

Meeting of the Board of Regents

November 13, 2025
Marshall, Texas



OFFICE OF THE CHANCELLOR

3801 Campus Drive
Waco, Texas, 76705

Phone: 254-867-4891
Fax: 254-867-3979

October 17, 2025

Ron Widup, Chair
Members of the Board of Regents
Texas State Technical College
Waco, Texas 76705

RE: Action Items for the Meeting of the Board of Regents on November 13, 2025

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the November 13, 2025 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,

[ORIGINAL SIGNED BY]

Michael L. Reeser
Chancellor & CEO

Enclosures

October 17, 2025

Ron Widup, Chair
Members of the Board of Regents
Texas State Technical College System
Waco, Texas 76705

SUBJECT: Quarterly Control & Compliance Attestation

Chairman and Regents:

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

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

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

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

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

1. I have no knowledge of any regulatory violations, occurrences of misstatement, fraud or suspected fraud affecting the College during the period being reviewed that has not been reported to you, our General Counsel, the Internal Audit Director, or the Audit Committee;
2. There are no contingent claims that have not been reported to our Chief Financial Officer or General Counsel; and
3. I have maintained adequate internal control over financial reporting, effective and efficient operations, and regulatory compliance within my areas of operating responsibility as of September 30, 2025, based on criteria established by prudent risk management practices.

4. There have been no changes in internal control that might negatively affect the effectiveness of such controls, including any corrective actions taken with regard to related deficiencies and weaknesses previously identified. I have resolved, or am currently in the process of resolving, all such issues identified and communicated to me during previous audits (internal or external).
5. All material transactions have been communicated to the Chief Financial Officer for recording and disclosure in the financial statements and/or Board reports.
6. The following, to the extent applicable, have been appropriately identified and communicated for proper recording and disclosure:
 - a. Related-party transactions associated with vendor relationships; and
 - b. Significant contractual obligations, or other contingent liabilities.
7. Violations or possible violations of laws or regulations whose effects should be considered for disclosure due to their level of impact have been communicated to you, our General Counsel, the Internal Audit Director, or the Audit Committee.
8. The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
9. Other than those previously disclosed, no events have occurred subsequent to September 30, 2025, 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,

[ORIGINAL SIGNED BY]

Michael L. Reeser
Chancellor & CEO

TEXAS STATE TECHNICAL COLLEGE

**Meeting of the
Board of Regents**

**2650 East End Blvd., South
Marshall, TX 75672 ***

**Thursday, November 13, 2025
10:00 am**

AGENDA

- I. MEETING CALLED TO ORDER**
- II. INVOCATION**
- III. RECOGNITION OF GUESTS**
- IV. DETERMINATION OF QUORUM**
- V. ADOPTION OF AGENDA**
- VI. APPROVAL OF MINUTES OF AUGUST 27 & 28, 2025 MEETINGS**
- VII. PUBLIC COMMENTS**
- VIII. CHANCELLOR COMMENTS**
- IX. COMMITTEE REPORTS & MINUTE ORDERS**
 - a. **Committee for Student Learning and Student Development**
Lizzy de la Garza Putegnath, Chair; Ron Rohrbacher, Member

*Presiding officer will be physically present at this address.

Committee Chair Comments

Minute Orders:

SL 11-25(c)	Rescind Minute Order 123-92 Policy for Graduate Guarantee	2 <i>Jonathan Hoekstra</i>
SL 12-25(c)	Approve the Agreement with AllTex Welding Supply, Inc. Exceeding 25% of Original Contract Value	3 <i>Jonathan Hoekstra</i>
SL 13-25(c)	Approve Hires Pursuant to Texas Education Code 51.352 Subsection (d)(4)	4 <i>Jonathan Hoekstra</i>

Reports:

None.

- b. **Committee for Fiscal Affairs**
Robb Misso, Chair; Kathy Stewart, Member

Committee Chair Comments

Minute Orders:

FA 06-25(c)	Review and Approve Policy for Investments	6 <i>Chad Wooten</i>
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Reports:

1.	Quarterly Investment Report	20 <i>Chad Wooten</i>
2.	Pledged Collateral Report	24 <i>Chad Wooten</i>
3.	Debt Management Report	25 <i>Chad Wooten</i>

4.	Biennium Investment Officer Training Report	29
		<i>Chad Wooten</i>
5.	Budget Performance Report	30
		<i>Chad Wooten</i>
6.	Quarterly Lease Report	32
		<i>Chad Wooten</i>
7.	Quarterly Report for Contracts > \$1 Million	33
		<i>Chad Wooten</i>

c. **Committee for Facilities**

Keith Honey, Chair

Committee Chair Comments

Minute Orders:

Proposed MO#

FAC 10-25(c)	Approve the Project, Budget and contracts greater than \$1,000,000 to renovate the vacated Diesel Lab on the Ft. Bend Campus to house a new Building Construction Trades program.	36
		<i>Rick Herrera</i>
FAC 11-25(c)	Approve the Extension of Lease Agreement with DLP Heritage Holding, Inc.	37
		<i>Kevin Semien</i>
FAC 12-25(c)	Approve the Amended Lease Agreement with Level 5 Aerospace LLC	38
		<i>Kevin Semien</i>
FAC 13-25(c)	Approve New Lease Agreement with Neighbors in Need of Services, Inc.	39
		<i>Kevin Semien</i>

Reports:

1.	Major Facility Projects Status Update	40
		<i>Rick Herrera</i>

2. Construction Update *Rick Herrera*

3. TSTC 2025 Clery Annual Security Report *Kevin Semien*

4. Deferred Maintenance Update *Kevin Semien*

d. **Committee for General Administration**

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

Committee Chair Comments

Minute Orders:

GA 08-25(c) Approve the TSTC Foundation Operating Plan for the Period
September 1, 2025 to August 31, 2026 42
Cledia Hernandez

GA 09-25(c) Approve the Agreement with Salesforce.com, Inc., Exceeding 25%
of Original Contract Value 48
Cledia Hernandez

Reports:

1. Marketing Presentation *Michael Bettersworth*

2. Industry Engagement Partner Presentation *Cledia Hernandez*

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. Davis/Dorton v. Reeser/Rushing
 2. Colby Walters v. TSTC
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
4. Personnel Matters (Texas Government Code, Section 551.074)
 1. Chancellor & CEO Evaluation
 2. Vice Chancellor & Chief Internal Audit Evaluation
 3. TEC 51.352 Approval
5. Adjourn

XII. OPEN MEETING RECONVENES

XIII. ACTION ON CLOSED MEETING

XIV. CONSENT AGENDA ITEMS

IA 03-25(c)	Internal Audit Charter - Review and Reapproval
SL 11-25(c)	Rescind Minute Order 123-92 Policy for Graduate Guarantee
SL 12-25(c)	Approve the Agreement with AllTex Welding Supply, Inc. Exceeding 25% of Original Contract Value
SL 13-25(c)	Approve Hires Pursuant to Texas Education Code 51.352 Subsection (d)(4)
FA 06-25(c)	Review and Approve Policy for Investments
FAC 10-25(c)	Approve the Project, Budget and contracts greater than \$1,000,000 to renovate the vacated Diesel Lab on the Ft. Bend Campus to house a new Building Construction Trades program.
FAC 11-25(c)	Approve the Extension of Lease Agreement with DLP Heritage Holding, Inc. #

FAC 12-25(c) Approve the Amended Lease Agreement with Level 5 Aerospace LLC

FAC 13-25(c) Approve New Lease Agreement with Neighbors in Need of Services, Inc.

GA 08-25(c) Approve the TSTC Foundation Operating Plan for the Period September 1, 2025 to August 31, 2026

GA 09-25(c) Approve the Agreement with Salesforce.com, Inc., Exceeding 25% of Original Contract Value

XV. UNFINISHED BUSINESS

XVI. NEW BUSINESS

XVII. CHANCELLOR COMMENTS

XVIII. BOARD COMMENTS

XIX. ADJOURN

TEXAS STATE TECHNICAL COLLEGE

**Special Meeting
of the Board of Regents
Chancellor's Luncheon**

**John B. Connally Visitor Center
1651 E. Crest Drive
Waco, TX 76705***

**Wednesday, August 27, 2025
12 noon**

AGENDA

I. MEETING CALLED TO ORDER

The meeting was called to order at 12:15 pm.

II. DETERMINATION OF QUORUM

A quorum was determined with the following regents in attendance: Ron Widup, Robb Misso, Tiffany Tremont, Keith Honey, Curtis Cleveland, Lizzy de la Garza Putegnat, Ron Rohrbacher, Eric Beckman.

Kathy Stewart was absent.

III. CHANCELLOR'S COMMENTS

Chancellor Reeser reviewed the matters to be addressed in the afternoon Budget Meeting.

IV. CLOSED SESSION

None

V. ADJOURN

The meeting was adjourned at 1:20pm.

[ORIGINAL SIGNED BY]

Edward Vallejo
Secretary to the Board



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

TEXAS STATE TECHNICAL COLLEGE

**Special Meeting of the Board of Regents
Strategic Planning & Budget**

**John B. Connally Visitor Center - 1st Floor Auditorium
1651 E. Crest Drive
Waco, TX 76705***

**Wednesday, August 27, 2025
1:30 PM**

MINUTES

I. MEETING CALLED TO ORDER

The meeting was called to order at 1:33 pm.

II. DETERMINATION OF QUORUM

A quorum was determined with the following regents in attendance: Ron Widup, Robb Misso, Tiffany Tremont, Keith Honey, Curtis Cleveland, Lizzy de la Garza Putegnat, Ron Rohrbacher, Eric Beckman.

Kathy Stewart was absent.

III. ADOPTION OF AGENDA

The agenda was adopted with a motion to approve by Keith Honey and a second by Robb Misso.

IV. CHANCELLOR COMMENTS

Chancellor Reeser gave an overview of the agenda. He then presented a slide deck covering a summary of the 2025 Survey of Employee Engagement. He highlighted certain key facts such as the 64% participation rate which increased by 1.6% from last year's survey.. $\frac{2}{3}$ employees have been employed for over 3 years. $\frac{1}{4}$ employees have been employed over 11 years. The Chancellor briefly explained the constructs, as well as the construct scores. The construct scores were nothing lower than 298 when 300 is the most common and considered average. 410 was last year's level of engagement while this year's was 408.

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Regent Misso remarked on the positive scores. He asked about the lowest score on the construct rating - Employee Development. Regent Honey asked about the construct of pay and the plan to increase it. Chancellor explained how we have increased in the construct and alluded to Vice Chancellor Wooten offering more information during his presentation. Vice Chancellor Mayfield offered additional information such as how TSTC compares to others in pay, internal communication and pay frequency. VC Mayfield responded to Regent Putegnat's question regarding communication and pay needs. Regent Beckman pointed out that there was an increase in the construct rate for pay. He highlighted that it shows growth. Vice Chancellor Hoekstra added commentary on the pay construct and highlighted that we are leading in the construct rate with other similar organizations. Chancellor Reeser suggested the possibility of diving deeper into the compensation discussion such as pay raises and grades over the years.

V. OPERATIONAL UPDATES & FISCAL YEAR 2026 BUDGET PLAN

Vice Chancellor & CFO, Chad Wooten, gave a brief overview of his talking points. He then showed a short video to kick start reminding the attendees the mission of TSTC. He provided a reminder of our core values, big 3 competitive advantages, mission and industry endorsements. Wooten presented the goals, WIG 1 Increase quantity of Former Students Found Working and WIG 2 Increase Quality of First-Year Wages Earned by Former Students. WIG 0: Increase Student Volume. We are seeing a stronger correlation between enrollment and placement. He provided data for TSTC's employment outcomes,

In response to a regent's question regarding a dip in enrollment, Vice Chancellor Bettersworth offered information regarding the sunseting process and transition in funding affected the enrollment rate. VC Wooten also explained environmental factors that affected the data. Chancellor Reeser added commentary regarding enrollment rates in the past.

VC Wooten spoke to the question of "Why do we exist?" TSTC exists because a technically skilled workforce leads to a prosperous Texas. VC Bettersworth provided additional information.

VC Wooten covered the Specification Plan: planning, base of support (revenue and more), culture, infrastructure, value.

VC Hoekstra expanded on the Specification Plan with additional information on the planning phase - people, plan, setting priorities. Currently, working on clarity of expectations and agency for faculty. The "base of support" phase explains an opportunity to grow to a higher level of partnership. Vice Chancellor Hernandez added additional information regarding the process to prosperity for our students. In the middle of the plan, stands culture. Deputy Chancellor Gail Lawrence expanded on the characteristics of TSTC's culture. VC Hoekstra offered more examples of the grit of our students. Vice Chancellor Semien explained the plan and process for a well-managed and updated infrastructure. Vice Chancellor Bundy explained ways that the information technology division is strengthening infrastructure in areas such as cybersecurity. VC Wooten explained how all of those processes lead to value. Vice Chancellor Herrera offered information regarding the opening of CCAP buildings.

VC Wooten explained the plan and future of growth and supported it with data. Regent

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Putegnat asked about the reasoning behind the dip in appropriations. Wooten displayed the increase in TSTC compensation and team growth. Vice Chancellor Mayfield added commentary regarding the culture of making TSTC a great place to work.

VC Wooten walked through the budget plan and operating expenses. He explained the returned-value formula performance and Chancellor Reeser added color commentary. VC Wooten explained data regarding tuition revenue. Wooten ended his time with a minute order preview regarding the FY26 budget plan for tomorrow's meeting and introductions of his team.

Regent Cleveland asked about funding and students who do not graduate. Regent Rohrbacher asked about the process of building new campuses in the future and the possible plan. Chancellor Reeser explained possible opportunities and the possible plan to move forward. Regent Putegnat asked about possible opportunities for more sites like the WorkSITE. Chancellor Reeser explained how that business model may increase in the future. Regent Putegnat asked about out-of-state student tuition and how they fit into the funding formula. She also asked about transfer student data. Chancellor Reeser deferred to provide the answer at a later date.

VI. GOVERNMENT RELATIONS UPDATE

Deputy Chancellor Gail Lawrence provided a brief overview of the government relations journey to the endowment. She provided updates on the following funding opportunities: Returned Value Funding Formula, Workforce Training Funding, Start Up Funding, CCAP Funding and Commercial Driver License Training Funding. She gave an update on bills, HJR5 and SB1242. DC Lawrence ended her time by introducing the GR team. She then invited Mike Meroney to speak.

VII. BOARD COMMENTS

Chair Widup thanked the team for their dedication.

VIII. ADJOURN

The meeting was adjourned at 3:43 pm.

ORIGINAL SIGNED BY

Edward Vallejo
Secretary to the Board

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



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

**John B. Connally Visitor Center
1651 E. Crest Dr.,
Waco TX 76705***

**Thursday, August 28, 2025
9:30 a.m.**

MINUTES

[Ron Rohrbacher (Chair), Curtis Cleveland, Eric Beckman]

I. MEETING CALLED TO ORDER BY AUDIT COMMITTEE CHAIR RON ROHRBACHER

Committee Chair, Ron Rohrbacher, called the meeting to order at 10:09 am.

II. COMMITTEE CHAIR COMMENTS

Vice Chancellor Jason Mallory offered congratulations to Chair Widup for the Trailblazer award given at the graduation ceremony on August 27. VC Mallory gave a brief overview of the one minute order and reports (listed below). He explained that most of the reports are updates and ongoing. For Enterprise Risk Management, he offered contextual information for the payroll audit and paid special attention to pages A36-A37. He discussed the decision to move payroll processing from the HR division to the Accounting division due to the functionality and IRS guidelines. Chair Widup expressed gratitude for reviewing compensation plans and the ARC program despite the team's large workload. Mallory highlighted the construction audits on page A6. He brought attention to A11 which covered CCAPs. Mallory briefly explained the follow up status report on A16-18. He also explained the attestation report on A82. Mallory added that there will be updates to the audit standards at the upcoming meeting in November.

Regent Cleveland asked Vice Chancellor Wooten what happens with the construction audit recoveries. Wooten explained how those recoveries go back to the project as savings. Vice Chancellor Herrera added additional information about the benefits of construction audits. He also explained instances with what recovery funds and how they have been utilized as well as the new project controller. Regent Beckman asked about underbillings. Regent Widup asked about licensing fees. Vice Chancellor Kevin Semien and VC Mallory provided information. Chancellor Reeser provided a reminder of TSTC's utilization of Sarbane's-Oxley with the attestation report and how it is evidence of TSTC's ethics. He also explained the attestation process.

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

(c) denotes Consent Agenda Item

III. MINUTE ORDERS & REPORTS

1. Proposed Audit Plan for Fiscal Year 2026
2. Status of Fiscal Year 2025 Audit Schedule & Other Projects
3. Status of Construction Audits
4. Summary of Audit Reports
5. Follow-up Schedule & Status
6. Workday Application Audit (25-025A)
7. Payroll Process Audit (25-016A)
8. Tuition Audit (25-022A)
9. Student Conduct Audit (25-027A)
10. TAC 202 Compliance – Quarterly Update (25-007A)
11. Construction Audit – Waco Worksite (25-004A)
12. Construction Audit - EDA & TSC Renovation (25-004A)
13. Desk Audit - Payment Approval Authority and Security
14. Attestation Disclosures

IV. CHANCELLOR COMMENTS

Chancellor Reeser did not have any comments.

V. BOARD COMMENTS

Chair Widup expressed gratitude for the work of the Audit team.

VI. ADJOURN

Audit Committee Chair, Ron Rohrbacher, adjourned the meeting at 10:43 am.

[ORIGINAL SIGNED BY]

Edward Vallejo
Secretary to the Board

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(c) denotes Consent Agenda Item

TEXAS STATE TECHNICAL COLLEGE

Meeting of the Board of Regents

**John B. Connally Visitor Center
1651 E. Crest Drive
Waco TX 76705***

**Thursday, August 28, 2025
10:30 am**

MINUTES

I. MEETING CALLED TO ORDER

The meeting was called to order at 10:53 am by Chair Ron Widup.

II. INVOCATION

Jonathan Hoekstra offered the invocation.

III. RECOGNITION OF GUESTS

No recognition was given.

IV. DETERMINATION OF QUORUM

The quorum was determined with the following regents in person: Tiffany Tremont, Robb Misso, Ron Rohrbacher, Curtis Cleveland, Eric Beckman, Keith Honey, Lizzy de la Garza Putegnath, Kathy Stewart (virtual via Zoom) and Ron Widup.

V. ADOPTION OF AGENDA

The agenda was adopted and approved unanimously after a motion by Curtis Cleveland and a second motion by Tiffany Tremont.

VI. APPROVAL OF MINUTES OF MAY 15, 2025 MEETINGS

The agenda was adopted and approved by a motion by Curtis Cleveland and a second motion by Tiffany Tremont.

VII. PUBLIC COMMENTS

None.

VIII. CHANCELLOR COMMENTS

Chancellor Reeser pointed out the various documents at the table, as well as a special recognition of Regent Rohrbacher's gift to the college.

Chancellor Reeser referenced talking points from the previous meeting. He highlighted operational efficiencies of the college and the governmental expansion. He transitioned the conversation from rapid growth geographically to maturity across the state.

Chancellor Reeser presented a slide deck with the following topics: Our Next Decade, Mature the Regional Impact, Grow Our Many Product Lines, Lead the Market in Responsiveness.

The Chancellor provided contextual information such as growing the product line like accelerated training. He provided an update on the search to find a new leader for the TSTC Foundation and the multiple large gifts. He highlighted examples of dual credit and online college offerings. All of these examples are driven by the response of the market.

Regent Rohrbacher shared an example from graduation as well as ideas for entrepreneurial classes. Vice Chancellor Hoekstra supported Regent Rohrbacher's ideas regarding entrepreneurial acumen. He provided certain opportunities and examples that are currently being discussed. Regent Putegnat asked about space in career services that could help alumni with next step business decisions. Vice Chancellor Cledia Hernandez provided additional information regarding the plan to provide continuing education for those who want to be business owners.

Chair Widup offered accolades regarding the graduation ceremony and opportunities for staying connected with alumni. Regent Honey asked about the Denton County campus and how it fits in with the others. Chancellor Reeser explained the need to

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

identify the various regional opportunities and sequencing what goes first. Regent Cleveland shared information regarding Graphic Packaging as an example. Chancellor Reeser supported Regent Cleveland's information with additional information.

IX. COMMITTEE REPORTS & MINUTE ORDERS

a. Committee for Student Learning and Student Development

Lizzy de la Garza Putegnat, Chair; Ron Rohrbacher, Member

Committee Chair Comments

Chair Putegnat provided an update for the committee. Specific notes were focused on the online college and the Waco WorkSITE. She asked Executive Vice Chancellor Jonathan Hoekstra to present the minute orders.

Hoekstra presented the minute orders listed below and provided additional information for each minute order.

Chair Widup congratulated VC Hoekstra on the graduation of his son at the most recent graduation.

No questions were asked.

Minute Orders:

Proposed MO#

SL 08-25(c) Approve the Updated Policy for Faculty Expectations and Workload

SL 09-25(c) Rescind Executive Action 02-15 Policy Employment of Adjunct Faculty

SL 10-25(c) Approve the Updated Policy for Faculty Role in Governance

Reports:

None.

b. Committee for Fiscal Affairs

Robb Misso, Chair; Kathy Stewart, Member

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

Committee Chair Comments

Regent Misso gave a brief overview of the minute orders, reports and the upcoming annual contract management training. He requested Vice Chancellor Chad Wooten to present the minute orders and reports.

VC Wooten reported an answer to a question asked previously regarding the amount of students who transfer to four-year colleges over the last five years is only 1%. Chancellor Reeser explained terminal degrees and what our programs provide.

VC Wooten provided additional information regarding the minute orders listed below. He explained that these reports are routine. He made a special note to MO FAC 04-25(c) Approve Operating Budget for Fiscal Year 2026.

Regent Beckman asked about forecasts of obsolete technology that has to be reinvested in. VC Wooten explained the current initiative with this kind of forecast and planning.

Regent Cleveland asked where New Braunfels falls under and VC Wooten explained that it rolls into East Williamson County. Regent Cleveland asked about Denton County, as well.

Regent Honey asked about how the endowment could affect potential CCAPs. VC Wooten provided information.

VC Wooten explained the reports and commented on TSTC's 60th upcoming birthday on September 1, 2025.

Chair Widup provided accolades and Regent Putegnat asked a question about Prop 1 marketing funds. VC Wooten explained the limitations on the expenditure of governmental funds related to marketing for Prop 1.

VC Wooten provided Annual Contract Management training to all eight regents who were physically present and Regent Stewart who was joining virtually. He explained the requirements and the conflict of interest qualifications. Therefore, all regents have met the annual requirements for contract management training. All of the TSTC Leadership team was also present for this training.

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Regent Misso thanked the financial services team and the creative services team for the creation of the budget book.

Minute Orders:

Proposed MO#

FA 02-25(c) Approve Schedule of Tuition and Fees Effective Fall 2026 Semester

FA 03-25(c) Approve the Schedule of Tuition and Fee Exemptions and Waivers, Non-Mandatory, Effective Fall 2026 Semester

FA 04-25(c) Approve Operating Budget for Fiscal Year 2026

FA 05-25(c) Approve Initial Appropriation Transfers for Fiscal Year 2026

Reports:

1. Quarterly Investment Report
2. Pledged Collateral Report
3. Budget Performance Report
4. Quarterly Lease Report
5. Quarterly Report for Contracts > \$1 Million

c. **Committee for Facilities**

Keith Honey, Chair; Eric Beckman, Member; Curtis Cleveland, Member

Committee Chair Comments

Regent Honey provided a brief overview of the committee meeting that was held on 8/26. Regent Honey provided accolades to the team for their fantastic work.

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Vice Chancellor Rick Herrera provided an overview of the minute orders from his division and gratitude for his team. Chancellor Reeser highlighted the pictures of the Abilene campus and explained the industrial space.

At 12:05 pm, Regent Stewart disconnected from the Zoom meeting.

Regent Honey asked about the statewide CDL project. Chancellor Reeser provided contextual information about Vice Chancellor Hernandez's former plan that was not approved by the legislature. Regent Cleveland asked for clarification.

Chair Widup commented on the new building on Waco campus as a great form of marketing.

Committee Chair Honey requested Vice Chancellor Kevin Semien to present his minute orders and reports. Regent Honey asked about the age of the hangar referenced in the minute order. Regent Cleveland asked about square footage of hangars. Regent Widup asked about branding opportunities for the hangars. Vice Chancellor Semien provided additional information regarding MO FAC 08-25(c). Regent Widup asked about the determination of lease costs. VC Semien explained the process with an outside consultant to create competitive lease costs.

Minute Orders:

Proposed MO#

FAC 03-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Abilene, Texas

FAC 04-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Fort Bend County, Texas

FAC 05-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Harlingen, Texas

FAC 06-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Marshall, Texas

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

FAC 07-25(c) Approve the Project and Budget to Replace the existing roof on Hangar 11-1 at Texas State Technical College Waco Airport and authorize the Chancellor, or his designee, to enter into and execute contracts for the project in excess of one million dollars (\$1,000,000)

FAC 08-25(c) Approve the Lease Agreement for 1,100,355 Square Feet of Ramp Space at the Texas State Technical College Waco Airport.

FAC 09-25(c) Approve the Project, Budget and Contract to Construct a Commercial Driver's License Training Facility at Texas State Technical College in Waco, Texas

Reports:

1. Oral Construction Update
2. Major Facility Projects Report

d. **Committee for General Administration**

Kathy Stewart, Chair; Lizzy de la Garza Putegnat, Member; Tiffany Tremont, Member. At 12:05pm, Kathy Stewart's virtual link to the meeting was discontinued.

Committee Chair Comments

Regent Dr. Tremont gave a brief overview of the committee meeting on behalf of Regent Stewart that was held on 8/25. She highlighted specific endeavors such as increasing enrollment, marketing, continued external relations partnerships, and government relations. She requested Vice Chancellor Dale Bundy to present his minute orders.

VC Bundy provided a brief overview of minute orders GA 02-25(c) and GA 03-25(c). Regent Honey asked about GA 03-25(c).

Vice Chancellor Michael Bettersworth presented minute order GA 04-25(c) and provided contextual information. 9,000 minutes were saved in the last three months by using an AI bot.

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General Counsel, Edward Vallejo, presented minute orders GA 05-25(c) and GA 06-25(c) with additional contextual information. Chancellor Reeser provided additional information in which Vallejo suggested we submit the SB17 certification after the May meeting next year instead of August.

Regent Putegnat asked for clarification of the need for GA 05-25(c). Vallejo explained that this policy will consolidate into one free speech policy. Chair Widup asked about the underlined text in the minute order. Vallejo explained that it is a hyperlink.

Vice Chancellor Hernandez presented GA 07-25(c) and highlighted the pictures of the mobile lab. She provided clarity for Regent Honey's question. Regent Putegnat asked about the creation of this idea. Hernandez explained that this idea was based off of the welding mobile training in the Port of Brownsville. Chancellor Reeser explained additional opportunities for the mobile lab.

Regent Tremont provided gratitude for the work of the General Administration committee.

Minute Orders:

Proposed MO#

- | | |
|-------------|---|
| GA 02-25(c) | Approve the Enrollment for Education Solutions Agreement with Microsoft Corporation |
| GA 03-25(c) | Approve the Hybrid Cloud Infrastructure Modernization Project. |
| GA 04-25(c) | Approve the Service Agreement for Inbound/Outbound Call Services with EdFinancial Services, LLC |
| GA 05-25(c) | Certify Compliance With Texas Education Code, Section 51.3525, Responsibility of Governing Boards Regarding Diversity, Equity, and Inclusion Initiatives. |
| GA 06-25(c) | Protected Expression on Campus |
| GA 07-25(c) | Approve the Concept, Project, Budget, and Contract to Purchase a Mobile Training Lab |

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

Reports:

None.

X. RECESS OPEN MEETING

The open meeting was recessed at 12:43 pm.

XI. CLOSED MEETING

1. The Closed Meeting is called to Order at 12:55 pm, with all members present, with the exception of Kathy Stewart.
2. Consultation with Attorney (Texas Government Code, Section 551.071)
 1. Ted Donovan v. TSTC
 2. Davis/Dorton v. Reeser/Rushing
 3. Colby Walters v. TSTC
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
4. Personnel Matters (Texas Government Code, Section 551.074)
5. The Closed meeting was adjourned at 2:04 pm.

XII. OPEN MEETING RECONVENES

The open meeting reconvened at 2:08 pm.

XIII. ACTION ON CLOSED MEETING

XIV. CONSENT AGENDA ITEMS

IA 02-25(c) Proposed Audit Plan for Fiscal Year 2026

SL 08-25(c) Approve the Updated Policy for Faculty Expectations and Workload

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

- SL 09-25(c) Rescind Executive Action 02-15 Policy Employment of Adjunct Faculty
- SL 10-25(c) Approve the Updated Policy for Faculty Role in Governance
- FA 02-25(c) Approve Schedule of Tuition and Fees Effective Fall 2026 Semester
- FA 03-25(c) Approve the Schedule of Tuition and Fee Exemptions and Waivers, Non-Mandatory, Effective Fall 2026 Semester
- FA 04-25(c) Approve Operating Budget for Fiscal Year 2026
- FA 05-25(c) Approve Initial Appropriation Transfers for Fiscal Year 2026
- FAC 03-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Abilene, Texas
- FAC 04-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Fort Bend County, Texas
- FAC 05-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Harlingen, Texas
- FAC 06-25(c) Accept the Capital Construction Assistance Project at Texas State Technical College in Marshall, Texas
- FAC 07-25(c) Approve the Project and Budget to Replace the existing roof on Hangar 11-1 at Texas State Technical College Waco Airport and authorize the Chancellor, or his designee, to enter into and execute contracts for the project in excess of one million dollars (\$1,000,000)
- FAC 08-25(c) Approve the Lease Agreement for 1,100,355 Square Feet of Ramp Space at the Texas State Technical College Waco Airport
- FAC 09-25(c) Approve the Project, Budget and Contract to Construct a Commercial Driver's License Training Facility at Texas State Technical College in Waco, Texas

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

- GA 02-25(c) Approve the Enrollment for Education Solutions Agreement with Microsoft Corporation
- GA 03-25(c) Approve the Hybrid Cloud Infrastructure Modernization Project
- GA 04-25(c) Approve the Service Agreement for Inbound/Outbound Call Services with EdFinancial Services, LLC
- GA 05-25(c) Certify Compliance With Texas Education Code, Section 51.3525, Responsibility of Governing Boards Regarding Diversity, Equity, and Inclusion Initiatives.
- GA 06-25(c) Protected Expression on Campus
- GA 07-25(c) Approve the Concept, Project, Budget, and Contract to Purchase a Mobile Training Lab

These were approved with a motion by Lizzy de la Garza Putegnat which was seconded by Tiffany Tremont.

XV. UNFINISHED BUSINESS

From the closed session, minute order CS 06-25 was unanimously approved with a motion by Regent Honey and second motion by Regent Cleveland.

XVI. NEW BUSINESS

None.

XVII. CHANCELLOR COMMENTS

Chancellor congratulated Chair Widup with his Trailblazer award. The Chancellor recognized the events team and personnel who assisted with the board meeting.

XVIII. BOARD COMMENTS

Regent Putegnat offered accolades for Chair Widup's graduation message. Chair Widup announced that the next board meeting will be held at the Marshall campus on November 12-13, 2025.

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

XIX. ADJOURN

The meeting was adjourned at 2:12 pm.

[ORIGINAL SIGNED BY]

Edward Vallejo

Secretary to the Board

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

TABLE OF CONTENTS

Committee for Student Learning and Student Development

Lizzy de la Garza Putegnat, Chair; Ron Rohrbacher, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

SL 11-25(c)	Rescind Minute Order 123-92 Policy for Graduate Guarantee	2
	<i>Jonathan Hoekstra</i>	
SL 12-25(c)	Approve the Agreement with AllTex Welding Supply, Inc. Exceeding 25% of Original Contract Value	3
	<i>Jonathan Hoekstra</i>	
SL 13-25(c)	Approve Hires Pursuant to Texas Education Code 51.352 Subsection (d)(4)	4
	<i>Jonathan Hoekstra</i>	

Reports:

None.

Board Meeting Date:	November 13, 2025	Proposed Minute Order #: SL 11-25(c)
Proposed By:	Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer	
Subject:	Rescind Minute Order 123-92 Policy for Graduate Guarantee	
Background:	The Texas Higher Education Coordinating Board (THECB) Guidelines for Instructional Programs in Workforce Education (GIPWE) previously required institutions to establish a Graduate Guarantee policy. Minute Order 123-92 Policy for Graduate Guarantee was approved by the Texas State Technical College (TSTC) Board of Regents in September 1992. The policy aims to ensure the employability of graduates through the implementation of a Graduate Guarantee program. This policy offers up to nine tuition-free credit hours of additional skills training for graduates who are deemed lacking in technical job skills as identified by their exit competencies.	
Justification:	In April 2025 the THECB updated the GIPWE and removed this requirement. This minute order is no longer relevant.	
Additional Information:	TSTC demonstrates accountability for student outcomes through the Money Back Guarantee which expanded to include all technical programs beginning Fall 2025.	
Fiscal Implications:	None.	
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 rescinds Minute Order 123-92 Policy for Graduate Guarantee."	
Recommended By:	[ORIGINAL SIGNED BY] Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer	



Board Meeting Date:	November 13, 2025	Proposed Minute Order #: SL 12-25(c)
Proposed By:	Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer	
Subject:	Approve the Agreement with AllTex Welding Supply, Inc. Exceeding 25% of Original Contract Value	
Background:	Texas State Technical College (TSTC) executed a Master Service Agreement (MSA) with AllTex Welding Supply, Inc. on June 24, 2022 to support instruction through the purchase of welding gases, equipment, and related services. The MSA was previously approved by Minute Order SL 04-23(c) in anticipation that it would exceed \$1 million. TSTC now anticipates that future expenditures will exceed 25 percent of the value of the original contract approved by the Board, necessitating Board approval in accordance with Texas Education Code § 51.9337(f).	
Justification:	Approval ensures compliance with Texas Education Code § 51.9337(f) and streamlines future amendments, extensions and renewals, providing consistent support for TSTC’s essential operations.	
Additional Information:	The MSA is currently in effect through June 24, 2027.	
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):	None	
Recommended Minute Order:	“The Texas State Technical College Board of Regents approves amendments, extensions, and renewals of the original contract with AllTex Welding Supply, Inc. and delegates its authority to the Chancellor, or his designee, to enter into and execute any and all amendments, extensions, or renewals, including those with a value that exceeds 25% of the value of the original contract.”	
Recommended By:	[ORIGINAL SIGNED BY] Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer	

Board Meeting Date:	November 13, 2025	Proposed Minute Order #: SL 13-25(c)
Proposed By:	Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer	
Subject:	Approve Hires Pursuant to Texas Education Code 51.352 Subsection (d)(4)	
Background:	Senate Bill 37 passed in June 2025 during the 89th Session of the Texas Legislature. These changes to Texas Education Code 51.352 became effective September 1, 2025 and requires the governing board to “approve or deny the hiring of an individual for the position of provost or deputy provost, associate provost, or assistant provost”.	
Justification:	Management of Texas State Technical College performed a competitive recruitment and selection process for three Associate Provost positions at two TSTC Campuses.	
Additional Information:	None	
Fiscal Implications:	The three positions are included in the approved Fiscal Year 2026 Personnel Budget.	
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 hiring of the following individuals required under Texas Education Code 51.352 subsection (d)(4): Brandon Foster, Associate Provost Fort Bend County XXX, Associate Provost Harlingen XXX, Associate Provost Harlingen”	
Recommended By:	[ORIGINAL SIGNED BY] Jonathan Hoekstra, Executive Vice Chancellor & Chief Operating Officer	

TABLE OF CONTENTS

Committee for Fiscal Affairs

Robb Misso, Chair; Kathy Stewart, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

FA 06-25(c) Review and Approve Policy for Investments 6

Chad Wooten

Reports:

1. Quarterly Investment Report 21

Chad Wooten

2. Pledged Collateral Report 24

Chad Wooten

3. Debt Management Report 25

Chad Wooten

4. Biennium Investment Officer Training Report 29

Chad Wooten

5. Budget Performance Report 30

Chad Wooten

6. Quarterly Lease Report 32

Chad Wooten

7. Quarterly Report for Contracts > \$1 Million 33

Chad Wooten

Board Meeting Date:	November 13, 2025	Proposed Minute Order #: FA 06-25(c)
Proposed By:	Chad Wooten, Vice Chancellor & Chief Financial Officer	
Subject:	Approve the Policy for Investments	
Background:	The Public Funds Investment Act (PFIA), Government Code Chapter 2256 (the Act), requires all state agencies to adopt an investment policy that ensures safety of principal, liquidity, and adequate yield for invested funds. The policy provides pertinent information, and includes operating requirements and performance standards to ensure compliance with the Act.	
Justification:	Texas State Technical College (TSTC), in accordance with the Public Funds Investment Act, Government Code Chapter 2256, approves its investment policy annually at the Fall meeting of the TSTC Board of Regents.	
Additional Information:	None.	
Fiscal Implications:	No significant fiscal impact.	
Attestation:	This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.	
Attachment(s):	Policy for Investments	
Recommended Minute Order:	"The TSTC Board of Regents has reviewed, and approves, the <i>Policy for Investments</i> , which includes the review and approval of TSTC's investment policy and investment strategy. Further, the TSTC Board of Regents has reviewed, and approves, the list of qualified brokers included in the policy."	
Recommended By:	[ORIGINAL SIGNED BY] Chad Wooten, Vice Chancellor & Chief Financial Officer	



SOS Category: Fiscal Affairs
Sub-Category: Finance, Budget & Asset Mgmt.
Authority: Board of Regents
Last Revision Date: 11/07/2024

Statewide Standard

FA 2.03 POLICY FOR INVESTMENTS

POLICY

It is the policy of Texas State Technical College (TSTC) to prudently invest funds not needed for immediate operating purposes and other funds such as plant funds, endowment funds, and other reserve funds. All TSTC funds will be appropriately invested according to each fund type in consideration of preservation and safety of principal, liquidity, and yield, while meeting the daily cash flow needs of the college. All deposits and investments shall conform to the [Public Funds Investment Act](#).

REFERENCES

[TSTC Website Investment Disclosure](#)

[Public Funds Investment Act, Chapter 2256 of the Government Code](#)

[Texas Education Code, Chapter 135.2](#)

[Section 404.0211 of the Government Code](#)

[Section 51.923 of the Education Code](#)

[Section 51.003\(a\) of the Education Code](#)

[Securities and Exchange Commission \(SEC\) Rule 15C3-1](#)

[Section 573 of the Government Code](#)

SCOPE

This SOS is applicable to both internal and external stakeholders, with an emphasis on ensuring compliance and transparency in the management of public funds.

DEFINITIONS

1. Authorized Broker/Dealers - "Authorized Broker/Dealers" means those entities that have been approved as provided herein.
2. Funds - "Funds" is defined by Government Code § 2256.002 and means public funds in the custody of a state agency or local government that a) are not required by law to be deposited in the state treasury; and b) the investing entity has authority to invest.
3. Funds Subject to Board of Regents Control - "Funds Subject to Board of Regents Control" is defined by Texas Education Code § 51.002 and means:
 1. student fees of all kinds;
 2. charges for uses of rooms and dormitories;
 3. receipts from meals and cafeterias;
 4. fees on deposit, refundable to students under certain conditions;
 5. income from student publications and other student activities;
 6. receipts from the sale of publication products and miscellaneous supplies and equipment;
 7. students' voluntary deposits of money for safekeeping;
 8. all other fees and local or institutional funds arising out of and by virtue of educational activities, research, or demonstrations carried on by the institution; and
 9. donations and gifts to the institution.
4. Investment Officer - "Investment Officer" means the person(s) appointed by the Board as prescribed by this policy, and any authorized designee.
5. Managing Entity - "Managing Entity" means the entity holding and managing the investment of funds, and may include Texas State Technical College, an external asset management firm, or Authorized Broker / Dealers.
6. Prudent Person Standard - "Prudent Person Standard" is defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution, and means that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into

consideration the investment of all the assets of the fund rather than a single investment.

PURPOSE, INVESTMENT OBJECTIVE AND STRATEGY

Purpose: The purpose of the Policy for Investments is to outline the following general provisions affecting the investments by:

1. Assisting the Investment Officer(s) and Regents to fulfill their fiduciary responsibilities.
2. Conveying the investments' purpose, investment objective, investment strategy and constraints.
3. Setting forth the role and responsibilities of the Investment Officers, Regents, and other relevant parties.

Investment Objectives and Strategy: The investment objectives for TSTC, in order of priority are:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield

The investment strategy is to safeguard principal by investing only in authorized investments at qualified institutions, and then retaining appropriate liquidity to meet daily operating demands while seeking a higher yield on cash and risk-adjusted returns on reserves and other funds through an appropriately diversified investment portfolio.

To meet the investment objectives and execute the strategy, the TSTC Investment Officer(s) shall insure that:

1. All TSTC funds subject to the Board of Regents control are invested pursuant to the Prudent Person Standard;
2. The TSTC portfolio contains liquid interest-earning investments;
3. Income and expenditure patterns are monitored and continually updated to determine monthly cash needs of TSTC;

4. Placement and duration of TSTC's investments are determined by the cash needs and expectations of TSTC;
5. The yield on investments is negotiated at the time of purchase and that it reflects market conditions and yields available; and
6. The investment portfolio consists of an appropriate mix of instruments that benefit from anticipated market conditions and achieve the best allowable yield.

QUALIFIED INSTITUTIONS

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

1. "Primary" government security dealers (as defined by the New York Federal Reserve), or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule);
2. Texas local government investment pools, as permitted in accordance with Government Code 2256.016; or
3. A Federally-insured financial institution doing business in Texas, which
 - a) must provide their most recent Statement of Condition report on request;
 - b) must sign a 'Certification by Registered Principal of Investment Firm/Bank' certifying that the registered principal has reviewed TSTC's investment policy; and
 - c) must maintain a consistent record of compliance with TSTC's collateral coverage and investment policy.

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

AUTHORIZED BROKERS

The Board of Regents is required to review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with TSTC at least annually, as set forth in Section 2256.025 of the Public Funds Investment Act.

Please see list in attached addendum/schedule.

INVESTMENTS AND COLLATERAL

Before TSTC invests any funds, a competitive bid process shall be conducted. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments that meet the maturity requirements. If no specific maturity is required, a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous. TSTC will accept the bid that provides the highest rate of return within the desired maturity and within the parameters of this policy. TSTC will maintain copies of bids obtained.

AUTHORIZED investments and collateral are:

1. Certificates of Deposit (in Federally-insured institutions)
 - a. Time Certificates of Deposit (CD) with a maturity not to exceed three (3) years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, and when possible and appropriate, in a financial institution or institutions located in the county or counties in which a TSTC campus operation is located, except for endowment accounts where the donor references a specific depository.
 - b. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of TSTC.

2. Obligations of, or Guaranteed by, Governmental Entities
 - a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
 - b. Direct obligations of this state or its agencies and instrumentalities;
 - c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
 - d. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than 'A' or its equivalent.
3. Texas public funds investment pools investing in government securities and repurchase agreements as approved by the Board, rated no less than AAA or equivalent and seeking to maintain a constant dollar net asset value.
4. Repurchase agreements ("Repos") with a defined termination date, collateralized by Treasury and Federal Agency securities listed in items "a," "b" and "c" above, collateralized initially at a minimum market value of 102 percent of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation.

UNAUTHORIZED investments and collateral are:

1. Obligations whose payment represents the coupon payments on the

outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

2. Obligations whose payment represents the coupon payments on the outstanding principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized Mortgage Obligations that have a stated final maturity date of greater than ten years;
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index; and,
5. Securities of a company that is identified on a list of companies with scrutinized active business operations in Sudan or Iran or with business ties to Foreign Terrorist Organizations (collectively, "Listed Companies") as published on the State Comptroller's website.

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

COLLATERAL

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

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

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

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

DEPOSITS, OPERATING FUNDS, AND SHORT-TERM WORKING CAPITAL

Deposits and short-term funds needed for operations and daily liquidity requirements shall be held with the following constraints:

1. All deposits or investments must either provide daily liquidity, offer diversification, or reduce interest rate risk. All investments must have maturities of two (2) years or less at the time of investment.
2. These funds must maintain a weighted-average maturity of no more than 270 days.
3. No individual security may have a credit quality of less than A- or A3 at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
4. No investment vehicles may have an average credit quality of less than AA- / Aa3 at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.

LONG-TERM RESERVE FUNDS

Long-term reserves are funds identified by TSTC that are not anticipated to be expended for operational or capital needs for at least two (2) years, or longer. The investment objective for long term funds is to preserve the purchasing power of the assets over time, subject to the overall guidelines of this policy, and shall be held with the following constraints:

1. All investments must have maturities of three (3) years or less at the time of investment.

2. These funds must maintain a weighted-average maturity of no more than 24 months.
3. No individual security may have a credit quality of less than A- or A3 at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
4. No investment vehicles may have an average credit quality of less than AA- / Aa3 at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.

BOND / DEBT PROCEEDS

As funds borrowed for the purpose of covering anticipated capital spending needs, these funds should be available for scheduled capital project liquidity and invested in a manner consistent with applicable Bond Covenants. Emphasis should be placed on safety of principal and liquidity. All bond / debt proceeds investments must comply with the Texas Public Funds Investment Act, Chapter 2256 of the Government Code, and amendments made thereto.

GIFTS AND ENDOWMENT FUNDS

Endowment funds originate from gifts to TSTC in which the corpus of the fund must be perpetually preserved, and investment earnings are spent in accordance with the donor's intent. The investment duration of the funds is perpetual, with an objective to maintain purchasing power over time and to provide on-going, dependable earnings distributions.

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

ETHICAL GUIDELINES FOR INVESTMENTS

1. Section 51.923 of the Education Code permits an institution of higher
- SOS FA Policy for Investments

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

2. Section 404.0211 of the Government Code, does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, is also an officer or director of the bank if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings. This section also does not disqualify a bank from serving as a depository for funds of a state agency if one or more officers or employees of the state agency, who have the duty of selecting a depository, own or have a beneficial interest, individually or collectively in 10 percent or less of the outstanding capital stock of the bank, if a majority of the members of the board vote to select the bank as a depository; and the interested officer or employee does not vote or take part in the proceedings.

3. Employees of TSTC who are involved in the selection of depository financial institutions shall not attempt to gain any personal benefit from the financial institutions in turn for depositing the funds in said financial institution. At the beginning of each fiscal year these employees must disclose personal conflicts they may have with individual firms where the College holds investments. These disclosures are due to the Chief Financial Officer by October 1 of each year. Investment Officers of TSTC, as defined by this policy, shall annually disclose any conflicts to the Board Secretary.
4. Board members are required to declare potential personal conflicts with business entities that they may have interests.

INVESTMENT OFFICER

The Chief Financial Officer is designated as Investment Officer of TSTC and is responsible for managing the purchase, sale and the investing of all financial resources under TSTC control or as granted by law. The Controller is designated as an alternate investment officer of TSTC who may act on investment decisions in the absence of the designated investment officer. The designated investment officers, acting in accordance with this policy and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments. Should the Chief Financial Officer be unable to serve in the capacity of Investment Officer of TSTC, the Chancellor may designate a successor that shall be ratified by the TSTC Board of Regents at its next regularly scheduled meeting.

The standard of care to be applied by the Investment Officer shall be the 'prudent investor' rule, which states:

"Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of the capital and the probable income to be derived. Investment of funds shall be governed by the following investment

objectives, in order of priority: preservation and safety of principal, liquidity and yield.”

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

INVESTMENT TRAINING

Investment officers shall receive five hours of investment training relating to an investment officer’s responsibilities within six months after assuming duties; and attend additional training sessions not less than once every two years, and receive not less than five hours of training. Such training from an independent source shall be sponsored or instructed through the University of North Texas Center for Public Management, the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, Texas Municipal League, Texas Association of School Board Officials, Texas Association of School Boards, the North Central Texas Council of Governments or other independent industry organizations to include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. The Investment Officer shall report compliance with these training requirements to the Board of Regents not later than the 180th day after the last day of each regular session of the legislature.

INVESTMENT REPORTING

Investment reports are to be prepared by TSTC staff, posted to the TSTC website and submitted to the Board of Regents quarterly. Reports will consist of the beginning and ending market value for the reporting period, the fully accrued interest for the reporting period, and will be signed by each investment officer of TSTC, including a statement of compliance with this policy and the Act.

When adopted each legislative session, TSTC is to carry out reporting requirements imposed by the Texas General Appropriations Act, Article III, Section 6, Rider 5 - Investment Reports, as a higher education institution.

DOCUMENT HISTORY

Approved by BOR 11/07/2024, MO #FA 08-24(c)

Approved by BOR 02/08/2024, MO #FA 09-23(c)

Approved by BOR 11/09/2023, MO #FA 09-23(c)

Approved by BOR 11/10/2022, MO #FA 07-22

Approved by BOR 11/11/2021, MO 41-21(c)

Approved by BOR 11/14/2019, MO 47-19(c)

Approved by LT 01/22/2019

Approved by BOR 11/08/18, MO 33-18

Approved by BOR 11/16/17, MO 45-17

Approved by BOR 11/17/16, MO 60-16

Approved by BOR 05/12/16, MO 28-16

Approved by BOR 11/05/15, MO 61-15

Approved by BOR 11/06/14, MO 61-14

Approved by BOR 11/06/13, MO 62-13

Approved by BOR 10/25/12, MO 70-12

Approved by BOR 11/03/11, MO 95-11

Revisions Proposed 09/29/11

Approved by BOR 11/04/10, MO 96-10

Approved by BOR 11/13/09, MO 132-09

Approved by BOR 11/07/08, MO 98-08

Approved by BOR 11/02/07, MO 89-07

Revised 10/08/07

Approved by BOR 11/03/06, MO 119-06

Revised 08/10/06

Approved by BOR 10/21/05, MO 103-05

Approved by MC 09/09/05

Revised 08/2005

Approved by BOR 10/22/04, MO 99-04

Approved by MC 9/10/04

Revised 8/11/04

Approved by BOR 10/24/03, MO 82-03

Approved by BOR 10/18/02, MO 144-02

Approved by MC 09/27/02

Revised 09/27/02

Approved by BOR 10/19/01, MO 88-01

Approved by BOR 04/28/00, MO 50-00

Approved MC 04/27/00

Revised 04/10/2000

Approved by BOR 01/30/98, MO 11-98

Revised 01/20/98

Approved by BOR 11/23/96, MO 165-96

Approved by MC 11/21/96

Revised 11/09/96

Approved by BOR 05/11/96, MO 51-96

Approved MC 05/10/96

Revised 04/10/96

Approved by BOR 01/25/92, MO 6-92

Approved by BOR 03/21/88, MO 22-88

Authorized Broker List:

Community Bank & Trust
First Financial Bank
Extraco Banks
Frost Bank
Coastal Securities, Inc.
Hilltop Securities
Investors Brokerage of Texas
Robert W. Baird & Co.
Vining Sparks
Wells Fargo Advisors
Cantor Fitzgerald
Citibank
Daiwa Capital Markets
Dinosaur Financial Group
Deutsche Bank
Odeon Capital
Oppenheimer & Co.
PNC Capital Market
Trust Securities
Wells Fargo Securities

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of August 31, 2025

Description	Ending Value as of 08/31/24	Ending Value as of 05/31/25	Ending Value as of 8/31/25	Interest Rate
<u>Operating Funds</u>				
Cash in State Treasury	4,809,417	3,471,651	1,301,128	4.27%
Statewide Operating	8,278,715	12,836,565	9,999,666	4.00%
Harlingen - Local Operating	53,506	47,572	120,402	3.79%
Sweetwater - Local Operating	27,629	8,438	26,640	4.53%
Marshall - Local Operating	29,030	27,338	59,778	0.05%
Fort Bend - Local Operating	33,325	27,859	63,078	0.00%
Brownwood - Local Operating	12,562	12,639	20,285	1.47%
Abilene - Local Operating	10,523	21,888	24,452	0.25%
North Texas - Local Operating	12,816	11,057	13,567	0.40%
Breckenridge - Local Operating	12,481	13,322	17,005	0.10%
Payroll	1,629,690	1,872,658	1,620,822	4.00%
Federal Funds	10	10	10	0.00%
Texas Range - Pool	26,096,325	26,909,086	24,865,318	4.28%
Total Operating Funds	41,006,028	45,260,083	38,132,150	
<u>Endowment Funds</u>				
Bank of America - CD	10,000	10,000	10,000	0.01%
Clear Fork Bank - CD	99,215	99,215	99,215	3.90%
FNB Central Texas - MMKT	308,074	315,624	318,817	4.00%
FNB Central Texas - CD	191,574	191,574	191,574	4.05%
Liberty/Veritex Community Bank - CD	10,000	10,000	10,000	3.50%
Total Endowment Funds	618,862	626,413	629,606	
<u>Bond Proceeds</u>				
TexPool (Series 2020 bonds)	3,805,878	3,373,711	-	4.31%
Texas Range Pool (Series 2022A CCAP bonds)	21,438,234	112,817,497	118,662,189	4.28%
FNB Central Texas (Series 2022A CCAP bonds)	1,292,766	519,793	2,975,614	4.00%
BOK Financial (Series 2022A CCAP bonds)	237,886,908	44,974,464	-	4.02%
Texas Range Pool (Series 2024 bonds)	-	2,201,086	-	4.28%
Total Bond Proceeds / Debt Service Funds	264,423,786	163,886,551	121,637,802	
Total All Investments	306,048,676	209,773,048	160,399,559	

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of August 31, 2025

Schedule of Time Deposits:

Description	Amount	Maturity Date	Days Maturity	Rate	Type
Veritex Community Bank	10,000	9/7/2026	365	3.50%	Endowment
FNB Central Texas	191,574	9/15/2025	183	4.05%	Endowment
Clear Fork Bank	65,000	10/2/2025	182	3.90%	Endowment
Clear Fork Bank	34,215	10/10/2025	182	3.90%	Endowment
Bank of America	10,000	8/10/2026	365	0.01%	Endowment
Total Time Deposits	310,789				

Weighted Average Maturity (Time Deposits): 194 days

Weighted Average Rate of Interest (All Investments): 4.28%

Current One Year Treasury Bill Rate: 3.83%

Lipper Money Market Funds Average Return (1 YR): 4.04%

FY 2025 Investment Income (All Investments): 11,773,489 *

All investments, except for the funds at BOK Financial, 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.

**Includes Change of Fair Value in Investments (Unrealized Gain/Loss)*

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).

[ORIGINAL SIGNED BY]

Anju Motwani, Controller

10/20/25

Date

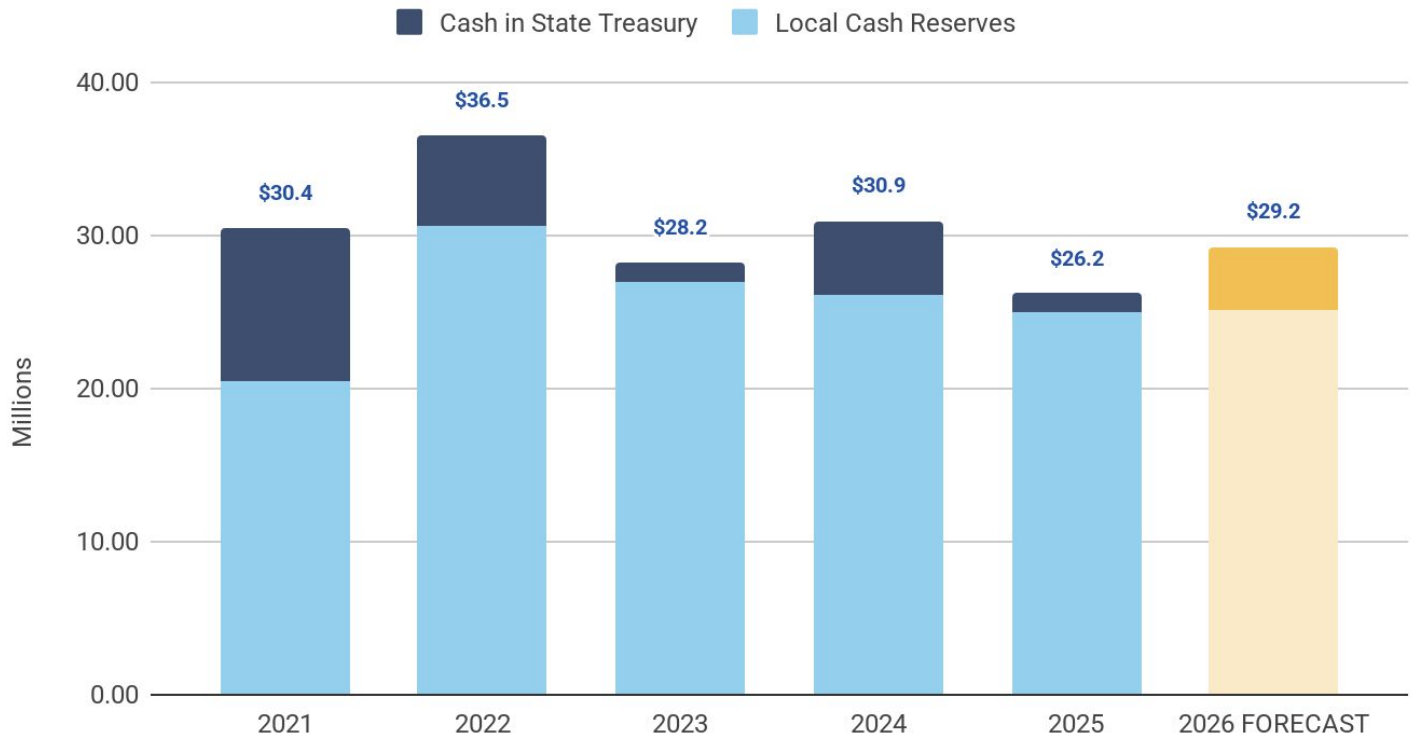
[ORIGINAL SIGNED BY]

Chad Wooten, Chief Financial Officer

10/20/25

Date

TEXAS STATE TECHNICAL COLLEGE
Quarterly Investment Report
As of August 31, 2025



2022

Another \$10 mil added to reserves, despite of the early payoff of the Fort Bend ITC lease amounting to \$3.6 mil and early payoff of the TPFA leases amounting to \$2.0 mil. TSTC also drew \$6 mil for lost revenue from CARES.

Balance: \$36.5M

2023

First year TSTC utilized reserves in preparation for expansion. Hiring additional FTE, equipment purchased for FAME, additional marketing strategies.

Balance: \$28.2M

2024

Continued to utilize some reserves to supplement growth during the year, however, with almost 18% increase in tuition, slight increase in reserves at year end.

Balance: \$30.9M

2025

Planned reserve spending for the year was \$7 million; however, due to more controlled expenditures, actual spending totaled just over \$5 million.

Balance: \$26.2M

2026 Forecast

TSTC has planned and budgeted to restore \$3 million in reserves for FY 2026, with Fall enrollment meeting projections and potential increases expected as the year progresses, particularly with anticipated growth in Spring and Summer enrollment and the opening of new facilities statewide.

Balance: \$29.2M

TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report

August 31, 2025

	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>							
1 First Ntl Bank of Central Texas - Waco	14,596,112	510,391	15,106,503	500,000	14,606,503	27,500,000	12,893,497
2 Frost Bank - Harlingen/Fort Bend	183,480	-	183,480	250,000	-	289,565	356,086
3 Texas National Bank - Sweetwater	26,640	-	26,640	250,000	-	-	223,360
4 Texas Bank & Trust - Marshall	59,778	-	59,778	250,000	-	-	190,222
5 Citizens National Bank - Red Oak	13,567	-	13,567	250,000	-	-	236,433
6 Prosperity Bank - Abilene	24,452	-	24,452	250,000	-	-	225,548
7 Texas Bank - Brownwood	20,285	-	20,285	250,000	-	-	229,715
8 InterBank - Breckenridge	17,005	-	17,005	250,000	-	-	232,995
9 Bank of America - Waco	-	10,000	10,000	250,000	-	-	240,000
10 Clear Fork Bank	-	99,215	99,215	250,000	-	-	150,785
11 Veritex Comm. Bank - N. Richland Hills	-	10,000	10,000	250,000	-	-	240,000
12 Cash in State Treasury	1,301,128	-	1,301,128	No Collateral Required			
13 TexasTerm (Government Pool)	143,527,507	-	143,527,507	No Collateral Required			
TOTAL	159,769,953	629,606	160,399,559				

* 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.

O: 254-867-3895

September 13, 2025

Mr. Ron Widup
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, an annual report from the Controller's Office is to be provided to the Board of Regents certifying compliance with the policy.

Accordingly, I hereby certify that the College currently complies with *SOS FA 2.4, Policy for Debt Management*, and with all bond covenants. Further, I have verified that current and projected revenues are sufficient to fund debt service, as of August 31, 2025. 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.

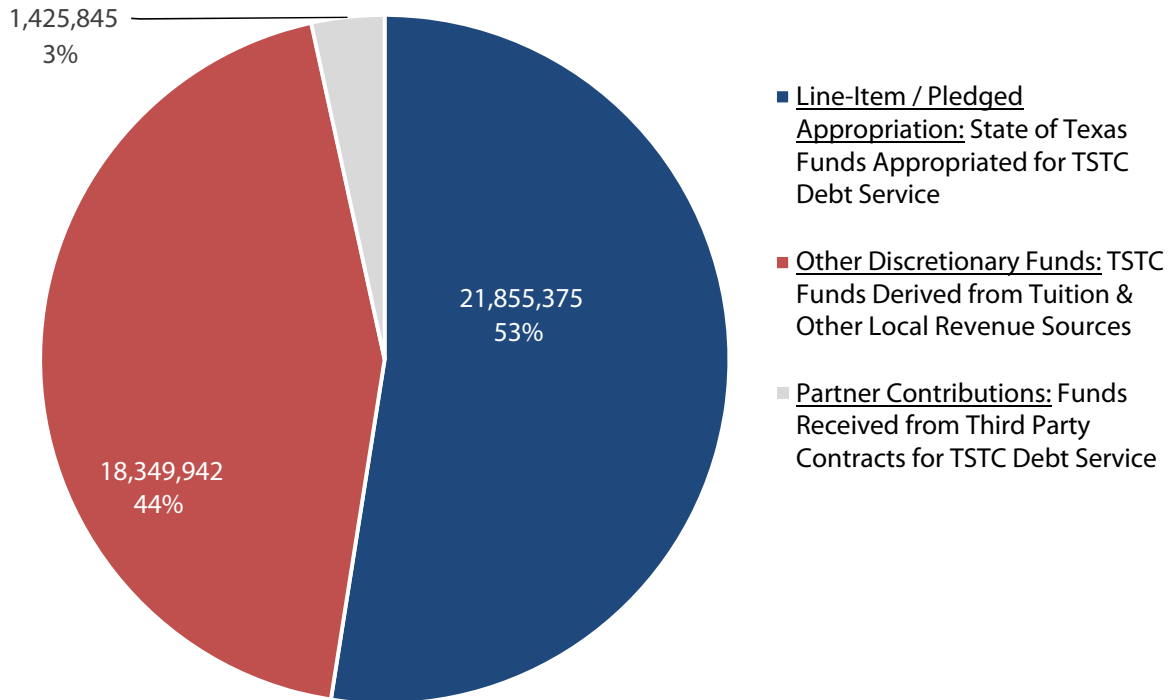
If you have any questions or need additional information, please advise.

Respectfully submitted,

Chad Wooten, CPA
Vice Chancellor & Chief Financial Officer

Anju Motwani, CPA
Associate Vice Chancellor & Controller

Texas State Technical College Sources of Debt Service Funding for FY 2026



Bonds	FY 2026 Debt Service	Source of Funding
Constitutional Appropriation Series 2016 Bonds (HEAF)	2,973,300	pledged appropriation
RFS Series 2016 Bonds (Tuition / Local Revenue)	5,006,006	line-item appropriation (54%) other discretionary funds (46%)
RFS Series 2020 Bond (Local Revenue)	3,395,789	other discretionary funds (100%)
RFS Series 2022 Refunding Bonds (Local Revenue)	1,552,774	other discretionary funds (48%) partner contributions (52%)
RFS Series 2022A Improvement Bonds (CCAP / Local Revenue)	22,792,388	line-item appropriation (66%) other discretionary funds (34%)
RFS Series 2024 Improvement Bonds (CCAP/Local Revenue)	3,919,195	line-item appropriation (47%) other discretionary funds (53%)
Lease Purchases		
Waco Student Housing (Griffith Hall)	1,371,710	other discretionary funds
Waco WorkSITE	620,000	Partner Contributions
TOTAL FY 2025 DEBT SERVICE:	\$ 41,631,162	

Texas State Technical College
Summary of Outstanding Debt as of August 31, 2025

	<u>Outstanding Principal</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Bonds			
Constitutional Appropriation Series 2016 Bonds (HEAF)	2,915,000	4.00% - 5.00%	October 2025
RFS Series 2016 Bonds (Tuition / Local Revenue)	34,615,000	2.00% - 5.00%	October 2035
RFS Series 2020 Bond (Local Revenue)	18,900,000	2.53%	October 2030
RFS Series 2022 Refunding Bond (Local Revenue)	13,540,000	2.31%	August 2036
RFS Series 2022A Bonds (CCAP / Local Revenue)	273,525,000	5.00% - 6.00%	August 2054
RFS Series 2024 Bonds (CCAP / Local Revenue)	<u>49,525,000</u>	4.38%	August 2034
Total Bonds	<u>393,020,000</u>		
Lease Purchases			
TSTC Foundation, 2020 (Housing - Waco)	18,763,307	3.75%	August 2045
TSTC Foundation, 2023 (The WorkSITE)*	<u>6,242,888</u>	3.90%	December 2043
Total Lease Purchases	<u>25,006,195</u>		
Total Outstanding Debt:	<u><u>\$ 418,026,195</u></u>		

*Note: Payments on this lease purchase began in December 2024 (FY2025). The maximum lease principal will be \$8.5 million.

Total Outstanding Debt as of August 31:	2021	140,355,014
	2022	120,788,866
	2023	398,306,757
	2024	382,519,493
	2025	418,026,195

TSTC Bond Ratings as of August 31, 2025

TSTC Bond Series	Fitch	Moody's	Rating Description	
2016 HEAF	AAA	Aaa	Investment Grade	Prime
	AA+	Aa1		High Grade
	AA	Aa2		
	AA-	Aa3		
2016 RFS, 2022A RFS, & 2024 RFS	A+	A1		Upper Medium Grade
	A	A2		
	A-	A3		
	BBB+	Baa1		Lower Medium Grade
	BBB	Baa2		
	BBB-	Baa3		
	BB+	Ba1	Below Investment Grade (Speculative)	Below Investment Grade / Speculative
	BB	Ba2		
	BB-	Ba3		
	B+	B1		Highly Speculative
	B	B2		
	B-	B3		
	CCC+	Caa1		Substantial Risks / Extremely Speculative
	CCC	Caa2		
	CCC-	Caa3		
	CC	Ca		Default Imminent
	C			
	DDD	C		
	DD			In Default

Rating Outlook Summary:

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

Revenue Financing System (RFS) Bonds: Moody's and Fitch rate both public issuances of RFS bonds; Outlook from Moody's is **STABLE**, outlook from Fitch is **STABLE**.

Financial Services
3801 Campus Drive
Waco, TX 76705



O: 254-867-3934

November 13, 2025

Mr. Ron Widup
Members of the Board of Regents
Texas State Technical College
Waco, TX 76705

Subject: Biennium Investment Officer Training Report

Regents:

Per Texas Government Code, Title 10, Subtitle F, Section 2256.007, "an investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. The investment officer shall prepare a report on this subchapter and deliver the report to the governing body of the state agency not later than the 180th day after the last day of each regular session of the legislature."

Accordingly, we hereby report that Texas State Technical College currently complies with this requirement. This letter shall serve as the required report.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Chad Wooten".

Chad Wooten, CPA
Vice Chancellor &
Chief Financial Officer

A handwritten signature in blue ink that reads "Anju Motwani".

Anju Motwani, CPA
Associate Vice Chancellor &
Controller

**Texas State Technical College
Operating Budget Performance
as of August 31, 2025**

	FY 2025 Budget	FY 2025 YTD Actual	Budget Utilized	NOTE	FY 2026 Budget
Operating Revenues					
Returned Value Formula Appr.	95,103,614	95,103,614	100.0%		115,053,573
Special Items & Other Appropri.	27,162,626	27,276,633	100.4%		27,328,392
Debt Service Appropriations	17,699,057	18,852,092	106.5%	1	18,882,309
HEAF Appropriations	8,662,500	8,662,500	100.0%		12,993,750
Benefits Appropriations	33,019,920	34,334,225	104.0%		37,939,743
Tuition	68,750,000	68,243,901	99.3%	2	75,783,576
Student Financial Aid	50,000,000	61,690,941	123.4%	3	65,559,730
Auxiliary Enterprises	13,000,000	13,097,776	100.8%		15,000,000
Fees & Educational Sales	5,000,000	4,703,964	94.1%	4	5,000,000
Industry Relations	7,000,000	4,423,200	63.2%	5	7,700,000
Grants	7,500,000	6,719,719	89.6%	6	6,000,000
Contracts & Other	6,600,000	8,701,699	131.8%	7	3,325,000
Total Operating Revenues	339,497,717	351,810,264	103.6%		390,566,073
Operating Carryforward / Reserves	7,000,000	7,000,000		8	(3,000,000)
Operating Expenditures					
Instruction / Operations	94,315,875	96,848,554	102.7%	9	102,554,270
Student Financial Aid	60,268,075	72,353,273	120.1%	3	76,559,730
Statewide Benefits	37,778,524	39,550,067	104.7%		42,982,466
Marketing	24,084,844	23,046,940	95.7%	9	25,545,717
External Relations	16,273,511	13,593,877	83.5%	9	14,810,475
Auxiliary Enterprises	10,419,160	11,851,743	113.7%	9	10,571,159
Campus Services	5,320,805	5,428,839	102.0%	9	5,633,201
Physical Plant	19,679,023	20,410,992	103.7%		23,007,034
Campus Expansion/Facilities	2,373,747	1,880,009	79.2%		2,087,593
Information Technology	17,345,491	14,687,814	84.7%		16,252,036
Finance	8,396,957	8,988,451	107.0%	9	9,224,943
Human Resources	4,370,365	3,785,312	86.6%	9	4,148,016
Statewide Administration	4,355,692	4,753,630	109.1%	9	4,904,772
Debt Service	38,111,648	39,625,123	104.0%	1	41,084,661
Strategic Pool (to be allocated)	3,404,000			10	8,200,000
Total Operating Expenditures	346,497,717	356,804,624	103.0%		387,566,073
Operating Budget Margin (Deficit)	-	2,005,640			-

**Texas State Technical College
Operating Budget Performance
as of August 31, 2025**

Notes:

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

- 1)** TSTC was authorized to issue \$208.5 million in Capital Construction Assistance Projects (CCAP) bonds in 2021. \$195 million of the bonds were issued in 2022, and the remaining \$13.5 million were issued in October 2024. The appropriation revenue and debt service expense for these bonds was not originally budgeted in FY25, but the forecast reflects the new issuance in both revenue and expense.
- 2)** Enrollment has increased throughout the fiscal year and is reflected in tuition revenue accordingly. Tuition revenue increased by 10% compared to prior year and came in just slightly under budget.
- 3)** Most financial aid expenses directly offset financial aid revenue, except for statutory scholarship set-asides from tuition revenue and other institutional scholarships. As a result of TSTC's ERP software conversion, financial aid revenue and expenses for the Fall 2024 semester was recognized in FY 2025 to align with tuition revenue.
- 4)** Fees and Educational Sales encompass revenues from pilot training programs, testing fees, mandatory student charges, and other sales. Although pilot training fees increased, total revenue from fees and educational sales came in slightly below budget.
- 5)** Industry Relations Revenue is primarily derived from workforce training programs funded through private partnerships and grants. Earlier FY 2025 forecasts included a \$5 million workforce training grant; however, execution of the agreement was delayed. As a result, both the associated revenue and expenses are now expected to be recognized in FY 2026.
- 6)** Grant revenue was below budget, primarily due to timing differences as some grants span multiple fiscal years.
- 7)** Contracts and Other Revenue include interest income, lease income, and reimbursements on various contracts. While interest rates are expected to eventually decline, overall interest income still exceeded budgeted amounts. A portion of the interest income recognized in this line relates to approximately \$3.2 million in earnings from the Series 2022 bonds, which was used to cover the 'interest-only' debt service payments on the bonds.
- 8)** TSTC consistently employs accumulated reserves for various strategic purposes. In FY 2025, \$7.0 million of reserves was budgeted, with about \$5.0 utilized, to supplement current year revenues and offset the increased expenses budgeted for CCAP operations/buildings that opened in Fall 2025.
- 9)** Expenditures in the primary operating divisions of the College mostly exceed the original budget, as planned. Much of these increases are funded by the "strategic pool," which is utilized throughout the fiscal year, reducing the pool amount and increasing the divisional operating budgets.
- 10)** The Strategic Pool budget has been fully deployed for FY 2025, with the majority of it allocated towards TSTC's merit pay program.

TEXAS STATE TECHNICAL COLLEGE

Quarterly Real Estate Lease Report for Minute Order 14-23

August 31, 2025

Tenant Name	Lease Description	Amount of Lease	Start Date	Term Date
Abilene ISD	Adult Education Classroom Space at TSTC in Sweetwater	\$0	11/1/2024	8/31/2025
Red Oak Independent School District	Classroom Lease at TSTC in North Texas	\$7,200	8/1/2025	7/31/2026

The leases above (TSTC is the lessor) are reported to the Board of Regents, per MO 14-23, when (1) the period of the lease, including optional extensions, does not exceed five 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. Amount of lease does not include optional renewals even if not yet exercised.

TEXAS STATE TECHNICAL COLLEGE
Quarterly Report for Contracts > \$1 Million
As of August 31, 2025

Contractor Name	Description	Total Contract Value	Start Date	Term Date
Rogers-O'Brien Construction	Construction Manager at Risk (CMAR) CCAP TSTC in Waco	\$59,655,264	7/21/2023	2/3/2026
J.T. Vaughn Construction, LLC	Construction Manager at Risk (CMAR) CCAP TSTC in Harlingen	\$47,315,780	7/21/2023	9/30/2025
J.T. Vaughn Construction, LLC	Construction Manager at Risk (CMAR) CCAP TSTC in Fort Bend	\$41,686,757	7/21/2023	10/31/2025
New - SpawGlass Contractors, Inc.	Construction Manager at Risk (CMAR) CCAP TSTC in Williamson County	\$35,179,456	1/21/2025	11/6/2026
Asher Media, Inc.	Advertising Services	\$22,500,000	9/1/2024	8/31/2026
Imperial Construction, Inc.	Construction Manager at Risk (CMAR) CCAP TSTC in Abilene	\$21,313,358	6/26/2023	9/4/2025
Workday, Inc.	Enterprise Resource Planning System	\$18,948,716	10/18/2019	8/31/2030
Incline Alchemy, Inc.	Workday Implementation Partner Services	\$10,626,421	9/30/2020	9/30/2025
Bartlett Cocke Gen. Contractors, LLC	Construction Manager at Risk (CMAR) CCAP TSTC in Marshall	\$8,984,953	8/3/2023	9/30/2025
TXU Energy	Electric Utility Services	\$8,500,000	1/1/2024	12/31/2028
Piper Aircraft, Inc.	Aircraft Purchases	\$5,958,900	10/19/2022	12/31/2025
Texas General Land Office	Natural Gas Utility Services	\$5,128,564	9/1/2009	8/31/2026
PBK Inc.	A/E Services CCAP TSTC in Waco	\$5,099,229	3/24/2023	12/31/2025
AllTex Welding Supply	Welding Equipment and Services	\$5,000,000	6/4/2022	6/24/2027
STVT-AAI Education Inc.	CDL License Training	\$4,455,000	1/1/2024	12/31/2025
PBK Inc.	A/E Services CCAP TSTC in Fort Bend	\$4,067,666	3/29/2023	12/1/2025
Energy Architecture, Inc.	A/E Services for CCAP, Other Buildings TSTC in Harlingen	\$3,984,595	4/11/2023	11/30/2025
Enterprise Fleet Management	Fleet Vehicle Leasing Services	\$3,839,862	10/10/2022	10/9/2027
City of Waco	Potable Water Purchase TSTC in Waco	\$3,797,131	8/6/2018	8/6/2028
PBK Inc.	A/E Services for CCAP TSTC in East Williamson County	\$3,712,000	6/13/2023	6/13/2026

TEXAS STATE TECHNICAL COLLEGE
Quarterly Report for Contracts > \$1 Million
As of August 31, 2025

Contractor Name	Description	Total Contract Value	Start Date	Term Date
Hyland LLC	Perceptive Content Software Support Services	\$3,314,948	9/1/2020	9/30/2026
Ellucian Company LP	Colleague Enterprise Resource Planning System	\$2,350,304	9/1/2022	2/28/2026
Sullivan Contracting Services	CCAP Renovation at TSTC in Hutto	\$2,156,000	3/10/2025	11/12/2025
Texas Department of Transportation	Revenue - Commercial Driver's License (CDL) Training Services	(\$2,088,679)	10/28/2022	8/31/2025
MediaMonks Inc.	Interactive Digital Installation Services TSTC in Waco	\$1,835,641	12/1/2023	11/30/2025
Parkhill Smith & Cooper, Inc.	A/E Services CCAP Projects TSTC in Abilene	\$1,764,105	1/19/2024	10/31/2025
Salesforce, Inc.	Cloud Customer Relationship Management Platform	\$1,640,657	3/1/2021	9/1/2028
Instructure Inc.	Canvas Learning Management System Software	\$1,449,842	9/1/2022	8/31/2027
Kitchell CEM, Inc.	Construction Management Services CCAP TSTC in Harlingen	\$1,389,075	5/24/2023	11/30/2025
Prolego Consulting Solutions, LLC	Construction Management Services CCAP TSTC in Fort Bend	\$1,258,711	4/20/2023	4/20/2026

Aggregate Spend	
J.T. Vaughn Construction, LLC	\$89,002,537
PBK Inc.	\$12,878,895

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

TABLE OF CONTENTS

Committee for Facilities

Keith Honey, Chair; Eric Beckman, Member; Curtis Cleveland, Member

Committee Chair Comments

Minute Orders:

Proposed MO#

FAC 10-25(c)	Approve the Project, Budget and contracts greater than \$1,000,000 to renovate the vacated Diesel Lab on the Ft. Bend Campus to house a new Building Construction Trades program.	36
	<i>Rick Herrera</i>	
FAC 11-25(c)	Approve the Extension of Lease Agreement with DLP Heritage Holding, Inc.	37
	<i>Kevin Semien</i>	
FAC 12-25(c)	Approve the Amended Lease Agreement with Level 5 Aerospace LLC	38
	<i>Kevin Semien</i>	
FAC 13-25(c)	Approve New Lease Agreement with Neighbors in Need of Services, Inc.	39
	<i>Kevin Semien</i>	

Reports:

1.	Construction Update	<i>Rick Herrera</i>
2.	Major Facility Expansion Projects Status Report	40
	<i>Rick Herrera</i>	
3.	FY25 Facilities Report & Deferred Maintenance Update	<i>Kevin Semien</i>

Board Meeting Date: November 13, 2025 **Proposed Minute Order #:** FAC 10-25(c)

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

Subject: **Approve the Project, Budget and contracts greater than \$1,000,000 to renovate the vacated Diesel Lab on the Ft. Bend Campus to house a new Building Construction Trades program.**

Background: The new CCAP building on the Fort Bend campus has been completed, and the Diesel program has now relocated to this facility. As a result, the former Diesel lab is being designed to accommodate the Building Construction Trades program in the vacated space.

Justification: This project will be another program offering on the Fort Bend Campus, providing our industry partners in that area with additional workforce in building construction trades.

Additional Information: This Project is budget with instructional equipment is \$1,500,000.00

Fiscal Implications:

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

Attachment(s): None

Recommended Minute Order: "The Texas State Technical College Board of Regents approves the Project and Budget to renovate the vacated Diesel Lab at Texas State Technical College in Fort Bend and authorizes the Chancellor, or his designee, to enter into contracts and all necessary contract amendments greater than One Million Dollars for the construction of the project."

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



Board Meeting Date: November 13, 2025 **Proposed Minute Order #:** FAC 11-25(c)

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

Subject: **Approve the Extension of Lease Agreement with DLP Heritage Holding, Inc.**

Background: Texas State Technical College (TSTC) and DLP Heritage Holding, Inc. (DLP) entered into a Lease Agreement on September 18, 2025. The leased premises consist of 8 acres of fenced property located at 975 S. Highway 67, Midlothian, Texas 76065. The term of the lease is currently thirty-one (31) months and is proposed to be extended an additional three (3) months to satisfy the full amount of rent arrearage owed to TSTC by DLP. Board approval is required because the extension will cause the dollar value to exceed \$500,000, which is outside of TSTC's delegated authority under Minute Order #FAC 14-23(c) *Approve Delegation of Authority for Leases of Land and Permanent Improvements Which Are Both (1) for a Term of 5 Years or Less and (2) Valued at \$500,000 or Less.*

Justification: DLP is indebted to TSTC for rent arrearage in the amount of \$34,000, arising from its use of the leased premises since TSTC's acquisition of the property in December 2024.

Additional Information: None

Fiscal Implications: DLP will pay TSTC a monthly base rent amount of \$15,000, plus an additional \$1,000 per month as rent arrearage, throughout the term of the agreement. This rent reflects fair market value as determined by an appraisal conducted on behalf of TSTC.

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 extension of the lease agreement with DLP Heritage Holding, Inc., and delegates its authority to the Chancellor, or his designee, to enter into and execute all necessary documents for said lease agreement."

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

Board Meeting Date:	November 13, 2025	Proposed Minute Order #: FAC 12-25(c)
Proposed By:	Kevin Semien, Vice Chancellor & Chief Campus Services Officer	
Subject:	Approve the Amended Lease Agreement with Level 5 Aerospace LLC	
Background:	Texas State Technical College (TSTC) and Level 5 Aerospace LLC (Level 5) entered into a Lease Agreement, which was approved in Minute Order #19-23(c), for a two-year term and a maximum of 260,984 square feet of space, including 3-1 Hangar and other hangars and storage space upon the TSTC Waco Airport. The leased premises currently total 151,904 square feet, and a recent amendment clarified the initial term as three years for the period of January 1, 2024 through December 31, 2026, with the option to renew for three additional years, resulting in a total potential term of six years. Because this amended lease exceeds TSTC's delegated authority under Minute Order #FAC 14-23(c) <i>Approve Delegation of Authority for Leases of Land and Permanent Improvements Which Are Both (1) for a Term of 5 Years or Less and (2) Valued at \$500,000 or Less</i> , Board approval is required.	
Justification:	The recent amendment to the lease was necessary to ensure compliance and reflect that TSTC is accurately managing and documenting the use of airport property.	
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:	Level 5 pays TSTC a monthly rent amount of \$16,664.88, which is subject to biennial adjustment per the Consumer Price Index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics.	
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 amended lease agreement with Level 5 Aerospace LLC, and delegates its authority to the Chancellor, or his designee, to enter into and execute all necessary documents for said lease agreement."	
Recommended By:	[ORIGINAL SIGNED BY] Kevin Semien, Vice Chancellor & Chief Campus Services Officer	



Board Meeting Date:	November 13, 2025	Proposed Minute Order #: FAC 13-25(c)
Proposed By:	Kevin Semien, Vice Chancellor & Chief Campus Services Officer	
Subject:	Approve New Lease Agreement with Neighbors in Need of Services, Inc.	
Background:	In 2014, Texas State Technical College (TSTC) and Neighbors in Need of Services, Inc. (NINOS) entered into a lease agreement, which was approved by the Board on November 6, 2014. This agreement consolidated the space at 2702 Dogwood St, first leased to NINOS in 2004, and the property at 2501 North Loop 499 into a single lease. Together, the leased premises consist of 69,250 square feet of land on the TSTC Harlingen campus, used by NINOS for a Head Start child development center and an Early Childhood Head Start program. The lease expired on November 30, 2024, and has since continued on a month-to-month basis. TSTC now seeks to execute a new lease for the same premises to allow continued use by NINOS for a term of up to five years.	
Justification:	Currently, the leased space is not needed for instruction or training. Additionally, NINOS has been a reliable tenant and continues to provide valuable services to the community through its Head Start programs.	
Additional Information:	The new lease agreement will be for an initial term of one year starting December 1, 2025 through November 30, 2026, with the option to renew for four additional years.	
Fiscal Implications:	NINOS pays TSTC an annual rent amount of \$1.00. This nominal rate reflects the TSTC's support for community services provided by NINOS.	
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 new lease agreement with NINOS, and delegates its authority to the Chancellor, or his designee, to enter into and execute any necessary amendments, extensions, or renewals."	
Recommended By:	<u>[ORIGINAL SIGNED BY]</u> Kevin Semien, Vice Chancellor & Chief Campus Services Officer	

PLACEHOLDER PROJECT STATUS REPORT

TABLE OF CONTENTS

Committee for General Administration

Kathy Stewart, Chair; Tiffany Tremont, Member; Lizzy de la Garza Putegnath,
Member

Committee Chair Comments

Minute Orders:

Proposed MO#

GA 08-25(c)	Approve the TSTC Foundation Operating Plan for the Period September 1, 2025 to August 31, 2026	42
		<i>Cledia Hernandez</i>

GA 09-25(c)	Approve the Agreement with Salesforce.com, Inc., Exceeding 25% of Original Contract Value	48
		<i>Cledia Hernandez</i>

Reports:

1. Marketing Presentation	<i>Michael Bettersworth</i>
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2. Industry Engagement Partner Presentation	<i>Cledia Hernandez</i>
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Board Meeting Date:	November 13, 2025	Proposed Minute Order #: GA 08-25(c)
Proposed By:	Cledia Hernandez, Vice Chancellor & Chief External Relations Officer	
Subject:	Approve the TSTC Foundation Operating Plan for the Period September 1, 2025 to August 31, 2026	
Background:	The TSTC Foundation, chartered for the sole purpose of assisting Texas State Technical College (TSTC) and its students, seeks the approval of its operating plan for Fiscal Year 2026. The TSTC Foundation administration recommends approval of the plan.	
Justification:	The special provisions relating only to components of Texas State Technical College in the General Appropriations Act, approved by the Texas Legislature biennially, contain the provision that the TSTC Board of Regents must approve a satisfactory annual operating plan for a foundation that uses any of the College's assets or facilities.	
Additional Information:	TSTC Administration has reviewed the plan and believes that the Board of Regents will find it to be acceptable and in the best interest of TSTC.	
Fiscal Implications:	None	
Attestation:	This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.	
Attachment(s):	The TSTC Foundation Annual Operating Plan September 1, 2025 – August 31, 2026.	
Recommended Minute Order:	"The Texas State Technical College Board of Regents approves The TSTC Foundation Operating Plan for the period September 1, 2025 to August 31, 2026."	
Recommended By:	[ORIGINAL SIGNED BY] Cledia Hernandez, Vice Chancellor & Chief External Relations Officer	



TSTC FOUNDATION

OPERATIONAL PLAN FISCAL YEAR 2025 - 2026

Executive Summary

The TSTC Foundation drives the mission of Texas State Technical College by securing resources and partnerships that empower students and strengthen Texas' workforce. Through scholarships, innovative programs, and strategic investments, we ensure graduates are prepared for high-demand, high-paying careers. Committed to growth and impact, we work with donors and industry partners to transform lives and advance economic prosperity across the state.

Fiscal Year 2024–2025 Performance Summary

The TSTC Foundation exceeded its \$5.6 million fundraising goal by achieving \$6.2 million—110% of the target. Operationally, the year focused on strengthening core processes to enhance efficiency and accountability. Key accomplishments include implementing new scholarship guidelines, publishing a formal Gift Acceptance Policy as a cornerstone reference for internal and external stakeholders, and refining the Gift-In-Kind acceptance policy to improve enterprise-wide record keeping and shared accountability.

Building on this momentum, the Foundation will focus on scaling fundraising efforts, expanding donor engagement, and leveraging these strengthened policies to support larger strategic initiatives. Our priority in the coming year is to deepen partnerships, grow scholarship opportunities, and align resources with TSTC's mission of *Placing More Texans in Great Paying Jobs*.

Fiscal Year 2025–2026 Goals and Strategic Initiatives

The TSTC Foundation's goals for the upcoming fiscal year focus on strengthening donor engagement, maximizing resource utilization, and expanding funding opportunities to enhance student success:

	FY2025 Baseline	FY2026 Goal	% Increase
Increase cash gifts	\$5.6M	\$6.16M	10%
Increase active donor count	355	408	15%
Increase the number of recurring donors for employee giving	119	142	20%
New: Improve Stewardship & efficiency Increase the scholarship fund utilization rate	N/A	Create a baseline and identify the best metrics to include	15%

Strengthen Operational Impact through Maturing Protocols and adopting best practices.

1. Increase donor impact reporting:

We will strengthen stewardship by producing precise, timely, and donor-centered impact reporting that shows how scholarships change student trajectories. This includes standardizing data pulls with Advancement, capturing student stories ethically, and packaging results in formats donors actually read. Success looks like more donors receiving personalized updates, improved report quality, and more restricted funds renewing on time.

Evidence of progress:

- A single, documented reporting playbook and content calendar.
- Approved report templates (1-pager, slide deck, year-end letter) with before/after examples.
- Student story bank with consent process and usage guidelines.
- Crosswalk between fund restrictions and the specific outcomes we can report on.
- Positive feedback excerpts from donors and gift officers; increased on-time report delivery.

Deliverables by year-end:

- Impact reporting playbook, 3 reusable templates, story bank (≥25 stories), and a completed FY recap packet sent to all active scholarship donors.

2. Expand grant funding capacity

We will expand our capacity to secure external scholarship and student-success grant funding by building the internal muscle to find opportunities, shape compelling proposals, and manage awards cleanly. This means clarifying roles with Sponsored Programs, creating reusable proposal language, and establishing a light-weight intake and go/no-go process. Success looks like a steady pipeline of aligned opportunities and stronger, on-time submissions.

Evidence of progress:

- A shared “grant kit” (boilerplate: institution profile, need statement, assessment plan, budgets).
- Opportunity scan cadence and a visible pipeline tracker.
- Defined go/no-go criteria and checklist (fit, data availability, sustainability).
- RACI for pre-award and post-award tasks (budget, reporting, IRB/ethics, assessment).
- Post-submission debrief notes capturing strengths and improvements.

- Increase the quantity, quality, and diversity of grant applications submitted.
- 10% increase in the number of grants submitted year-over-year.
- Increase in average grant size awarded.

Deliverables by year-end:

Grant kit finalized, pipeline tracker live, and at least two complete debriefs with lessons integrated into the kit.

The TSTC Foundation's strategic goals for the upcoming fiscal year focus on strengthening donor engagement, increasing recurring contributions, improving fund utilization, and enhancing stewardship. The team will refine its ask strategy by setting monthly goals, leveraging data-driven insights, and conducting regular review sessions to ensure compelling, targeted proposals. Donor engagement will be deepened through personalized strategies, including regular check-ins, tiered stewardship plans, and consistent touchpoints post-gift. Additionally, efforts will target a **20% increase in recurring donors for employee giving** through planned email solicitations, impact storytelling, peer-to-peer contests, and a donor recognition strategy. To maximize scholarship utilization, the Foundation aims to **reduce unspent scholarship funds by 15%** by creating a dashboard for monitoring, fully utilizing Awarded software, and implementing quarterly fund management meetings. Stewardship will expand through enhanced donor impact reporting, including narrative stories, customized financial reports, and the introduction of a recognition video platform to increase personalized engagement. Further, the Foundation will continue strengthening relationships with grant funders via regular check-ins, site visits, and engagement events, while also hosting donor-student connection opportunities and mini-campaigns to encourage peer-to-peer and recurring gifts. Finally, improved coordination with campus Program Team Leads will streamline scholarship processes through clear communication, deadline tracking, and monthly working groups to ensure timely and effective fund distribution.

[Academic Advancement School](#)

The proposed initiative, **Academic Advancement School**, is designed as an in-person, four-hour session hosted at all 11 campuses. Its primary goal is to align academic insight with donor strategy, ensuring that development efforts are informed by real program needs. By fostering collaboration and faculty engagement, this initiative will result in a deeper understanding of campus-specific priorities and stronger faculty advocacy—ultimately leading to more compelling proposals and enhanced fundraising outcomes.

[Employee Giving Program Revamp](#)

The goal of the campaign is to increase employee giving participation and engagement by fostering a culture of generosity and friendly competition. Key objectives include

increasing recurring employee donors by 20%, building a sustainable, year-round culture of giving, and boosting one-time donations across all campuses. The campaign also aims to promote team spirit through healthy competition and enhance awareness of the Foundation's initiatives and the tangible impact of donations on student success.

Awarded

The TSTC Foundation's adoption of the Awarded software platform will transform the way scholarships are managed. This innovative tool streamlines the application process for students, automates data collection for impact reporting, and provides real-time alerts for funds at risk of going unused, ensuring compliance with gift agreements. Beyond operational efficiency, Awarded enhances donor stewardship by enabling detailed impact reports, creating meaningful touchpoints that strengthen relationships and support donor retention.

Looking Ahead

The TSTC Foundation is advancing toward **Level 3: Managed/Optimized** of its maturity model, marking a significant step toward building a more comprehensive and strategic fundraising program. At this stage, standard practices are consistently implemented and continuously improved for greater efficiency and effectiveness. This progress enables us to strengthen our ability to contribute purposefully to TSTC's overarching goals: being compellingly different, responsive to Texas industry, and driven by quality—while continuing to get stronger.

Maturity Model Overview:

- **Level 1 – Initial/Ad Hoc:** Minimal structure and inconsistent practices; basic fundraising with limited donor engagement and no formal procedures.
- **Level 2 – Defined/Standardized:** Basic processes and donor stewardship established; regional goals and metrics developed.
- **Level 3 – Managed/Optimized:** Matured major gifts, annual giving, and planned giving programs in operation; post-gift management optimized.
- **Level 4 – Strategic/Integrated:** Activities fully aligned with institutional strategic goals; adoption of emerging technologies and comprehensive donor stewardship plans; annual funding optimized with focus on stretch goals.
- **Level 5 – Leading/Transformative:** Recognized as an industry leader, setting fundraising standards, influencing advancement practices, and showcasing expertise through thought leadership.

Board Meeting Date:	November 13, 2025	Proposed Minute Order #: GA 09-25(c)
Proposed By:	Cledia Hernandez, Vice Chancellor & Chief External Relations Officer	
Subject:	Approve the Agreement with Salesforce.com, Inc., Exceeding 25% of Original Contract Value	
Background:	Texas State Technical College (TSTC) executed a Master Subscription Agreement (MSA) with Salesforce.com, Inc. (Salesforce) on February 25, 2021, to support student services, including recruitment and enrollment management, with additional departments anticipated to adopt Salesforce's services over time. The MSA was previously approved by the Board in Minute Order #07-022(c) in anticipation that it would exceed \$1 million. As of FY2025, External Relations is the primary department utilizing Salesforce's services for Marketing Cloud and Salesforce for Nonprofits. Marketing also utilizes the Salesforce platform for Slack licenses, but External Relations represents the highest share. Expenditures have exceeded 25 percent of the original contract value approved by the Board, necessitating Board approval in accordance with Texas Education Code § 51.9337(f).	
Justification:	Approval ensures compliance with Texas Education Code § 51.9337(f) and streamlines future amendments, extensions, and renewals, providing consistent support for TSTC's essential operations.	
Additional Information:	The MSA is currently in effect through September 1, 2028.	
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):	None	
Recommended Minute Order:	"The Texas State Technical College Board of Regents approves amendments, extensions, and renewals of the original contract with Salesforce.com, Inc. and delegates its authority to the Chancellor, or his designee, to enter into and execute any and all amendments, extensions, or renewals, including those with a value that exceeds 25% of the value of the original contract."	
Recommended By:	[ORIGINAL SIGNED BY] Cledia Hernandez, Vice Chancellor & Chief External Relations Officer	