)	52 - (13)	53 - (12)
	North Texas	0 - 0	0 - 0	16 - 16	21 - 21	25 - 25
	System	36 - 0	34 - (2)	35 - (1)	45 - 9	43 - 7
	Waco	406 - 0	411 - 5	405 - (1)	404 - (2)	391 - (15)
	West Texas	135 - 0	126 - (9)	125 - (10)	126 - (10)	128 - (7)
Statewide Totals	FTE Administrators	55 - 0	64 - 9	55 - 0	42 - (13)	39 - (16)
	FTE Faculty	564 - 0	561 - (3)	571 - 7	577 - 13	574 - 10
	FTE Other Staff	1,032 - 0	1,013 - (19)	1,010 - (22)	1,020 - (12)	1,014 - (18)
	Grand Total	1,651 - 0	1,638 - (13)	1,636 - (15)	1,639 - (12)	1,628 - (23)

TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report

February 28, 2019

	DEPOSITS			SECURITY ON DEPOSITS			Sufficient (Insufficient)
	Demand Deposits	Money Market & Time Deposits	Total Deposits	FDIC* Coverage (up to)	Required Collateral	Collateral at Market Value	
<u>Depository - Location</u>							
First Ntl Bank of Central Texas - Waco	37,417,680	2,272,933	39,690,613	500,000	39,190,613	38,573,774	(616,839)
Frost Bank - Harlingen/Fort Bend	130,711	-	130,711	250,000	-	1,060,448	1,179,737
Texas National Bank - Sweetwater	42,613	-	42,613	250,000	-	-	207,387
Texas Bank & Trust - Marshall	38,746	-	38,746	250,000	-	-	211,254
Citizens National Bank - Red Oak	47,002	-	47,002	250,000	-	-	202,998
Prosperity Bank - Abilene	15,084	-	15,084	250,000	-	-	234,916
Texas Bank - Brownwood	15,379	-	15,379	250,000	-	-	234,621
InterBank - Breckenridge	12,229	-	12,229	250,000	-	-	237,771
Bank of America - Waco	-	10,000	10,000	250,000	-	-	240,000
Compass Bank - Waco	-	1,849,264	1,849,264	250,000	1,599,264	2,000,000	400,736
First Community Bank - San Benito	-	40,121	40,121	250,000	-	-	209,879
First Ntl Bank - Albany/Breckenridge	-	199,215	199,215	250,000	-	-	50,785
Veritex Comm. Bank - N. Richland Hills	-	10,000	10,000	250,000	-	-	240,000
Texas First State Bank - Waco	-	252,518	252,518	250,000	2,518	1,289,813	1,287,295
Texas Regional Bank - McAllen	-	132,200	132,200	250,000	-	-	117,800
Cash in State Treasury	14,684,210	-	14,684,210	No Collateral Required	No Collateral Required		
TexasTerm (Government Pool)	6,998,393	-	6,998,393	No Collateral Required	No Collateral Required		
TexPool (Government Pool)	951,612	-	951,612	No Collateral Required	No Collateral Required		
TOTAL	60,353,659	4,766,251	65,119,910				

* Federal Deposit Insurance Corp. All **demand deposits** owned by a public unit held in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all **time and savings deposits** owned by a public unit and held in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. The term "demand deposits" means both interest-bearing and noninterest-bearing deposits.

TEXAS STATE TECHNICAL COLLEGE

Quarterly Investment Report

As of February 28, 2019

Description	Beginning Value as of 11/30/2018	Ending Value as of 02/28/2019	Interest Rate
<u>Operating Funds</u>			
Cash in State Treasury	13,865,306	14,684,210	2.57%
Statewide Operating	18,115,133	22,846,466	2.25%
Harlingen - Local Operating	186,734	103,379	1.79%
Waco - Local Operating	173,452	50,885	2.25%
Sweetwater - Local Operating	54,221	42,613	2.58%
Marshall - Local Operating	51,441	38,746	0.10%
Fort Bend - Local Operating	35,436	27,332	0.00%
Brownwood - Local Operating	22,545	15,379	0.83%
System - Local Operating	185,978	31,763	2.25%
Abilene - Local Operating	15,137	15,084	0.20%
North Texas - Local Operating	(1,470)	47,002	0.35%
Breckenridge - Local Operating	10,755	12,229	0.25%
Payroll	11,146,308	12,363,448	2.25%
Federal Funds	152,683	187,633	0.00%
FNB Central Texas - MMKT	1,984,739	1,995,513	2.25%
Compass Bank - CD	1,649,122	1,653,692	2.31%
FNB Albany/Breckenridge - CD	100,000	100,000	1.00%
First Community Bank - CD	40,121	40,121	1.11%
Texas First State Bank - CD	251,265	252,518	2.00%
Texas Regional Bank - CD	132,200	132,200	2.25%
TexasTerm - Pool	6,064,351	6,099,831	2.40%
Total Operating Funds	54,235,457	60,740,044	
<u>Endowment Funds</u>			
Bank of America	10,000	10,000	0.05%
Compass Bank - CD	-	195,572	2.36%
FNB Albany/Breckenridge	99,215	99,215	1.00%
FNB Central Texas	471,476	277,420	2.25%
Liberty/Veritex Community Bank	10,000	10,000	2.62%
Total Endowment Funds	590,691	592,207	
<u>Bond Proceeds</u>			
FNB Central Texas	2,201,668	1,937,485	2.25%
TexasTerm	1,122,523	898,562	2.40%
TexPool	1,045,754	951,612	2.40%
Total Bond Proceeds	4,369,945	3,787,659	
Total All Investments	59,196,093	65,119,910	

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of February 28, 2019

Schedule of Time Deposits:

Description	Amount	Maturity Date	Days Maturity	Rate	Type
FNB - Albany/Breckenridge	65,000	4/6/2019	365	1.00%	Endowment
Compass Bank	908,692	4/11/2019	365	2.00%	Operating
FNB - Albany/Breckenridge	100,000	4/14/2019	365	1.00%	Operating
FNB - Albany/Breckenridge	34,215	4/14/2019	365	1.00%	Endowment
Compass Bank	245,000	5/24/2019	365	2.35%	Operating
Texas First State Bank	252,518	6/27/2019	365	2.00%	Operating
Compass Bank	250,000	7/19/2019	365	2.41%	Operating
Compass Bank	250,000	8/7/2019	365	2.47%	Operating
Bank of America	10,000	8/10/2019	365	0.10%	Endowment
Texas Regional Bank	132,200	9/13/2019	365	2.25%	Operating
First Community Bank	40,121	11/18/2019	334	1.11%	Operating
Compass Bank	195,572	12/5/2019	365	2.36%	Endowment
Veritex Community Bank	10,000	9/7/2020	731	2.62%	Endowment
Total Time Deposits	2,493,318				

Weighted Average Maturity (Time Deposits): 366 days

Weighted Average Rate of Interest (All Investments): 2.31%

Current One Year Treasury Bill Rate: 2.54%

Lipper Money Market Funds Average Return (1 YR): 1.41%

FY 2019 Interest Received and Accrued (All Investments): \$624,149

All investments are shown at cost. Market value equals cost due to the type of investment. All balances are per the bank as of the report date.

I certify that this investment portfolio is in compliance with Texas State Technical College's policy on investments and the Public Funds Investment Act (Texas Government Code, Section 2256).

Albert Srubar, Comptroller

May 16, 2019

Date



Jonathan Hoekstra, Chief Financial Officer

May 16, 2019

Date

3801 Campus Drive
Waco, Texas 76705

254-867-3934
254-867-4888

April 9, 2019

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

SUBJECT: Semi-annual Report Certifying Debt Management Policy Compliance

Regents:

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

Accordingly, I hereby certify that the College currently complies with *SOS FA 2.4, Policy for Debt Management*, and with all bond covenants. Further, I have verified that current and projected revenues are sufficient to fund debt service, as of February 28, 2019. Details of outstanding principal balances, current debt service due, and the sources of debt service funding have been provided to the Committee for Fiscal Affairs.

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

Respectfully submitted,

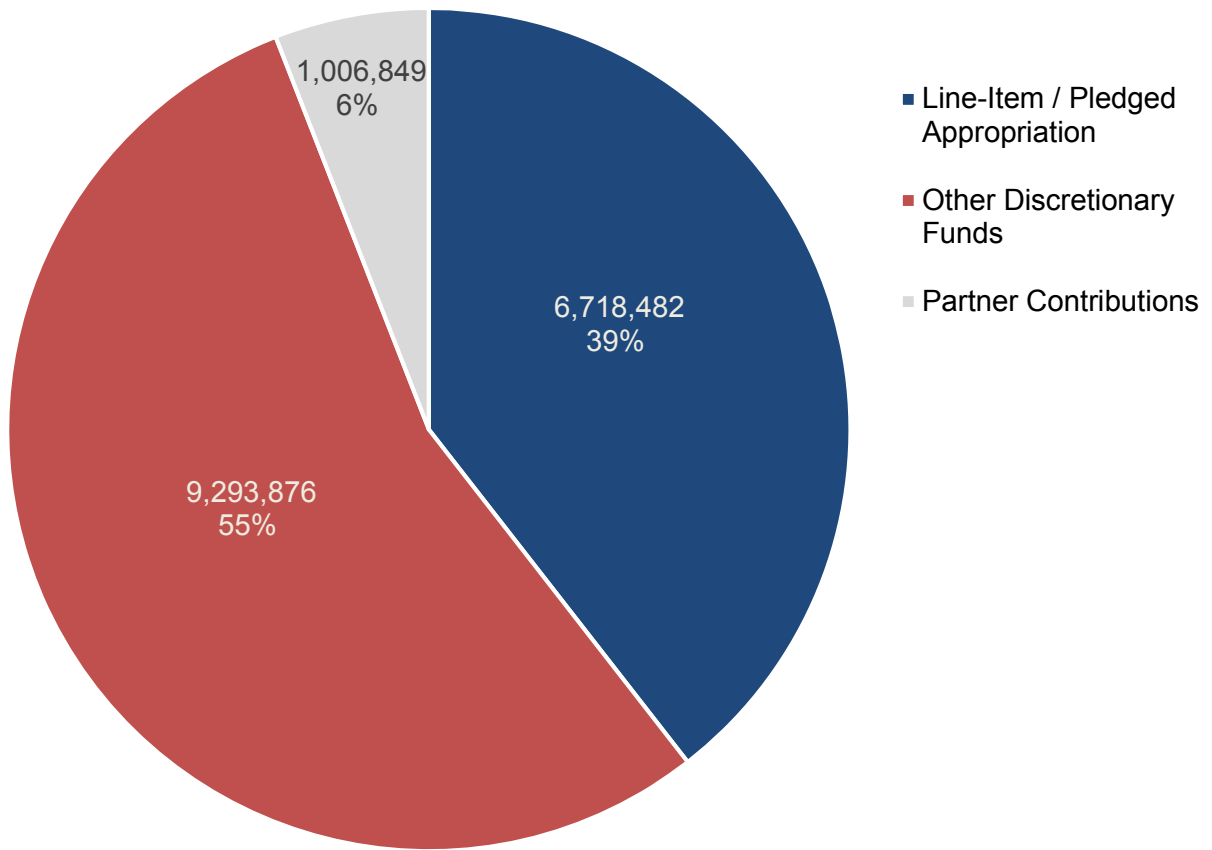


Jonathan Hoekstra, MBA, CPA
Vice Chancellor &
Chief Financial Officer



Chad Wooten, CPA
Executive Vice President
Accounting & Reporting

**Texas State Technical College
Sources of Debt Service Funding for FY 2019**



	FY 2019 Debt Service	Source of Funding
Bonds		
RFS Series 2008A Bonds, Taxable (Clean Energy)	73,929	other discretionary funds
RFS Series 2009 Bonds (Local Revenue)	1,561,300	other discretionary funds
RFS Series 2011 Bonds (Tuition / Local Revenue)	2,203,082	line-item appropriation (35%) partner contributions (46%) other discretionary funds (19%)
RFS Series 2011A Bonds (Local Revenue)	359,587	other discretionary funds
Constitutional Appropriation Series 2016 Bonds (HEAF)	2,974,475	pledged appropriation
RFS Series 2016 Bonds (Tuition / Local Revenue)	3,841,356	line-item appropriation (77%) other discretionary funds (23%)
Texas Public Finance Authority Lease Purchases	3,592,357	other discretionary funds
Other Lease Purchases	1,408,684	other discretionary funds
State Energy Conservation Office (SECO) Loans	819,585	other discretionary funds
Governor's Office Loan (Hangar - Waco)	184,851	other discretionary funds
TOTAL:	\$ 17,019,206	

Texas State Technical College
Summary of Outstanding Debt as of 02/28/19

	Outstanding Principal	Interest Rate	Maturity Date
Bonds			
RFS Series 2008A Bonds, Taxable (Clean Energy)	214,286	1.00%	December 2021
RFS Series 2009 Bonds (Local Revenue)	2,925,000	3.00% - 5.00%	August 2020
RFS Series 2011 Bonds (Tuition / Local Revenue)	19,615,000	3.75% - 5.00%	August 2036
RFS Series 2011A Bonds(Local Revenue)	3,780,000	3.00% - 4.00%	August 2031
Constitutional Appropriation Series 2016 Bonds (HEAF)	17,740,000	4.00% - 5.00%	October 2025
RFS Series 2016 Bonds (Tuition / Local Revenue)	<u>52,390,000</u>	2.00% - 5.00%	October 2035
Total Bonds	<u>96,664,286</u>		
Lease Purchases			
TSTC Foundation, 2003 (Housing - Marshall)	1,069,343	3.75%	October 2023
TSTC Foundation, 2010 (Warehouse - Harlingen)	285,677	4.08%	July 2020
TSTC Foundation, 2018 (ITC - Fort Bend)	5,685,133	3.00%	September 2025
TSTC Foundation, 2015 (Chevrolet Suburban)	2,239	4.25%	April 2019
TSTC Foundation, 2017 (Ford F-150)	16,633	4.50%	January 2020
TSTC Foundation, 2018 (Ford Expedition)	55,033	4.50%	March 2022
Dell Financial Services, 2018 (Computer Equipment)	634,489	7.06%	September 2022
Texas Public Finance Authority (402 leases)	<u>11,515,009</u>	various	various through 2026
Total Lease Purchases	<u>19,263,556</u>		
State Energy Conservation Office (SECO) Loans			
2010 - Waco	2,961,476	2.00%	August 2024
2011 - Harlingen	<u>890,514</u>	3.00%	February 2023
Total SECO Loans	<u>3,851,990</u>		
Governor's Office Loan (Hangar - Waco)	1,310,000	5.50%	January 2030
Total Outstanding Debt:	<u>\$ 121,089,832</u>		

Bond Ratings as of 2/28/2019

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

Rating Outlook Summary:

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

2009, 2011, 2011A, 2016 Revenue Financing System (RFS) Bonds: All 4 issuances of TSTC RFS bonds are uniformly rated by each rating agency. Moody's and S&P rate all 4 issuances, Fitch rates Series 2016 only. Outlook from each agency is:

<i>Moody's</i>	<i>STABLE</i>
<i>S&P</i>	<i>STABLE</i>
<i>Fitch</i>	<i>POSITIVE</i>

Texas State Technical College
Condensed Statements of Net Position

	FY 2016	FY 2017	FY 2018
Assets			
Cash & Investments	\$ 101,591,403	79,134,755	60,171,991
Receivables	20,530,336	19,431,166	20,987,105
Capital/Intangible Assets, Net	169,513,860	196,017,827	229,376,666
Other Assets	18,102,138	15,354,997	17,880,824
Total Assets	309,737,738	309,938,745	328,416,587
Liabilities and Net Position			
Liabilities			
Accounts Payable	13,559,832	16,800,120	11,967,873
Payroll Payables	12,392,075	13,019,560	13,719,338
Unearned Tuition Revenue	18,212,227	18,914,427	20,872,743
Other Liabilities	16,223,592	16,936,846	20,400,383
Long-term Debt	135,558,834	126,630,611	124,516,885
Total Liabilities	195,946,560	192,301,563	191,477,223
Net Position			
Net investment in capital assets	91,297,584	94,050,573	109,103,861
Restricted, expendable	1,853,997	2,871,825	2,352,712
Restricted, non-expendable	572,270	573,470	576,583
Unrestricted	20,067,327	20,141,314	24,906,208
Total Net Position	113,791,178	117,637,182	136,939,364
Total Liabilities and Net Assets	\$ 309,737,738	309,938,745	328,416,587

Cash Analysis

Cash on Hand (in days)

Determines how long, in days, TSTC could meet operating expenses without receiving new income.

Unrestricted Cash x 365 Days	15,568,296,663	17,243,324,496	18,796,388,462
Operating Expenses	150,631,641	164,525,596	171,892,502
Cash on Hand (in days)	103 days	105 days	109 days

Cash on Hand Benchmark Data:

Bond Rating	Median
Prime	260 days
High Grade	140 days
Upper Medium Grade	50 days

Texas State Technical College
Condensed Statement of Changes in Net Position

	2016	2017	2018
Operating Revenue			
Tuition and Fees	\$ 19,363,052	27,395,352	29,883,157
Financial Aid Grants	19,820,030	23,666,823	30,641,925
Less Scholarship Expense	(8,095,411)	(12,144,630)	(21,708,107)
Net Tution and Fees	31,087,670	38,917,545	38,816,975
State Appropriations	94,658,827	100,281,485	104,437,300
Net Auxiliary Revenue	8,911,250	9,200,983	9,055,940
Other Grants and Contracts	11,707,001	13,387,900	12,526,097
Investment Income	340,321	717,504	989,028
Other Sales	8,349,532	8,103,883	7,584,909
Total Operating Revenue	155,054,601	170,609,300	173,410,248
Operating Expenses			
Salaries, Wages & Payroll Benefits	103,949,309	109,621,756	108,360,434
Materials and Supplies	13,453,540	15,043,314	14,896,473
Depreciation and Amortization	10,979,823	11,807,743	12,551,248
Communications and Utilities	5,804,345	6,643,092	6,326,494
Interest Expense and TPFA Payment	3,981,598	6,708,709	6,874,079
Other Expenses	19,329,035	21,072,805	20,600,995
Total Operating Expenses	157,497,650	170,897,418	169,609,722
Net Operating Income	(2,443,048)	(288,118)	3,800,525
Nonoperating Activity			
Nonoperating revenues	8,803,221	7,507,153	23,727,855
Nonoperating expenses	(2,461,690)	(3,373,031)	(3,727,468)
Total Nonoperating Activity	6,341,531	4,134,122	20,000,387
Total Change in Net Position	\$ 3,898,482	3,846,004	23,800,912

Operating Margin Analysis

Operating Margin

Profitability ratio that demonstrates how much revenues are left after all operating costs have been paid.

Operating Net Income (Loss)	(2,443,048)	(288,118)	3,800,525
Operating Revenues	155,054,601	170,609,300	173,410,248
Operating Margin	-1.58%	-0.17%	2.19%

Operating Margin Benchmark Data (FY 2017 Public Universities):

Bond Rating	Median
Prime	0.60%
High Grade	-0.40%
Upper Medium Grade	-3.80%