

TEXAS STATE TECHNICAL COLLEGE

**Meeting of the
Board of Regents**

**Texas State Technical College
Col. James T. Connally Aerospace Center
605 Operations Drive
Waco TX 76705***

**Thursday, February 9, 2023
9:30 am**

MINUTES

- I. MEETING CALLED TO ORDER**

- II. INVOCATION**

- III. RECOGNITION OF GUESTS**

- IV. DETERMINATION OF QUORUM**

- V. ADOPTION OF AGENDA**

- VI. APPROVAL OF MINUTES OF NOVEMBER 10, 2022 MEETINGS**

- VII. PUBLIC COMMENTS**

- VIII. CHANCELLOR COMMENTS**

*Presiding officer will be physically present at this address.

IX. COMMITTEE REPORTS & MINUTE ORDERS

a. **Committee for Student Learning and Student Development**

Kathy Stewart, Chair; Lizzy de la Garza Putegnat, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

SL 01-23 (c) Approve Associate Degree and Certificate Programs 2
Jonathan Hoekstra

Reports:

None.

b. **Committee for Fiscal Affairs**

Ron Widup, Chair; Kathy Stewart, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

FA 01-23 (c) Approve the contract for Commercial Driver License (CDL) training associated with Electrical Lineworker & Management Technology, and any amendment, extension or renewal of the agreement 11
Chad Wooten

FA 02-23 (c) Approve the Master Lease of the Industrial Training Center of Central Texas and Related Parking from The TSTC Foundation to Texas State Technical College in Waco for a Term of up to 30 Years 12
Chad Wooten

FA 03-23 (c)	Approve the Ground Lease of Land from Texas State Technical College in Waco to The TSTC Foundation	15
		<i>Chad Wooten</i>

Reports:

1.	Quarterly Investment Report	18
		<i>Chad Wooten</i>
2.	Pledged Collateral Report	20
		<i>Chad Wooten</i>
3.	AFR Summary Report	21
		<i>Chad Wooten</i>
4.	Budget Performance Report	23
		<i>Chad Wooten</i>
5.	Quarterly Lease Report	25
		<i>Chad Wooten</i>
6.	Quarterly Report for Contracts > \$1 Million	26
		<i>Chad Wooten</i>

c. **Committee for Facilities**

Keith Honey, Chair

Committee Chair Comments

Minute Orders:

Proposed MO#

FAC 01-23 (c)	Authorize the Chancellor to Enter into and Execute an Agreement with L3 Harris Technologies, Inc. to Lease additional Concrete Apron Space at the Texas State Technical College Waco Airport	28
		Rick Herrera

- FAC 02-23 (c) Authorize the Chancellor to enter and finalize an Agreement with Hemisphere Aerospace to lease 304,415 square feet of Hangar 3-1 Space, Parking, Improved Land, and Apron Space at the TSTC Waco Airport 31
Rick Herrera
- FAC 03-23 (c) Authorize the Chancellor to enter and finalize an agreement with L3 Harris Technologies, Inc. to lease 304,415 square feet of Hangar 3-1 space, parking, improved land, and apron space at the TSTC Waco Airport 34
Rick Herrera
- FAC 04-23 (c) Approve the Service Agreement with Lewis Land Management LLC. 37
Kevin Semien
- FAC 05-23 (c) Approve the Lease of 13,200 Square Feet of the Southside of 8-1 Hangar at the TSTC Waco Airport to Air Methods Corporation for Business Operations and Crew Quarters 39
Kevin Semien

Reports:

1. Major Facility Projects Status Update 42
Rick Herrera

- d. **Committee for General Administration**
Pat McDonald, Chair; Tony Abad, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

- GA 01-23 (c) Approve Fiscal Year 2024 Employee Holiday Schedule 45
Pamela Mayfield

Reports:

None.

X. RECESS OPEN MEETING

XI. CLOSED MEETING

1. The Closed Meeting is called to Order
2. Consultation with Attorney (Texas Government Code, Section 551.071)
 1. Ted Donovan v. TSTC
 2. John Clark Owen v. TSTC
 3. Davis/Dorton v. Reeser/Rushing
 4. Rachel Myrick v. TSTC
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
4. Personnel Matters (Texas Government Code, Section 551.074)
5. Adjourn

XII. OPEN MEETING RECONVENES

XIII. ACTION ON CLOSED MEETING

XIV. CONSENT AGENDA ITEMS

- SL 01-23 (c) Approve Associate Degree and Certificate Programs
- FA 01-23 (c) Approve the contract for Commercial Driver License (CDL) training associated with Electrical Lineworker & Management Technology, and any amendment, extension or renewal of the agreement
- FA 02-23 (c) Approve the Master Lease of the Industrial Training Center of Central Texas and Related Parking from The TSTC Foundation to Texas State Technical College in Waco for a Term of up to 30 Years
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FAC 05-23 (c) Approve the Lease of 13,200 Square Feet of the Southside of 8-1 Hangar at the TSTC Waco Airport to Air Methods Corporation for Business Operations and Crew Quarters

XV. UNFINISHED BUSINESS

XVI. NEW BUSINESS

XVII. CHANCELLOR COMMENTS

XVIII. BOARD COMMENTS

XIX. ADJOURN

TEXAS STATE TECHNICAL COLLEGE

**Audit Committee Meeting
of the Board of Regents**

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

**Thursday, November 10, 2022
9:00 a.m.**

MINUTES

I. MEETING CALLED TO ORDER BY AUDIT COMMITTEE CHAIR TONY ABAD

Chair Tony Abad called the meeting to order at 9:20 am

II. COMMITTEE CHAIR COMMENTS

Chair Abad introduced Director of Internal Audit, Jason Mallory, to present the minute order and reports.

III. MINUTE ORDERS

IA 02-22(c) Internal Audit Charter Review and Reapproval

Jason Mallory provided the purpose of MO IA 02-22(c) Chair Abad asked if there could be changes to the charter at a later time. Mallory explained that the charter can indeed be edited.

IV. REPORTS:

Mallory explained the Audit of Foundation Controls. Mallory also provided an overview of the Internal Hotline Audit.

**Presiding officer will be physically present at this address.*

Mallory provided an update on the Personal Property Verification Audit. He discussed that if the state tool was utilized it would need to be an annual verification of all assets. The goal is to perform an audit of 1/3 of the assets. So far, the audit is at an estimated 30% completion. Chairman asked if furniture is included in the asset tracking in which Mallory answered that it depends. The accounting department has announced that more assets have been identified as missing than last year. He explained that Workday has affected the process as it creates a transition from a manual process to an automated process. The Chancellor provided additional information. Mallory projects for this project to be completed in a few months.

Mallory brought to attention the Audit Status Schedules for Fiscal Years 2022 and 2023 and the Internal Audit Annual Report. He also provided further information regarding the rest of the Audit reports. Mallory pointed out that the Chancellor reminds and encourages the staff to participate in the attestation disclosure process.

The Chancellor commented that the West Waco ITC project will be included with these audits.

V. CHANCELLOR COMMENTS

Chancellor Reeser commended Mr. Mallory and ensured that leadership is committed to ensuring that he is well staffed.

VI. BOARD COMMENTS

Chairman provided recognition to Jason's great work and encouraged him to continue.

VII. ADJOURN

The meeting was adjourned at 10:05 am.

Edward Carlos Vallejo
Edward Carlos Vallejo (Jan 10, 2023 15:56 CST)

Jan 10, 2023

**Presiding officer will be physically present at this address.*

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, November 10, 2022
9:30 am**

MINUTES

I. MEETING CALLED TO ORDER

Chairman Cleveland called the meeting to order at 10:17 am.

II. INVOCATION

Chairman Cleveland asked Jonathan Hoekstra to give the invocation.

III. RECOGNITION OF GUESTS

Chairman Cleveland recognized Linda Hatchel & Barbara Hatchel.

IV. DETERMINATION OF QUORUM

Chairman Cleveland called attendance and determined a quorum. All regents were present.

V. ADOPTION OF AGENDA

*Presiding officer will be physically present at this address.

The agenda was adopted with a motion to approve by Regent Abad and the motion seconded by Regent Tremont. The agenda was approved unanimously.

VI. APPROVAL OF MINUTES OF AUGUST 17-18, 2022 MEETINGS

The minutes from the August 17-18, 2022 meetings were approved with a motion by Regent Abad and seconded by Regent Stewart. The minutes were approved unanimously.

VII. PUBLIC COMMENTS

None.

VIII. CHANCELLOR COMMENTS

Chancellor Reeser brought to attention two themes – people & prosperity. Those in leadership roles across the state have been involved this week and we are grateful for their dedication. Reports yesterday showed that we are meeting the needs while others are facing challenges. TSTC was able to endure the pandemic and continue to grow.

IX. COMMITTEE REPORTS & MINUTE ORDERS

- a. **Committee for Student Learning and Student Development**
Ron Widup, Chair; Lizzy de la Garza Putegnat, Member

Committee Chair Comments

Chair Widup commented on the successful committee working group and the talent of TSTC from across the state. Chair Widup commended the team's great work.

Minute Orders:

Proposed MO#

None.

Reports:

None.

b. **Committee for Fiscal Affairs**

Tiffany Tremont, Chair; Ron Widup, Member

Committee Chair Comments

Chair Tremont gave a brief overview of the minute orders, reports and introduced Chad Wooten present the materials.

Minute Orders:

Proposed MO#

FA 07-22 Policy for Investments 12
Jonathan Hoekstra

FA 08-22 (c) Authorize the Chancellor to Adopt Policies and Procedures
Governing Payroll Deductions 20
Jonathan Hoekstra

Wooten explained the addition to Policy for Investments. Wooten explained minute order FA 08-22(c). With this minute order, an annual report will be provided after the delegation.

Chair Tremont provided recognition of the team's hard work and the asset of Workday.

Reports:

Chad Wooten discussed the Budget Performance Report and highlighted that budget was balanced. Tuition Revenue was also highlighted as we are seeing an increase in enrollment and therefore, revenue has been directly influenced. Wooten gave an update on CARES funds including the remainder of funds.

Chairman asked what the projection is for enrollment costs for 2023. Wooten answered with assurance.

Chancellor Reeser explained the purpose of the pledged collateral report. Regent Widup asked about the remainder of CARES fund and the exposure on the funds. Wooten offered reassurance that the funds are being audited and explained that all student funds have been disbursed. Wooten gave kudos to the Office of Sponsored Programs and Grants.

Wooten reviewed the Quarterly Investment Report. He pointed out that all debt has been paid and the payroll funds have increased. He also highlighted the total bond proceeds and how it will look different next year.

Wooten explained the Debt Service Report and acknowledged the decrease. Wooten continued to provide explanation of the report.

Wooten informed the regents of the Total Outstanding Debt as of August 31, 2022.

Wooten explained the outlook from Fitch. Moody's label as negative due to the extreme amount of debt. He provided reassurances that there is no need for concern.

Chairman Cleveland asked, "How many bond rating agencies are there?" Wooten answered with three agencies. VC Hoekstra added commentary regarding TSTC's plan to be bold.

Wooten continued to review the remainder of the book highlighting special attention to the Title IX. This report can also be found on the TSTC website.

1. Budget Performance Report 22
Jonathan Hoekstra

2. Pledged Collateral Report 24
Jonathan Hoekstra

3.	Quarterly Investment Report	25
		<i>Jonathan Hoekstra</i>
4.	Debt Management Report	27
		<i>Jonathan Hoekstra</i>
5.	Quarterly Report for Contracts > \$1 Million	31
		<i>Jonathan Hoekstra</i>
6.	Quarterly Lease Report	32
		<i>Jonathan Hoekstra</i>
7.	Title IX Annual Report	33
		<i>Jonathan Hoekstra</i>

c. **Committee for Facilities**

Keith Honey, Chair

Committee Chair Comments

Regent Honey provided an update on the working group. Honey brought special attention to the Deferred Maintenance Report and the new program to track. He also explained the new ProCare system. Honey ended his update with recognition of the Regent's campus tour on the prior day and the satisfaction of the changes and improvements across the campus.

Minute Orders:

Proposed MO#

None.

Reports:

Vice Chancellor Herrera reviewed the Major Projects List and highlighted the data in red. CCAPs completion updates won't change for another 6-9 months.

- | | | |
|----|---------------------------------------|---------------------------|
| 1. | Major Facility Projects Status Update | 36
<i>Rick Herrera</i> |
| 2. | Deferred Maintenance Projects Summary | 39
<i>Rick Herrera</i> |

d. **Committee for General Administration**
Pat McDonald, Chair; Tony Abad, Member

Committee Chair Comments

Regent Pat McDonald presented the update of the General Administration working group. He recognized the special guests, Cledia Hernandez and Joe Arnold.

Vice Chancellor Lawrence recognized both Beth Wooten & Michael Smith.

She presented the 22% increase over FY21 and continued with an executive summary. Noted that the team raised more funds than ever before.

VC Lawrence presented the minute order and explained that it had previously been approved by the Foundation’s board at their last meeting.

Minute Orders:

Proposed MO#

GA 02-22(c) Approve The TSTC Foundation Operating Plan for the Period September 1, 2022 to August 31, 2023

41

Gail Lawrence

Reports:

VC Lawrence referred back to the Special Meeting on the previous day for the legislative update. Again, she stated her confidence in the work that is taking place to prepare for the bold request in the upcoming session.

X. RECESS OPEN MEETING

Chairman Cleveland announced the recess of the open meeting at 10:58 am.

XI. CLOSED MEETING

1. The Closed Meeting is called to Order at 11:01am, and a quorum is determined by Chairman Cleveland. All regents were present.
2. Pursuant to Texas Government Code, Section 551.071, Edward Vallejo briefs the Board of Regents concerning pending litigation.
 1. Ted Donovan v. TSTC
 2. John Clark Owen v. TSTC
 3. Davis/Dorton v. Reeser/Rushing
 4. Rachel Myrick v. TSTC
3. Pursuant to Texas Government Code, Section 551.072, discussion is had concerning the potential purchase of real estate. Minute orders, CS 05-22 & CS 06-22, will be moved forward for motion for approval.
4. Personnel Matters (Texas Government Code, Section 551.074)
 1. Internal Audit Director Performance Evaluation. Discussion
 2. Chancellor & CEO Performance Evaluation. Discussion is had concerning the Chancellor's performance and, on behalf of the Board of Regents, Regent Tremont expresses her appreciation for all of the work done by the Chancellor and reiterates that he has the full backing and support of the Board of Regents.
 3. Upon recommendation by the Chancellor, discussion is had concerning the appointment of Edward Vallejo as the General Counsel.
5. Adjourn
Chairman Cleveland adjourned the closed meeting at 12:58.

XII. OPEN MEETING RECONVENES

Chairman Cleveland reconvenes the open meeting at 1:02pm.

XIII. ACTION ON CLOSED MEETING

After a motion by Regent McDonald to appoint Edward Vallejo as the General Counsel of TSTC, which was seconded by Regent Honey and all regents voted in favor of Edward Vallejo to serve as TSTC's General Counsel.

Regent Tremont presented two minute orders, CS 05-22 and CS 06-22, for approval. Motion by Regent Widup, seconded by Regent Abad, and all regents voted in favor of the real estate minute orders.

After a motion by Regent McDonald to give Jason Mallory a 15.3% raise, which was seconded by Regent Honey, all regents voted in favor giving Jason Mallory a 15.3% raise which will start in January of 2023.

XIV. CONSENT AGENDA ITEMS

IA 02-22 (c) Internal Audit Charter - Review and Reapproval

FA 08-22 (c) Authorize the Chancellor to Adopt Policies and Procedures Governing Payroll Deductions

GA 02-22(c) Approve The TSTC Foundation Operating Plan for the Period September 1, 2022 to August 31, 2023

XV. UNFINISHED BUSINESS

FA 07-22 was approved by all regents except for Chairman Cleveland. He abstained from the vote due to conflict of interest.

XVI. NEW BUSINESS

None.

XVII. ELECTION OF OFFICERS

Secretary to the Board, Edward Vallejo, provided the slate of nominations received for Calendar Year 2023 and presented the nominations:

Chair: Tiffany Tremont
Vice Chair: Ron Widup
Executive Committee Place 1: Pat McDonald
Executive Committee Place 2: Keith Honey

The slate of nominations was presented by Edward Vallejo and all regents voted in favor of the slate of nominations as presented by Edward Vallejo to serve for the Calendar Year 2023..

XVIII. PROPOSED MEETING DATES

- a. Proposed Board of Regents Meeting Dates for Calendar Year 2023

XIX. CHANCELLOR COMMENTS

Chancellor Reeser offered gratitude to the events team for coordinating all the events of the week. He also offered gratitude to the regents for their support of the college.

XX. BOARD COMMENTS

Regent Widup, Regent McDonald, and Regent Putegnatt all expressed appreciation to Chairman Cleveland and his leadership over the past year.

XXI. ADJOURN

The meeting was adjourned at 1:10 pm.

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Committee for Student Learning and Student Development

Kathy Stewart, Chair; Lizzy de la Garza Putegnat, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

SL 01-23 (c)	Approve Associate Degree and Certificate Programs	2
	<i>Jonathan Hoekstra</i>	

Reports:

None.





Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** SL 01-23(c)

Proposed By: Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer

Subject: **Approve Associate Degree and Certificate Programs**

Background: The Texas Higher Education Coordinating Board (THECB) Rule, Chapter 9, Subchapter E, §9.93, requires all new associate degree and certificate programs be approved by the THECB. This rule further requires that Institutions certify that each program has been approved by its governing board. The Board of Regents approval of new associate degree and certificate programs extends to all TSTC campuses.

Justification: An annual approval of all degree and certificate programs is essential to ensure compliance with applicable rules.

Additional Information: The following award offerings have been updated:

- Associate Degree (AAS)
 - Industrial Systems – Advanced Manufacturing Technology
- Advanced Technical Certificate (ATC)
 - Tesla Collision Repair
 - Digital Media Design Desktop Publisher
- Level 1 Certificate (CER1)
 - Occupational Safety
 - Environmental Compliance
 - Electromechanical Technician
- Occupational Skills Award (OSA)
 - Aviation Electronic Controls Systems
 - Biomedical Equipment and Diagnostics
 - Smart Automation
- Sunset Awards - These have been discontinued and are in teach out phase
 - Diesel Equipment – John Deere Construction Associate Degree (AAS)
 - Automotive Technology Toyota T-Ten Certificate Level 2 (CER2)

Fiscal Implications: No Fiscal Implication.

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

Attachment(s): Inventory of Associate Degree and Certificate Programs 2022-2024

**Recommended
Minute Order:**

“The Texas State Technical College Board of Regents approves and certifies the programs and degrees contained in the Inventory of Associate Degree and Certificate Programs for 2022-2024.”

Recommended By:

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer

2022 - 2024 Inventory of Associate Degree and Certificate Programs



AWARD NAME	AWARD TYPE
Aircraft Airframe Technology	AAS
Aircraft Airframe Technician	CER2
Aircraft Line Technician	CER1
Aircraft Pilot Training Technology - Airplane Specialization	AAS
Aircraft Pilot Training Unmanned Aerial Vehicle	CER1
Aircraft Powerplant Technology	AAS
Aircraft Powerplant Technician	CER2
Architectural Design & Engineering Graphics Technology	AAS
Architectural Design & Engineering Graphics Technology	CER2
Architectural Design & Engineering Graphics Technology	CER1
**Basic Architectural/Mechanical Drafting	OSA
Basic Computer Aided Drafting	OSA
Architectural/Civil Drafting Technology	AAS
Architectural/Civil Drafting Technology	CER2
Architectural/Civil Drafting Technology	CER1
Basic Architectural/Civil Drafting	OSA
Auto Collision & Management Technology - Refinishing Specialization	AAS
Auto Collision Refinishing	CER2
Auto Collision Refinishing	CER1
Auto Collision & Management Technology - Repair Specialization	AAS
Auto Collision Repair	CER2
Auto Collision Repair	CER1
Basic Auto Collision	OSA
Tesla Collision Repair	ATC
Auto Collision & Management Technology - Repair Specialization CO-OP	AAS
Automation & Controls Technology	AAS
Automotive Technology	AAS
Automotive Technician	CER2

AAS - Associate of Applied Science Degree	CER1 - Certificate Level One	OSA - Occupational Skills Achievement Award
AS - Associate of Science Degree	CER2 - Certificate Level Two	* Sunset Program / Teachout
ATC - Advanced Technical Certificate	CCC - Core Curriculum Completer Certificate	**Duplicate OSA offered TAMU Partnership

AWARD NAME	AWARD TYPE
Automotive Technology Chrysler Specialization	CER2
*Automotive Technology Toyota T-TEN Specialization	CER2
Automotive Maintenance & Light Repair	CER1
Basic Automotive	OSA
Automotive Tesla START Technician Certificate	ATC
Avionics Technology	AAS
Avionics Installation Technician	CER1
Aviation Electronic Control Systems	OSA
Avionics Technology	OSA
Biology	AS
Biomedical Equipment Technology	AAS
Medical Imaging Systems Technology	AAS
Biomedical Equipment & Diagnostics	OSA
Building Construction Technology	AAS
Building Construction Craftsman	CER1
Building Inspection Level I	OSA
Business Management Technology	AAS
Business Management Technology	CER2
Bookkeeping Accounting Assistant	CER1
Office Assistant	CER1
Basic Accounting & Bookkeeping	OSA
General Office Clerk	OSA
Office Assistant/Software	OSA
Chemical Dependency Counseling	AAS
Chemical Dependency Counseling	CER2
Chemical Dependency Counseling	CER1
Chemical Dependency Counseling	OSA
*Cloud Computing	AAS
Computer Networking & Systems Administration	AAS
IT Support Tier II	CER2
IT Support Tier I	CER1
Entry IT Support	OSA

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CCC - Core Curriculum Completer Certificate

OSA - Occupational Skills Achievement Award
* Sunset Program / Teachout
**Duplicate OSA offered TAMU Partnership

AWARD NAME	AWARD TYPE
Cloud Computing	ATC
Computer Programming Technology	AAS
Software Developer	CER2
Java Developer	CER1
Mobile App Developer	CER1
Basic Database	OSA
Computer Science	AS
Culinary Arts	AAS
Culinarian	CER2
Culinary Assistant	CER1
Culinary Specialist	CER1
Cybersecurity	AAS
Cybersecurity	CER2
Cybersecurity	CER1
Advanced Cybersecurity	OSA
Basic Cybersecurity	OSA
Inter Cybersecurity	OSA
Intro Cybersecurity	OSA
Digital Forensics Specialist	ATC
Dental Hygiene	AAS
Diesel Equipment Technology - Heavy Truck Specialization	AAS
Heavy Truck	CER2
Heavy Truck	CER1
Basic Diesel	OSA
Diesel Equipment Technology - Off Highway Specialization	AAS
Off Highway Specialization	CER2
Off Highway Equipment	CER1
*Diesel Equipment Technology - John Deere Construction & Forestry	AAS
Digital Media Design	AAS
Digital Media Design	CER2
Digital Media Design	CER1
Digital Media Design	OSA

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CCC - Core Curriculum Completer Certificate

OSA - Occupational Skills Achievement Award
* Sunset Program / Teachout
**Duplicate OSA offered TAMU Partnership

AWARD NAME	AWARD TYPE
Digital Media Design Desktop Publisher	ATC
Education & Training	AAS
Education & Training	CER2
Electrical Construction	CER1
Electrical Lineworker & Management Technology	AAS
Electrical Lineworker	CER1
Electrical Power & Controls	AAS
Electromechanical Technology	AAS
Electromechanical Technician	CER2
Electromechanical Technician	CER1
Emergency Medical Technology (EMT) - Paramedic	AAS
Emergency Medical Services - Advanced EMT (AEMT)	CER2
Emergency Medical Services - Paramedic	CER2
*Emergency Medical Services - Advanced EMT (AEMT)	CER1
Emergency Medical Services - EMT	CER1
Emergency Medical Services - EMT	OSA
Engineering	AS
Engineering Graphics & Design Technology	AAS
Engineering Graphics & Design Technology	CER2
Engineering Graphics & Design Technology	CER1
*Environmental Technology - Compliance	AAS
Health Information Technology	AAS
Medical Coding & Billing Specialist	CER2
Medical Office Specialist	CER1
Medical Office Specialist	OSA
Heating, Ventilation & Air Conditioning Technology (HVAC)	AAS
HVAC Technology	CER2
HVAC Residential Service Technician	CER1
HVAC Technician	CER1
HVAC Basic Heating Ventilation Air Conditioning	OSA
Industrial Systems - Advanced Manufacturing Technology	AAS
Industrial Systems - Electrical Specialization	AAS

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CCC - Core Curriculum Completer Certificate

OSA - Occupational Skills Achievement Award
* Sunset Program / Teachout
**Duplicate OSA offered TAMU Partnership

AWARD NAME	AWARD TYPE
Electrical	CER2
Electrical	CER1
Industrial Systems - Mechanical Specialization	AAS
Mechanical Specialization	CER2
Entry Level Technician	CER1
Industrial Systems Mechanic	CER1
Basic Industrial Systems Electrical	OSA
Instrumentation Technology	AAS
Mathematics	AS
Mechatronics Technology	AAS
**Basic Electromechanical Automation, Programmable Logic Controller (PLC)	OSA
Smart Automation	OSA
Occupational Safety & Environmental Compliance Technology	AAS
Environmental Compliance	CER1
Occupational Safety	CER1
Occupational Safety & Environmental Compliance Technology	OSA
*Occupational Safety Compliance Technology	AAS
Physics	AS
Plumbing & Pipefitting Technology - Journeyman	AAS
Apprentice with Endorsements	CER1
Tradesman	CER1
Basic Plumbing	OSA
Precision Machining Technology	AAS
Precision Machining Technology	CER2
Computer Numerical Controlled (CNC) Machine Operator Specialization	CER1
**Basic Machining	OSA
Industrial Manufacturing Processes	OSA
Process Operations	AAS
Materials Handler	CER2
Process Operations	OSA
Robotics & Industrial Controls Technology	AAS
Robotics & Industrial Controls Technology	CER2

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CCC - Core Curriculum Completer Certificate

OSA - Occupational Skills Achievement Award
* Sunset Program / Teachout
**Duplicate OSA offered TAMU Partnership

AWARD NAME	AWARD TYPE
Registered Nursing (Associate Degree in Nursing)	AAS
Vocational Nursing	CER2
Solar Energy Technology	AAS
Energy Efficiency Specialist	CER1
Surgical Technology	AAS
Sterile Processing	OSA
*Visual Communication Technology	AAS
*Visual Communication Technology	CER2
*Visual Communication Technology	CER1
Web Design & Development	AAS
Web Developer	CER2
Front End Designer	CER1
Hypertext Preprocessor (PHP) Developer	CER1
Basic Web Design	OSA
Welding Technology	AAS
Pipe Specialization	CER2
Advanced Processes Specialization	CER2
Structural Welding	CER1
**Basic Welding - Multiple Processes	OSA
Wind Energy Technology	AAS
Wind Energy Technician	CER1
Academic Core Curriculum	CCC

Total Award Type	180
AAS - Associate of Applied Science Degree	53
AS - Associate of Science Degree	5
ATC - Advanced Technical Certificate	5
CER1 - Certificate Level One	44
CER2 - Certificate Level Two	35
OSA - Occupational Skills Achievement Award**	37
CCC - Core Curriculum Completer Certificate	1

AAS - Associate of Applied Science Degree
AS - Associate of Science Degree
ATC - Advanced Technical Certificate

CER1 - Certificate Level One
CER2 - Certificate Level Two
CCC - Core Curriculum Completer Certificate

OSA - Occupational Skills Achievement Award
*Sunset Program / Teachout
**Duplicate OSA offered (TAMU Partnership)

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Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** FA 01-23(c)

Proposed By: Chad Wooten, Acting Vice Chancellor & Interim Chief Financial Officer

Subject: **Approve the contract for Commercial Driver License (CDL) training associated with Electrical Lineworker & Management Technology, and any amendment, extension or renewal of the agreement**

Background: Texas State Technical College (TSTC) executed contract #2069 with STVT-AAI Education, Inc., DBA Ancora Corporate Training on January 29, 2021. Commercial Driver's License (CDL) training is offered for TSTC Lineworker & Management Technology graduates, as a result of employability requirements and advisory board requests. Graduates from the program are now able to obtain training and prepare for mastery of the Commercial Driver's License written examination.

Management anticipates additional amendments, extensions, and renewals that will cause the contract value to exceed the \$1 million limit of management's authority to approve a contract. Consequently, Board approval is required for this contract pursuant to Texas Education Code § 51.9337(f).

Justification: Approval also ensures compliance with Texas Education Code § 51.9337(f).

Additional Information: None.

Fiscal Implications: Funds are available as currently budgeted for the contract.

Attestation: The 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 agreement associated with Electrical Lineworker & Management Technology Commercial Driver's License (CDL) training where the contract exceed \$1 million, and delegates its authority to the Chancellor, or his designee, to enter into and execute any necessary amendments, extensions, or renewals to the said agreements."

Recommended By: [ORIGINAL SIGNED BY]
Chad Wooten, Acting Vice Chancellor & Interim Chief Financial Officer



Board Meeting Date: February 9, 2023

Proposed Minute Order #: FA 02-23(c)

Proposed By: Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer

Subject: **Approve the Master Lease of the Industrial Training Center of Central Texas and Related Parking from The TSTC Foundation to Texas State Technical College in Waco for a Term of up to 30 Years**

Background: Rising demand for advanced skills critical to central Texas industrial employers has stimulated discussion across interested constituents about the need to develop a workforce training facility near the Waco Industrial Foundation's industrial zone. The Waco Industrial Foundation (WIF), the City of Waco (City), and McLennan County (County) have committed to support Texas State Technical College (TSTC) in the joint development of the Central Texas Industrial Training Center (Center). In principle, the WIF will exchange land with TSTC for the project and the City and County will provide funds for construction of a workforce training facility. TSTC will provide monetary and in-kind contributions for equipment and ongoing operations.

Under the concept, TSTC will operate the Center and focus the training provided on the most urgent and important workforce needs of Waco area industrial employers. The proposed structure will allow the gifts to flow through The TSTC Foundation (Foundation), which will finance, construct, and own the workforce training facility until the gift terms expire. Once the debt is repaid, the workforce training facility will be conveyed to TSTC.

Justification: The joint development positions TSTC to respond directly to local industry needs, supporting economic development in the near and long-term.

Additional Information: Simultaneous to this requested action, TSTC administration seeks approval of the Board of Regents through *Minute Order FA 03-23(c)* to lease land to the Foundation, providing the Foundation the right to construct the Center.

This approval of the Master Lease Agreement (Lease) is requested as part of a financing to be accomplished through the Foundation. Under the Lease, TSTC will lease the Center from the Foundation. The Foundation will borrow up to \$17 million for the construction of the Center under Chapter [53](#) of the Texas Education Code, which chapter requires that the Foundation be authorized¹² by the TSTC Board of Regents to enter into said

loan transaction. Under the Lease, the Foundation will own the Center, but once the debt is paid in full, ownership of the Center will vest in full with TSTC.

Action Schedule: Approve the Concept of Jointly Developing an Industrial Training Facility to be Located in the Western Industrial Park of Waco, Texas, with the City of Waco, McLennan County, the Waco Industrial Foundation and the TSTC Foundation, and Authorize the Chancellor to Commit up to \$1 Million in Capital Contributions, Contingent on the Formal Commitment of the City of Waco, McLennan County, and the Waco Industrial Foundation
MO 15-22 (c)

Approve the Project to Jointly Develop and Construct an Industrial Training Facility with the City of Waco, McLennan County, the Waco Industrial Foundation, and The TSTC Foundation, which is to be Located in the Western Industrial Park of Waco, Texas, and Authorize the Chancellor to Negotiate and Execute Contracts *MO 06-22 (c)*

Fiscal Implications: The term of the Lease will coincide with the term of the debt payments. Ultimately, the funds provided by the City and the County for construction of the Center will pay for the construction of the Center, but, due to the timing of the City and County funds, TSTC will pay rent to the Foundation in an amount necessary to service debt from the construction loan. Also, TSTC will pay all operating expenses of the Center, and will pay the Foundation an administrative fee.

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

Attachment(s): Letter from General Counsel

Recommended Minute Order: "The Texas State Technical College Board of Regents **approves** the Lease of the Center and related parking from The TSTC Foundation to Texas State Technical College in Waco for a term of up to 30 years, **delegates** authority to the Chancellor, or his designee, to enter into and execute all necessary documents to complete said lease with The TSTC Foundation, and **authorizes** The TSTC Foundation to enter into a transaction as a borrower under Chapter 53 of the Texas Education Code to facilitate the construction of the Center."

Recommended By: **[ORIGINAL SIGNED BY]**
Chad Wooten, Acting Vice Chancellor & Interim Chief Financial Officer

January 18, 2023

254-867-3972

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

Re: Approve the Master Lease of Industrial Training Center of Central Texas and Related Parking at Texas State Technical College in Waco from The TSTC Foundation for a Term of up to 30 Years.

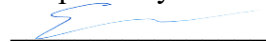
As requested, I have reviewed and considered the legal ramifications of the (1) approval of the Master Lease (Lease) of the Central Texas Industrial Training Center (Center) in Waco and related parking from The TSTC Foundation to Texas State Technical College in Waco for a term of up to 30 years, (2) delegation of authority to the Chancellor, or his designee, to execute said Lease, and (3) authorization of The TSTC Foundation to enter into a transaction as a borrower under Chapter 53 of the Texas Education Code to facilitate the construction of the Center.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organization and control of TSTC with the Board of Regents, and this would include (1) the authority to approve leases, (2) the authority to accept or acquire by purchase facilities in any of the counties in which a campus is located, and (3) the ability to delegate these authorities. The TSTC Foundation will be borrowing funds under Chapter [53](#) of the Texas Education Code to construct the Center, which requires that The TSTC Foundation be authorized by the TSTC Board of Regents to enter into a transaction as a borrower under said chapter.

Having reviewed the Texas Education Code, it is my opinion that the (1) approval of the Lease of the Center and related parking from The TSTC Foundation to Texas State Technical College in Waco for a term of up to 30 years, (2) delegation of authority from the Board of Regents to the Chancellor, or his designee, to enter into and execute all necessary documents to complete said Lease with The TSTC Foundation, and (3) authorization of The TSTC Foundation to enter into a transaction as a borrower under Chapter 53 of the Texas Education Code to facilitate the construction of the Center comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Deputy Vice Chancellor & General Counsel

cc: Chad Wooten, Acting Vice Chancellor & Interim Chief Financial Officer



Board Meeting Date: February 9, 2023

Proposed Minute Order #: FA 03-23(c)

Proposed By: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Subject: **Approve the Ground Lease of Land from Texas State Technical College in Waco to The TSTC Foundation**

Background: Rising demand for advanced skills critical to central Texas industrial employers has stimulated discussion across interested constituents about the need to develop a workforce training facility near the Waco Industrial Foundation's industrial zone. The Waco Industrial Foundation (WIF), the City of Waco (City), and McLennan County (County) have committed to support Texas State Technical College (TSTC) in the joint development of the Industrial Training Center of Central Texas (Center) under the following terms:

- WIF will exchange land with TSTC for the project.
- The City and County will make payments to The TSTC Foundation (Foundation), supporting the cost of construction capital of the initial building.
- TSTC will enter into a land lease with The TSTC Foundation.
- The Foundation will finance, construct, and own the facility until the agreements expire and the debt is paid. The Foundation will convey the facility TSTC upon full payment of the debt.
- TSTC will enter into an operating lease, enabling TSTC to operate the facility.
- TSTC will provide monetary and in-kind contributions, to include equipment and ongoing operation and maintenance costs.

Under the concept, TSTC will operate the Center and focus the training provided on the most urgent and important workforce needs of Waco area industrial employers.

Justification: The joint development positions TSTC to respond directly to local industry needs, supporting economic development in the near and long-term. The Foundation will finance the project, develop the site, and own the Center. The Ground Lease will provide the Foundation the right to use the land where the Center is to be located.

Additional Information: Simultaneous to this requested action, TSTC administration seeks approval of the Board of Regents through *Minute Order FA 02-23(c)* to occupy and operate the Center under a Master Lease Agreement with the Foundation. TSTC will lease the facilities at a rate sufficient to cover the Foundation’s debt service and administrative overhead for a term of up to 30 years.

Action Schedule: Approve the Concept of Jointly Developing an Industrial Training Facility to be Located in the Western Industrial Park of Waco, Texas, with the City of Waco, McLennan County, the Waco Industrial Foundation and the TSTC Foundation, and Authorize the Chancellor to Commit up to \$1 Million in Capital Contributions, Contingent on the Formal Commitment of the City of Waco, McLennan County, and the Waco Industrial Foundation *MO 15-22 (c)*

Approve the Project to Jointly Develop and Construct an Industrial Training Facility with the City of Waco, McLennan County, the Waco Industrial Foundation, and The TSTC Foundation, which is to be Located in the Western Industrial Park of Waco, Texas, and Authorize the Chancellor to Negotiate and Execute Contracts *MO 06-22 (c)*

Fiscal Implications: The Foundation will borrow up to \$17 million for the construction of the Center. TSTC will provide funds to pay this debt through the Master Lease Agreement. The Ground Lease to The TSTC Foundation will terminate at such time as the debt is paid in full.

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

Attachment(s): Letter from General Counsel

Recommended Minute Order: “The Texas State Technical College Board of Regents approves the lease of land from Texas State Technical College in Waco to The TSTC Foundation and delegates authority to the Chancellor, or his designee, to enter into and execute all necessary documents to complete said lease of land to The TSTC Foundation.”

Recommended By: **[ORIGINAL SIGNED BY]**
Chad Wooten, Acting Vice Chancellor & Interim Chief Financial Officer

January 18, 2023

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

Re: Approve the Ground Lease of Land from Texas State Technical College in Waco to The TSTC Foundation.

As requested, I have reviewed and considered the legal ramifications of (1) approving the lease of land from Texas State Technical College in Waco to The TSTC Foundation and (2) authorizing the Chancellor, or his designee, to execute a ground lease agreement with The TSTC Foundation.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organization and control of TSTC with the Board of Regents (“Board”), and this would specifically include [leasing land](#) owned by the system as the Board determines is in the best interest of fulfilling the mission of the system.

A training facility will be constructed on the land to be leased to The TSTC Foundation. This ground lease is in support of previously approved minute order FA 06-22(c).

Having reviewed the Texas Education Code, it is my opinion that (1) the approval of the lease of land from Texas State Technical College in Waco to The TSTC Foundation, and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to execute a ground lease agreement with The TSTC Foundation, entering into and executing all necessary documents to complete said lease comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Deputy Vice Chancellor & General Counsel

cc: Chad Wooten
Acting Vice Chancellor & Interim Chief Financial Officer

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of November 30, 2022

Description	Ending Value as of 8/31/22	Ending Value as of 11/30/22	Interest Rate
<u>Operating Funds</u>			
Cash in State Treasury	5,946,519	7,313,309	3.02%
Statewide Operating	12,455,866	9,098,570	3.02%
Harlingen - Local Operating	53,689	51,403	0.01%
Sweetwater - Local Operating	27,375	26,694	2.63%
Marshall - Local Operating	29,413	32,985	0.05%
Fort Bend - Local Operating	45,264	26,984	0.00%
Brownwood - Local Operating	15,172	15,179	0.01%
Abilene - Local Operating	12,426	15,223	0.20%
North Texas - Local Operating	11,978	11,003	0.30%
Breckenridge - Local Operating	10,433	10,436	0.10%
Payroll	3,970,759	2,836,107	3.02%
Federal Funds	10	3,106	0.00%
Texas Range - Pool	30,563,745	30,782,644	3.65%
Total Operating Funds	53,142,649	50,223,642	
<u>Endowment Funds</u>			
Bank of America - CD	10,000	10,000	0.01%
FNB Albany/Breckenridge - CD	99,215	99,215	0.50%
FNB Central Texas - MMKT	290,214	292,306	3.02%
Extraco Banks, N.A. - CD	191,574	191,574	0.25%
Liberty/Veritex Community Bank - CD	10,000	10,000	2.75%
Total Endowment Funds	601,003	603,095	
<u>Bond Proceeds / Debt Service Funds</u>			
FNB Central Texas (Series 2016 HEAF/RFS bonds)	3,628	70	3.02%
Texas Range Pool (Series 2022 CCAP bonds)	-	296,591,171	3.65%
TexPool (Series 2020 bonds)	11,087,059	10,729,859	3.61%
Texas Range Pool (Series 2022 CCAP debt service)	-	20,340,350	3.65%
Total Bond Proceeds / Debt Service Funds	11,090,687	327,661,450	
Total All Investments	64,834,339	378,488,187	

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of November 30, 2022

Schedule of Time Deposits:

Description	Amount	Maturity Date	Days Maturity	Rate	Type
Veritex Community Bank	10,000	9/7/2024	731	2.75%	Endowment
Extraco Banks, N.A.	191,574	12/10/2022	365	0.25%	Endowment
FNB - Albany/Breckenridge	65,000	4/5/2023	365	0.50%	Endowment
FNB - Albany/Breckenridge	34,215	4/13/2023	365	0.50%	Endowment
Bank of America	10,000	8/10/2023	365	0.01%	Endowment
Total Time Deposits	310,789				

Weighted Average Maturity (Time Deposits): **377 days**

Weighted Average Rate of Interest (All Investments): **3.34%**

Current One Year Treasury Bill Rate: *4.74%*

Lipper Money Market Funds Average Return (1 YR): *0.94%*

FY 2023 Interest Received and Accrued (All Investments): **1,053,302**

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).



Anju Motwani, Vice President & Controller

January 23, 2023

Date



Jonathan Hoekstra, Chief Financial Officer

January 23, 2023

Date

TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report
November 30, 2022

	DEPOSITS			SECURITY ON DEPOSITS				Sufficient (Insufficient)
	Demand Deposits	Money Market & Time Deposits	Total Deposits	FDIC* Coverage (up to)	Required Collateral	Collateral at Market Value		
Depository - Location								
First Ntl Bank of Central Texas - Waco	11,937,853	292,306	12,230,159	500,000	11,730,159	34,500,000	22,769,841	
Frost Bank - Harlingen/Fort Bend	78,387	-	78,387	250,000	-	400,300	571,913	
Texas National Bank - Sweetwater	26,694	-	26,694	250,000	-	-	223,306	
Texas Bank & Trust - Marshall	32,985	-	32,985	250,000	-	-	217,015	
Citizens National Bank - Red Oak	11,003	-	11,003	250,000	-	-	238,997	
Prosperity Bank - Abilene	15,223	-	15,223	250,000	-	-	234,777	
Texas Bank - Brownwood	15,179	-	15,179	250,000	-	-	234,821	
InterBank - Breckenridge	10,436	-	10,436	250,000	-	-	239,564	
Bank of America - Waco	-	10,000	10,000	250,000	-	-	240,000	
First Ntl Bank - Albany/Breckenridge	-	99,215	99,215	250,000	-	-	150,785	
Veritex Comm. Bank - N. Richland Hills	-	10,000	10,000	250,000	-	-	240,000	
Extracto Banks, N.A. - Waco	-	191,574	191,574	250,000	-	-	58,426	
Cash in State Treasury	7,313,309	-	7,313,309	No Collateral Required	No Collateral Required	-		
TexasTerm (Government Pool)	347,714,165	-	347,714,165	No Collateral Required	No Collateral Required	-		
TexPool (Government Pool)	10,729,859	-	10,729,859	No Collateral Required	No Collateral Required	-		
TOTAL	377,885,092	603,095	378,488,187					

* 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
Condensed Statements of Net Position

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets			
Cash & Investments - unrestricted	\$ 51,143,431	57,812,581	51,903,376
Cash & Investments - restricted	28,983,646	22,559,457	14,177,584
Receivables	27,090,620	31,044,813	43,594,960
Capital/Intangible Assets, Net	222,499,497	241,735,019	257,771,849
Other Assets	82,602,322	90,961,786	67,839,714
Total Assets	<u>412,319,516</u>	<u>444,113,655</u>	<u>435,287,485</u>
Liabilities and Net Position			
Liabilities			
Accounts Payable	11,684,327	11,232,540	11,139,588
Payroll Payables	14,439,779	15,076,038	16,600,423
Unearned Tuition Revenue	19,730,469	24,760,497	24,771,876
Other Liabilities	74,698,452	104,162,465	108,710,819
Long-term Debt	136,706,993	143,691,543	126,940,988
Total Liabilities	<u>257,260,020</u>	<u>298,923,083</u>	<u>288,163,694</u>
Net Position			
Net investment in capital assets	110,897,237	117,899,434	142,758,322
Restricted, expendable	1,485,891	343,244	102,623
Restricted, non-expendable	585,546	586,511	588,200
Unrestricted	28,774,837	37,942,595	30,584,240
Unrestricted - Waco facility demo	27,498,069	15,638,868	9,966,783
Unrestricted - Other Post Employment Benefits (OPEB) and Pension	(14,182,084)	(27,220,080)	(36,876,377)
Total Net Position	<u>155,059,495</u>	<u>145,190,573</u>	<u>147,123,790</u>
Total Liabilities and Net Position	<u>\$ 412,319,516</u>	<u>444,113,655</u>	<u>435,287,485</u>

Liquidity and Leverage Analysis

Liquidity Ratio: Cash on Hand (in days)

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

Unrestricted Cash x 365 Days	18,667,352,140	21,101,591,948	18,944,732,415
Operating Expenses	182,149,844	185,483,604	206,901,325

TSTC Cash on Hand (in days): **102.5 days** **113.8 days** **91.6 days**

	Fiscal Year	Median
Benchmark:	2019	147 days
<i>Moody's A2 Rated Public Universities</i>	2020	158 days
	2021	183 days

Leverage Ratio: Spendable Cash & Investments to Total Debt

Examines the ability of an institution to repay bondholders from wealth that can be accessed over time.

Spendable Cash & Investments	79,541,531	79,785,526	65,492,760
Total Debt	136,706,993	143,691,543	126,940,988

TSTC Spendable Cash to Total Debt: **0.58x** **0.56x** **0.52x**

	Fiscal Year	Median
Benchmark:	2019	0.81x
<i>Moody's A2 Rated Public Universities</i>	2020	0.98x
	2021	1.16x

Texas State Technical College
Condensed Statement of Changes in Net Position

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating Revenue			
Gross Tuition and Fees	\$ 48,865,433	46,370,327	57,584,771
Discounts and Allowances	(20,313,577)	(18,646,332)	(27,187,302)
Financial Aid Grants	26,324,164	51,070,606	63,963,787
Scholarship Expense	(20,680,275)	(27,002,807)	(27,411,065)
Net Tuition and Fee Revenue	<u>34,195,745</u>	<u>51,791,793</u>	<u>66,950,191</u>
State Appropriations	126,409,477	126,936,753	132,706,022
Net Auxiliary Revenue	6,524,262	4,108,401	5,571,180
Other Grants and Contracts	15,701,764	10,719,611	10,513,469
Investment Income	706,104	160,922	420,754
Other Sales	6,334,203	5,719,177	7,034,450
Total Operating Revenue	<u>189,871,555</u>	<u>199,436,657</u>	<u>223,196,067</u>
Operating Expenses			
Salaries, Wages and Benefits	123,063,307	125,131,282	130,937,902
Materials and Supplies	12,167,242	12,916,963	21,054,514
Depreciation and Amortization	15,605,321	15,907,181	17,497,270
Communications and Utilities	5,476,417	5,675,323	5,658,158
Interest Expense and TPFA Payment	7,181,818	7,655,902	7,313,859
Other Expenses	18,655,739	18,196,953	24,439,622
Total Operating Expenses	<u>182,149,844</u>	<u>185,483,604</u>	<u>206,901,325</u>
Net Operating Income	<u>7,721,710</u>	<u>13,953,053</u>	<u>16,294,742</u>
Nonoperating Activity			
Nonoperating revenues	473,997	583,912	1,674,077
Nonoperating expenses	(14,121,508)	(24,405,889)	(16,035,601)
Total Nonoperating Activity	<u>(13,647,511)</u>	<u>(23,821,977)</u>	<u>(14,361,524)</u>
Total Change in Net Position	<u>\$ (5,925,801)</u>	<u>(9,868,923)</u>	<u>1,933,218</u>

Operating Margin Analysis

Operating Margin

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

Operating Net Income (Loss)	7,721,710	13,953,053	16,294,742
Operating Revenues	189,871,555	199,436,657	223,196,067
TSTC Operating Margin:	4.07%	7.00%	7.30%

	Fiscal Year	Median
Benchmark:	2019	-0.70%
<i>Moody's A2 Rated Public Universities</i>	2020	-0.20%
	2021	2.50%

**Texas State Technical College
Operating Budget Performance
as of November 30, 2022**

	FY 2023 Annual Budget	FY 2023 YTD Actual	% of Budget Utilized	NOTE	FY 2023 Forecast
Operating Revenues					
Returned Value Formula Appropriations	69,916,159	69,916,159	100.0%		69,916,159
Special Items & Other Appropriations	24,681,894	24,873,186	100.8%		24,873,186
Debt Service Appropriations	2,984,557	2,984,557	100.0%		2,984,557
HEAF Appropriations	8,662,500	8,662,500	100.0%		8,662,500
Benefits Appropriations	25,190,449	6,624,099	26.3%		26,953,780
Tuition	55,387,500	35,241,940	63.6%	1	52,500,000
Student Financial Aid	35,765,009	3,627,157	10.1%		34,765,009
Auxiliary Enterprises	8,888,000	3,268,904	36.8%		9,000,000
Fees & Educational Sales	3,032,500	1,030,949	34.0%		3,400,000
Industry Relations	2,006,800	1,600,864	79.8%		2,500,000
Grants	14,138,353	9,106,099	64.4%		15,138,353
Contracts & Other	2,835,500	1,173,991	41.4%	2	4,000,000
Total Operating Revenues	253,489,221	168,110,405	66.3%		254,693,544
Operating Carryforward / Reserves	4,909,498	-		3	4,909,498
Operating Expenditures					
Instruction	64,819,384	18,029,479	27.8%	4	67,040,693
Student Financial Aid	40,655,282	5,262,917	12.9%		40,655,282
Statewide Benefits	31,128,358	8,093,373	26.0%		33,307,343
Finance	11,995,656	3,932,837	32.8%	4	13,445,441
External Relations	15,649,860	4,594,570	29.4%	4	17,431,994
Auxiliary Enterprises	9,238,374	2,036,691	22.0%	4	9,186,031
Enrollment Management	12,085,396	3,085,773	25.5%	4	12,510,635
Facilities & Plant	13,919,519	3,072,287	22.1%	4	15,154,554
Facilities - Transfer to Capital	5,614,958	5,614,958	100.0%		5,614,958
Information Technology	10,844,854	5,119,599	47.2%	4, 5	12,100,284
Statewide Administration	5,901,887	1,487,933	25.2%		5,848,948
Debt Service & Leases	15,171,063	10,218,515	67.4%	6	15,171,063
Grants	10,374,128	5,449,509	52.5%		11,374,128
Strategic Pool (to be allocated)	11,000,000			7	-
Total Operating Expenditures	258,398,719	75,998,441	29.4%		258,841,354
Operating Budget Margin (Deficit)	-	92,111,964			761,688

**Texas State Technical College
Operating Budget Performance
as of November 30, 2022**

Notes:

Explanations are provided below for any notable variances from the original budget.

- 1)** Actual tuition revenue for the Fall and Spring semesters did not meet the 5% growth expectations of the revenue budget, resulting in a forecast of approximately \$52.5 million for the year, which is nearly identical to actual tuition revenue in FY 2022.
- 2)** Rising interest rates are providing a favorable variance from budget for interest income. Further, interest income from bond proceeds will provide funding to cover interim debt service payments on the recently issued 2022A bonds.
- 3)** TSTC routinely utilizes accumulated reserves for various purposes. In FY 2023, \$4.9 million of reserves is budgeted to supplement current year revenues, and offset some one-time costs in the annual budget, such as aircraft purchases of approximately \$1.8 million. Also, revenue from the CARES grant recognized in prior years will be included in this line item as it deployed over time.
- 4)** Forecasted actual expenditures in the primary operating divisions of the College mostly exceed the original budget, as planned. Utilization of the "Strategic Pool" budget throughout the fiscal year increases budgets in operating divisions while reducing the pool amount, which causes no net increase to the budget as a whole.
- 5)** Actual expenses in Information Technology are elevated in the first quarter, as one-time annual expenditures are made at the beginning of the fiscal year for annual software subscriptions and services. Further, ongoing investments in the multi-year Workday implementation project are reflected in this line item as well.
- 6)** Much of the annual debt service of the College is disbursed in the first quarter each fiscal year, as planned. Also, as mentioned in note #2, significant interest income from bond proceeds will be recognized in the current year, which will offset an increase in debt service expenditures in February 2023, as initial payments come due on the recently issued 2022A (CCAP) bonds.
- 7)** A majority of the Strategic Pool budget has been deployed for FY 2023. \$7.75 million of the total is allocated to fund TSTC's *Pay for Performance* merit program, as well as new positions. Other deployments include investments in expansion projects (including the new FAME and Waco Annex locations), software upgrades, and supplements to budgets in Instruction and External Relations to relieve inflationary pressure.

TEXAS STATE TECHNICAL COLLEGE
 Quarterly Real Estate Lease Report for Minute Order 15-21
 As of November 30, 2022

Name of Lease	Amount of Lease	Start Date	Term Date
Red Oak ISD Classroom Lease Agreement	\$10,200	8/1/2022	7/31/2023
Workforce Solutions of West Central Texas MOU TSTC in Brownwood	\$19,491	8/1/2022	8/1/2024
Workforce Solutions of West Central Texas MOU TSTC in Sweetwater	\$48,912	8/1/2022	8/1/2024

The leases above (TSTC is the lessor) are reported to the Board of Regents, per MO 15-21, when (1) the period of the lease, including optional extensions, does not exceed two years; and (2) the dollar value of the lease, including any amendment, modification, renewal, or extension of the lease, is less than \$500,000. Any leases exceeding those thresholds are presented to the Board of Regents through a separate minute order.

TEXAS STATE TECHNICAL COLLEGE
 Quarterly Report for Contracts > \$1 Million
 As of November 30, 2022

Name of Contract	Total Contract Value	Start Date	Term Date
Bartlett Cocke General Contractors CMAR - Waco Civil/Ancillary Projects	\$12,391,258	3/29/2021	5/11/2023
Cavallo Energy Texas LLC Utility Services	\$11,178,047	1/1/2019	12/31/2023
Incline Alchemy Workday Implementation Partner Agreement	\$9,746,120	9/30/2020	9/30/2025
Asher Media Advertising Services Agreement	\$6,222,000	9/1/2019	8/31/2023
Workday Incorporated Enterprise Resource Planning System	\$5,398,960	10/18/2019	7/1/2024
Texas General Land Office Utility Services	\$3,955,602	9/1/2009	8/31/2023
Hyland LLC Perceptive Content Software Maintenance and Support Agreement	\$2,570,747	8/12/2009	8/31/2023
King Consultants Abatement and Demo Project Agreement TSTC in Waco	\$2,563,910	3/20/2020	3/20/2023
Imperial Construction Kultgen Automotive PBE Renovations at TSTC in Waco	\$2,289,597	1/28/2022	2/3/2023
Ellucian Company LP Colleague Enterprise Resource Planning System	\$1,967,877	9/1/2020	8/31/2023
Master Product Agreement Piper Aircraft, Inc TSTC in Waco*	\$1,779,900	10/19/2022	10/19/2024
Technical Laboratory Systems Amatrol Learning Systems	\$1,679,100	12/15/2021	2/28/2023
City of Waco Purchase of Potable Water TSTC in Waco	\$1,661,239	8/6/2018	8/6/2028
EdFinancial Holdings LLC Call Center & Verification Services	\$1,498,645	9/1/2018	8/31/2023
PBK Inc. A/E Services Waco Demolition and Campus Master Plan TSTC in Waco	\$1,418,041	7/18/2019	7/18/2024
Salesforce.com, Inc. Master Service Agreement	\$1,376,725	3/1/2021	8/31/2024
PBK Inc. A/E Services JBC 1st and 2nd Floor Renovations TSTC in Waco	\$1,142,000	10/11/2021	6/30/2024

The contracts above include current contracts over one million dollars for the purchase or sale of goods or services.

*Indicates a new approved contract.

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Committee for Facilities

Keith Honey, Chair

Committee Chair Comments

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Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** FAC 01-23(c)

Proposed By: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Subject: **Authorize the Chancellor to Enter into and Execute an Agreement with L3 Harris Technologies, Inc. to Lease additional Concrete Apron Space at the Texas State Technical College Waco Airport.**

Background: L3 Harris is a current Lessee of the TSTC Waco Airport, as they are a subcontractor of the Department of Defense (DOD) that makes modifications to aircraft. The proposed lease is for approximately 846,560 square feet of concrete apron space to park C-5 and C130 aircraft. The suggested area neighbors an existing lease space by L3 Harris and the new space will serve as an expansion.

Justification: The lease will increase revenue for the TSTC Waco Airport.

Additional Information: The actual terms and lease amount is still under negotiation.

Fiscal Implications: TSTC is negotiating rental payments in the amount of \$160,846.40 annually for the lease space. This lease will be for five years, with the option to extend for additional one-year terms up to 20 years.

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

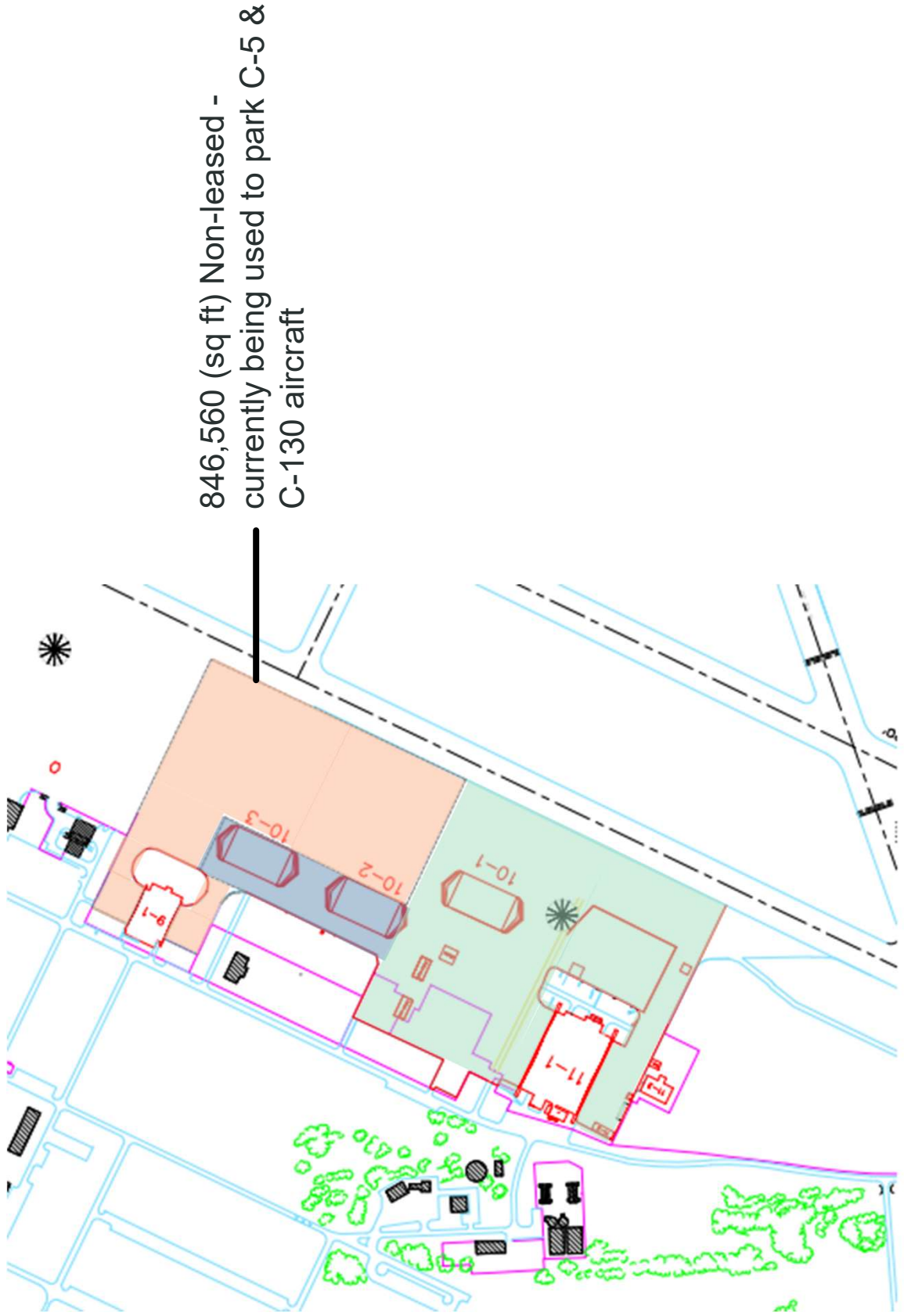
Attachment(s): Exhibit A map of the L3 Harris – Propose to lease additional Concrete Apron Space.
Letter from General Counsel

Recommended Minute Order: “The Texas State Technical College Board of Regents authorizes the Chancellor, or his designee, to enter into and finalize the Lease Agreement with L3 Harris for the lease of the additional Concrete Apron Space at TSTC Waco Airport.”

Recommended By: [ORIGINAL SIGNED BY]
Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Exhibit A

L3HARRIS – Proposed leasing Concrete Apron Space



January 23, 2023

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

Re: **Authorize the Chancellor to Enter into and Execute an Agreement with L3 Harris Technologies, Inc. to Lease additional Concrete Apron Space at the Texas State Technical College Waco Airport.**

As requested, I have reviewed and considered the legal ramifications of approving (1) the lease of additional concrete apron space to L3 Harris Technologies, Inc., and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said additional concrete apron space, entering into and executing all necessary documents to complete said lease.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organization and control of TSTC with the Board of Regents, and this would specifically include leasing land and permanent improvements owned by the system as the Board determines is in the best interest of fulfilling the mission of the system.

The land and permanent improvements to be leased at the TSTC Waco Airport to L3 Harris Technologies, Inc., is not needed, nor anticipated to be needed in the foreseeable future, by TSTC for instruction or training. The applicable indemnities and insurance requirements will be included in the lease.

Having reviewed the Texas Education Code, it is my opinion that (1) the approval of the lease of additional concrete apron space to L3 Harris Technologies, Inc., and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said additional concrete apron space, entering into and executing all necessary documents to complete said lease comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Deputy Vice Chancellor & General Counsel

cc: Jonathan Hoekstra
Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer



Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** FAC 02-23(c)

Proposed By: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Subject: **Authorize the Chancellor to enter and finalize an Agreement with Hemisphere Aerospace to lease 304,415 square feet of Hangar 3-1 Space, Parking, Improved Land, and Apron Space at the TSTC Waco Airport.**

Background: Hemisphere Aerospace, a contractor that repurposes jet engines and narrow-body passenger aircraft, headquartered in Waco, Texas, proposes to lease Hangar Space, Parking, Improved Land, and Apron Space located at 301 Airline Drive, Hangar 3-1.

Justification: The lease will increase revenue for the TSTC Waco Airport.

Additional Information: The actual terms and lease amount is still under negotiation.

Fiscal Implications: TSTC is negotiating rental payments in the amount of \$481,280.00 annually for the lease space. This lease will be for a five-year period, with the option to extend for additional one-year terms up to 20 years.

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

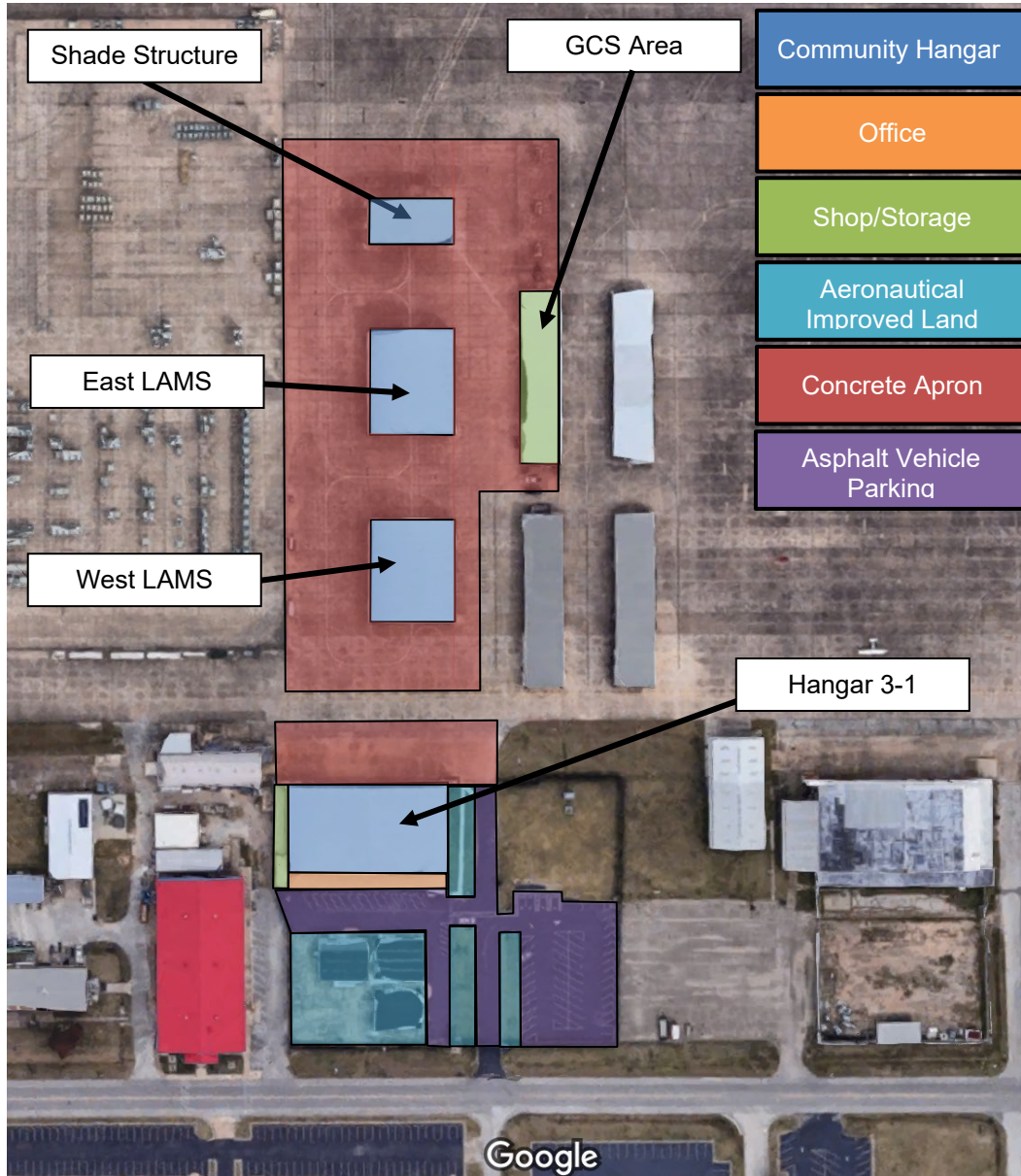
Attachment(s): Map of the vacated Hangar 3-1
Letter from General Counsel

Recommended Minute Order: "The Texas State Technical College Board of Regents authorizes the Chancellor, or his designee, to enter into and finalize the Lease Agreement with Hemisphere Aerospace for the lease of the Hangar Space, Parking, Improved Land, and Apron Space at TSTC Waco Airport."

Recommended By: **[ORIGINAL SIGNED BY]**
Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Exhibit A

Figure 1 – Subject Properties Overview



For reference purposes only

January 23, 2023

254-867-3972

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

Re: **Authorize the Chancellor to enter and finalize an Agreement with Hemisphere Aerospace to lease 304,415 square feet of Hangar 3-1 Space, Parking, Improved Land, and Apron Space at the TSTC Waco Airport.**

As requested, I have reviewed and considered the legal ramifications of approving (1) the lease of Hangar Space, Parking, Improved Land, and Apron Space at the TSTC Waco Airport to Hemisphere Aerospace, and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said Hangar Space, Parking, Improved Land, and Apron Space, entering into and executing all necessary documents to complete said lease.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organization and control of TSTC with the Board of Regents, and this would specifically include leasing land and permanent improvements owned by the system as the Board determines is in the best interest of fulfilling the mission of the system.

The land and permanent improvements to be leased at the TSTC Waco Airport to Hemisphere Aerospace are not needed, nor anticipated to be needed in the foreseeable future, by TSTC for instruction or training. The applicable indemnities and insurance requirements will be included in the lease.

Having reviewed the Texas Education Code, it is my opinion that (1) the approval of the lease of hangar space, parking, improved land, and apron space to Hemisphere Aerospace, and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said hangar space, parking, improved land, and apron space, entering into and executing all necessary documents to complete said lease comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Deputy Vice Chancellor & General Counsel

cc: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer



Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** FAC 03-23(c)

Proposed By: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Subject: **Authorize the Chancellor to enter and finalize an agreement with L3 Harris Technologies, Inc. to lease 304,415 square feet of Hangar 3-1 space, parking, improved land, and apron space at the TSTC Waco Airport.**

Background: L3 Harris is a current Lessee of the TSTC Waco Airport, as they are a subcontractor of the Department of Defense (DOD) that makes modifications to aircraft. The proposed lease is for Hangar Space, Parking, Improved Land, and Apron Space located at 301 Airline Drive, Hangar 3-1.

Justification: The lease will increase revenue for the TSTC Waco Airport.

Additional Information: The actual terms and lease amount is still under negotiation.

Fiscal Implications: TSTC is negotiating rental payments in the amount of \$481,280.00 annually for the lease space. This lease will be for five years, with the option to extend for additional one-year terms up to 20 years.

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

Attachment(s): Map of the vacated Hangar 3-1
Letter from General Counsel

Recommended Minute Order: "The Texas State Technical College Board of Regents authorizes the Chancellor, or his designee, to enter into and finalize the Lease Agreement with L3 Harris Technologies for the lease of the Hangar Space, Parking, Improved Land, and Apron Space at TSTC Waco Airport."

Recommended By: **[ORIGINAL SIGNED BY]**
Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Exhibit A

Figure 1 – Subject Properties Overview



For reference purposes only

January 23, 2023

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

Re: Authorize the Chancellor to enter and finalize an agreement with L3 Harris Technologies, Inc. to lease 304,415 square feet of Hangar 3-1 space, parking, improved land, and apron space at the TSTC Waco Airport.

As requested, I have reviewed and considered the legal ramifications of approving (1) the lease of 304,415 square feet of Hangar 3-1 space, parking, improved land, and apron space at the TSTC Waco Airport to L3 Harris Technologies, Inc., and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said 304,415 square feet of Hangar 3-1 space, parking, improved land, and apron space, entering into and executing all necessary documents to complete said lease.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organization and control of TSTC with the Board of Regents, and this would specifically include leasing land and permanent improvements owned by the system as the Board determines is in the best interest of fulfilling the mission of the system.

The land and permanent improvements to be leased at the TSTC Waco Airport to L3 Harris Technologies, Inc., are not needed, nor anticipated to be needed in the foreseeable future, by TSTC for instruction or training. The applicable indemnities and insurance requirements will be included in the lease.

Having reviewed the Texas Education Code, it is my opinion that (1) the approval of the lease of hangar space, parking, improved land, and apron space to L3 Harris Technologies, Inc., and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said hangar space, parking, improved land, and apron space, entering into and executing all necessary documents to complete said lease comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Deputy Vice Chancellor & General Counsel

cc: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer



Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** FAC 04-23(c)

Proposed By: Kevin Semien, Interim Vice Chancellor & Interim Chief Campus Services Officer

Subject: **Approve the Service Agreement with Lewis Land Management LLC.**

Background: TSTC executed a Service Agreement with Lewis Land Management LLC on September 30, 2021 to provide landscaping services at the Waco campus, including turf, bedding, irrigation, and shrub maintenance. The total contract value is expected to exceed \$1 million before the end of the current fiscal year so Board approval is requested pursuant to Texas Education Code § 51.9337(f).

Justification: Outsourcing these campus maintenance requirements is the most cost-effective approach.

Additional Information: None.

Fiscal Implications: Funds are available as currently budgeted for the contract.

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

Attachment(s): Letter from General Counsel

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the agreement with Lewis Land Management LLC, the value of which is expected to be greater than \$1 million, and delegates authority to the Chancellor, or his designee, to enter into and execute the agreement and any necessary amendments, extensions, or renewals to said agreement."

Recommended By: [ORIGINAL SIGNED BY]
Kevin Semien, Acting Vice Chancellor & Interim Chief Campus Services Officer

January 12, 2023

254-867-3972

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

Re: **Approve the Service Agreement with Lewis Land Management LLC.**

As requested, I have reviewed and considered the legal ramifications of the Board of Regents (1) approving the agreement with Lewis Land Management, LLC, the value of which is expected to be greater than \$1 million, and approving any amendment, extension or renewal of the agreement and (2) delegating its authority to the Chancellor, or his designee, to enter into and execute the agreement and any necessary amendments, extensions, or renewals to the said agreement.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organizational control of TSTC with the Board of Regents, and this would include the ability to approve agreements, and the value of said agreements.

During the 84th Legislative Session comprehensive changes were made to the Texas Education and Government Codes, wherein the TSTC Board of Regents were given exclusive authority to approve and sign certain contracts on behalf of TSTC with a value exceeding One Million Dollars (see [TEC §51.9337\(f\)](#) and [TGC 2261.254\(c\)\(d\)](#)). However, included in the changes to the aforementioned Codes are provisions that permit the TSTC Board of Regents to delegate said approval and signatory authority to the Chancellor or his designee.

Having reviewed the Texas Education Code and the Texas Government Code, it is my opinion that (1) approving the agreement with Lewis Land Management, LLC the value of which is expected to be greater than \$1 million, and approving any amendment, extension or renewal of the agreement, and (2) delegating authority from the Board of Regents to the Chancellor, or his designee, to enter into and execute the agreement and any necessary amendments, extensions, or renewals to the said agreement, comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
General Counsel & Deputy Vice Chancellor

cc: Kevin Semien, Acting Vice Chancellor & Interim Chief Campus Services Officer



Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** FAC 05-23(c)

Proposed By: Kevin Semien, Acting Vice Chancellor & Interim Chief Campus Services Officer

Subject: **Approve the Lease of 13,200 Square Feet of the Southside of 8-1 Hangar at the TSTC Waco Airport to Air Methods Corporation for Business Operations and Crew Quarters.**

Background: Air Methods Corporation (Air Methods), a Medical Helicopter Service Provider, currently leases the 13,200 square feet of the northern half of 8-1 Hangar. Previously, this lease was approved by the Board, as well as 4,100 square feet of land on which would be placed a prefabricated structure for crew quarters. Recently, the southern half of 8-1 Hangar, also 13,200 square feet, became available when Sav Aviation's lease ended.

Rather than use a prefabricated structure for crew quarters, Air Methods would like to lease the 13,200 square feet of the southern half of 8-1 Hangar for crew quarters, but this will necessitate upgrading and remodeling this space. The final cost to lease the space would be determined by construction costs. The proposed lease would be for a 5-year term to begin after renovations have been completed.

Justification: The proposed use of space is consistent with the development plans for the TSTC Waco Airport.

Additional Information: The space to be leased at the airport is surplus and not needed, nor anticipated to be needed in the foreseeable future, by TSTC for instruction or training.

Fiscal Implications: Rental payments to TSTC would be determined based on construction and remodeling costs to upgrade the space for crew quarters.

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

Attachment(s): Exhibit A
Letter from General Counsel

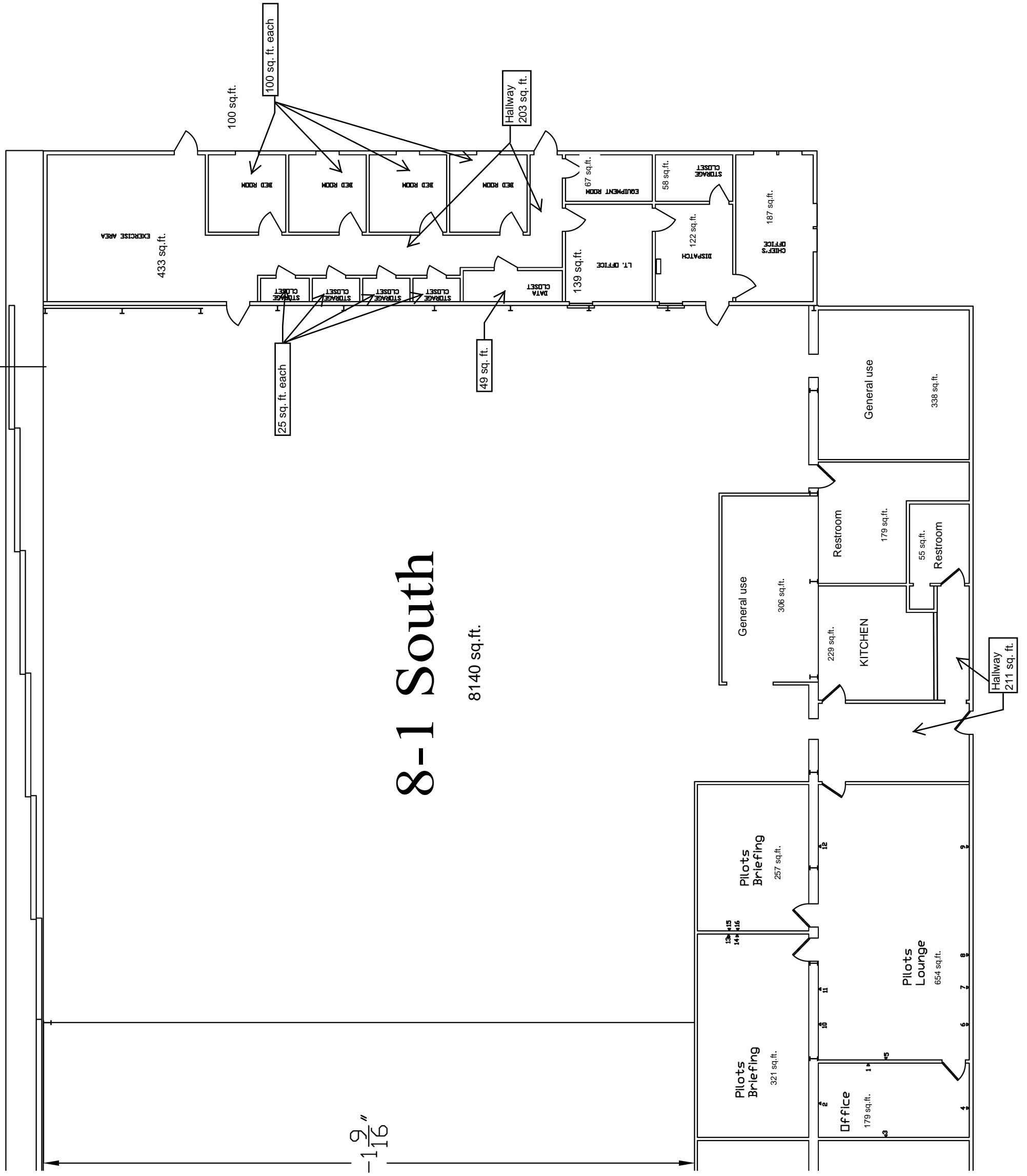
Recommended Minute Order: "The Texas State Technical College Board of Regents approves the lease of 13,200 Square Feet of the Southside of 8-1 hangar at the TSTC Waco Airport to Air Methods Corporation and delegates authority to the Chancellor, or his designee, to enter into and execute all necessary documents to complete said lease."

Recommended By: [ORIGINAL SIGNED BY]
Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

84'-1 $\frac{9}{16}$ "

8-1 South

8140 sq.ft.



January 24, 2023

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

Re: **Approve the Lease of 13,200 Square Feet of the Southside of 8-1 Hangar at the TSTC Waco Airport to Air Methods Corporation for Business Operations and Crew Quarters.**

As requested, I have reviewed and considered the legal ramifications of approving (1) the lease of 13,200 Square Feet of the Southside of 8-1 hangar at the TSTC Waco Airport to Air Methods Corporation, and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate the lease of said additional concrete apron space, entering into and executing all necessary documents to complete said lease.

Generally, Chapters [51](#) and [135](#) of the Texas Education Code vest the organization and control of TSTC with the Board of Regents, and this would specifically include leasing land and permanent improvements owned by the system as the Board determines is in the best interest of fulfilling the mission of the system.

The land and permanent improvements to be leased at the TSTC Waco Airport to Air Methods are not needed, nor anticipated to be needed in the foreseeable future, by TSTC for instruction or training. The applicable indemnities and insurance requirements will be included in the lease.

Having reviewed the Texas Education Code, it is my opinion that (1) the approval of the lease of 13,200 Square Feet of the Southside of 8-1 hangar at the TSTC Waco Airport to Air Methods Corporation, and (2) the delegation of authority from the Board of Regents to the Chancellor, or his designee, to negotiate said lease, entering into and executing all necessary documents to complete said lease comports with state law and TSTC policy.

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

Respectfully Submitted,



Edward C. Vallejo
Deputy Vice Chancellor & General Counsel

cc: Rick Herrera, Senior Vice Chancellor & Chief Campus Expansion Officer

Kevin Semien, Acting Vice Chancellor & Interim Chief Campus Services Officer

Major Projects Report February 2023

#	Project Name	Campus	Delivery Method	Fund Source	Cost Allocation	Required Approvals	% Complete	
1	Abate and Demo Airforce Base Projects	Waco	RFQ/RFP	Appropriations Local Funds Bond Funds Total Funds	29,644,640 100,000 1,150,000 30,894,640	Contracted Costs CMR Civil and Ancillary Projects Owner's Reserve (Balance) Total Budget Engineering Design Construction Costs Owner's Cost Total Budget Design Build GMP Owner's Cost Owner's Reserve (Balance) Total Budget A/E Construction Costs Owner's Cost Owner's Reserve (Balance) Total Budget Architectural Services Construction Costs Owner's Cost Owner's Reserve (Balance) Total Budget	MO 14-19 EA 29-19 MO 38-19 MO 08-20 MO FAC 02-22 Aug 2025 MO 47-20	88%
2	Campus Wide Drainage Project	Waco		Unfunded Total Funds	2,074,290 2,074,290	Project and Budget	0%	
3	Griffith Hall	Waco	Design Build	TSTC Foundation Total	21,900,000 21,900,000	Concept to Lease Land Ground Lease Master Lease Complete Project	90%	
4	EEC & TSC Building Renovations	Waco	A/E-CMaR	EDA Grant TSTC Matching Funds Bond Funds Total	3,500,000 2,585,000 6,000,000 12,085,000	Pursuit of EDA Grant Project and Budget Contracts > \$1M Approve Amended Budget Complete Project	6%	
5	JBC Renovation Multipurpose Event Center	Waco	A/E-CMaR	HEAF & Local Bonds Bond Funds Bond Funds TBD Total	5,200,000 7,800,000 1,700,000 495,398 15,195,398	Concept Project and Budget Amended Budget Amended Budget Complete Project	6%	
6	TSTC Portion of North Interceptor Joint Effort	Waco	TBD	Local Bonds 2020 Total	1,500,000 1,500,000	Concept Complete Project	0%	
7	Plumbing Testing Center	Harlingen	A/E-CMaR	Bond Funds Total	1,930,500 1,930,500	Concept Project, Budget, Cont. > \$1M Complete Project	0%	
8	20ME Renovation Multipurpose Event Center	Harlingen	A/E-CMaR	Total	1,930,500	Concept Construction Contract Owner's Reserve (Balance) Total Budget	0%	
9	Capital Construction Assistance Project	Abilene	RFQ RFQ A/E-CMaR	CCAP Appropriations Bond Funds Total	13,500,000 10,590,395 24,090,395	Concept & Contracts Contracts > \$1M Project, Budget, Cont. > \$1M Complete Project	1.00%	
##	Capital Construction Assistance Project	EWCHC	RFQ RFQ A/E-CMaR	CCAP Appropriations Bond Funds Total	33,300,000 31,940,200 65,000,779	Concept & Contracts Contracts > \$1M Project, Budget, Cont. > \$1M Complete Project	0.36%	

Major Projects Report February 2023

##	Capital Construction Assistance Projects	Fort Bend	RFQ RFQ A/E-CMaR	Total	65,240,200	Total Budget	\$ 65,240,200	Complete Project	TBD
				CCAP Appropriations	41,800,000	Architectural Pre Design	\$ 250,150	Concept & Contracts	MO 46-21
				Bond Funds	12,457,500	Architectural Services	\$ -	Contracts > \$1M	MO FAC 03-22
						Construction Management	\$ -	Project, Budget, Cont. > \$1M	MO FAC 14-22
						Construction Contract	\$ -		
						Owner's Reserve (Balance)	\$ 54,007,350		
				Total	54,257,500	Total Budget	\$ 54,257,500	Complete Project	TBD
##	Capital Construction Assistance Projects	Harlingen	RFQ RFQ A/E-CMaR	CCAP Appropriations	37,800,000	Architectural Pre Design	\$ 389,713	Concept & Contracts	MO 46-21
				Bond Funds	26,595,000	Architectural Services	\$ -	Contracts > \$1M	MO FAC 03-22
						Construction Management	\$ -	Project, Budget, Cont. > \$1M	MO FAC 13-22
						Construction Contract	\$ -		
						Owner's Reserve (Balance)	\$ 64,005,287		
				Total	64,395,000	Total Budget	\$ 64,395,000	Complete Project	TBD
##	Capital Construction Assistance Project	Marshall	RFQ RFQ A/E-CMaR	CCAP Appropriations	15,000,000	Architectural Pre Design	\$ 99,113	Concept & Contracts	MO 46-21
				Bond Funds	(4,898,500)	Architectural Services	\$ -	Contracts > \$1M	MO FAC 03-22
						Construction Management	\$ -	Project, Budget, Cont. > \$1M	MO FAC 11-22
						Construction Contract	\$ -		
						Owner's Reserve (Balance)	\$ 10,002,387		
				Total	10,101,500	Total Budget	\$ 10,101,500	Complete Project	TBD
##	Capital Construction Project	North Texas	RFQ RFQ A/E-CMaR	CCAP Appropriations	13,500,000	Architectural Pre Design	\$ 102,750	Concept & Contracts	MO 46-21
				Bond Funds	(13,500,000)	Architectural Services	\$ -	Contracts > \$1M	MO FAC 03-22
						Construction Management	\$ -	Project, Budget, Cont. > \$1M	MO FAC 15-22
						Construction Contract	\$ -		
						Owner's Reserve (Balance)	\$ 49,987,000		
				Total	50,089,750	Total Budget	\$ 50,089,750	Complete Project	TBD
##	Capital Construction Assistance Project	Waco	RFQ RFQ A/E-CMaR	CCAP Appropriations	53,600,000	Architectural Pre Design	\$ 395,642	Concept & Contracts	MO 46-21
				Bond Funds	18,805,000	Architectural Services	\$ -	Contracts > \$1M	MO FAC 03-22
						Construction Management	\$ -	Project, Budget, Cont. > \$1M	MO FAC 12-22
						Construction Contract	\$ -		
						Owner's Reserve (Balance)	\$ 72,009,358		
				Total	72,405,000	Total Budget	\$ 72,405,000	Complete Project	TBD
##	Waco Annex	Waco	A/E-CMaR	TSTC Foundation	17,000,000	Architectural Services			
						Construction Management			
						Construction Contract			
						Owner's Reserve (Balance)			
				Total	17,000,000	Total Budget	\$ 17,000,000	Complete Project	0%
				Total Fund Source	443,159,173	Total Cost Allocation	443,159,173	Complete Project	July 2025

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Reports:

None.





Board Meeting Date: February 9, 2023 **Proposed Minute Order #:** GA 01-23(c)

Proposed By: Pamela Mayfield, Acting Vice Chancellor & Interim Chief Human Resources Officer

Subject: **Approve Fiscal Year 2024 Employee Holiday Schedule**

Background: The Texas Legislature designates the number of holidays to be allotted annually to employees of all state agencies. However, authority to determine the actual observance at institutions of higher education rests with their Boards of Regents under terms that permit efficient operations of their institutions.

Justification: The Texas State Technical College (TSTC) operating cycle generally follows a semester basis. Consequently, it is more efficient to schedule holidays consistent with the semester cycle.

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): Proposed Fiscal Year 2024 Employee Holiday Schedule

Recommended Minute Order: "Texas State Technical College Board of Regents approves the Fiscal Year 2024 Holiday Schedule for Texas State Technical College."

Recommended By: **[ORIGINAL SIGNED BY]**
Pamela Mayfield, Acting Vice Chancellor & Interim Chief Human Resources Officer

**Texas State Technical College
Employee Holiday Schedule
September 1, 2023 - August 31, 2024
Fiscal Year 2024**

TSTC Employee Holiday Schedule		Days
Labor Day	Monday: September 4, 2023	1
Thanksgiving	Thursday & Friday: November 23-24, 2023	2
Winter Break	Monday - Friday: December 25-29, 2023	5
New Years Day	Monday: January 1, 2024	1
MLK Day	Monday: January 15, 2024	1
Memorial Day	Monday: May 27, 2024	1
Emancipation Day	Monday: June 17, 2024	1
Independence Day	Thursday: July 4, 2024	1
TSTC Employee Holiday Total		13