

# Meeting of the Board of Regents

**August 19, 2021**  
**Waco, Texas**



**OFFICE OF THE CHANCELLOR**

3801 Campus Drive  
Waco, Texas 76705

254-867-4891  
254-867-3960

August 1, 2021

Mr. Curtis Cleveland, 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 August 19, 2021

Regents:

The attached materials have been prepared for consideration by the Board of Regents of Texas State Technical College for the August 19, 2021 meeting. These materials have been reviewed and approved by the appropriate staff members as indicated.

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

Sincerely,



Michael L. Reeser  
Chancellor & CEO

Enclosures

August 1, 2021

Mr. Curtis Cleveland, 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 June 30, 2021, 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 June 30, 2021, that should be disclosed due to their impact on the financial statements, effectiveness of existing systems of control, or regulatory compliance.

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

Sincerely,



Michael L. Reeser  
Chancellor & CEO

[tstc.edu](http://tstc.edu)





# TSTC Board of Regents Meeting(s) Connally Meeting & Conference Center, Waco, TX and Teleconference

**Thursday, August 19, 2021**

When	What	Where	Dress	Who
9:00 a.m. - 9:15 a.m.	Audit Committee Meeting	Board Room, Teleconference	Business Casual Face Coverings	Regents, Leadership Team & Invited Guests
9:15 a.m. - 10:00 a.m.	Special Meeting of the Board of Regents: Fiscal Year 2022 Budget Discussion	Board Room, Teleconference	Business Casual Face Coverings	Regents, Leadership Team & Invited Guests
10:00 a.m. - 10:15 a.m.	The Board of Regents Closed Session	Board Room, Teleconference	Business Casual Face Coverings	Regents, Chancellor Reeser & General Counsel
10:15 a.m. - 12:00 noon	The Board of Regents Meeting	Board Room, Teleconference	Business Casual Face Coverings	Regents, Leadership Team & Invited Guests

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

**TEXAS STATE TECHNICAL COLLEGE**

**Meeting of the  
Board of Regents**

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

**Thursday, August 19, 2021  
10:05 a.m.**

**AGENDA**

**CLOSED MEETING**

1. The Closed Meeting is called to Order and a Quorum is determined.
2. Consultation with Attorney (Texas Government Code, Section 551.071)
  1. Ted Donovan v. TSTC
  2. John Clark Owen v. TSTC
  3. Kevin Dorton v. TSTC
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)
  1. None.
4. Personnel Matters (Texas Government Code, Section 551.074)
  1. None.
5. Adjourn

**MEETING CALLED TO ORDER**

**INVOCATION**

**DETERMINATION OF QUORUM**

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



**ADOPTION OF AGENDA**

**APPROVAL OF MINUTES OF MAY 13, 2021 MEETINGS**

**APPROVAL OF MINUTES OF JULY 12, 2021 EXECUTIVE COMMITTEE MEETING**

**RECOGNITION OF GUESTS**

**PUBLIC COMMENTS**

**CHANCELLOR COMMENTS**

**COMMITTEE REPORTS & MINUTE ORDERS**

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

**Committee Chair Comments**

**Minute Orders:**

Proposed MO#

None.

**Reports:**

None.

- b. **Committee for Fiscal Affairs**  
Tiffany Tremont, Chair; Alex Meade, Member

**Committee Chair Comments**

**Minute Orders:**

Proposed MO#

27-21(c)	Approve Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges and Deposits, Effective Fall 2022 Semester .....	21
	<i>Jonathan Hoekstra</i>	

28-21(c)	Approve Appropriation Transfers for Fiscal Year 2021 .....	26
	<i>Jonathan Hoekstra</i>	

**Reports:**

1.	Written Report: Budget Performance.....	28
	<i>Jonathan Hoekstra</i>	
2.	Written Report: Pledged Collateral .....	30
	<i>Jonathan Hoekstra</i>	
3.	Written Report: Quarterly Investment .....	31
	<i>Jonathan Hoekstra</i>	
4.	Written Report: Quarterly Lease.....	33
	<i>Jonathan Hoekstra</i>	
5.	Oral Report: SB20 Compliance.....	
	<i>Jonathan Hoekstra</i>	
6.	Oral Report: Survey of Employee Engagement .....	
	<i>Jonathan Hoekstra</i>	

c. **Committee for Facilities**

Keith Honey, Chair; John Hatchel, Member

**Committee Chair Comments**

**Minute Orders:**

Proposed MO#



29-21(c) Accept the Project to Renovate the Precision Machining Technology Lab in the Industrial Technology Center at Texas State Technical College in Waco .....35  
*Ray Fried*

30-21(c) Accept the Project to Renovate the Residential HVAC Lab in Building 20HI at Texas State Technical College in Harlingen .....38  
*Ray Fried*

31-21(c) Approve the Concept for the North Interceptor Project at Texas State Technical College in Waco .....39  
*Ray Fried*

**Reports:**

1. Major Facility Projects Status Update .....43  
*Ray Fried*

2. Capital Expenditure Plan (MP1) Summary Report Fiscal Year 2022 .....44  
*Ray Fried*

3. Oral Presentation: Projects in Progress .....  
*Ray Fried*

d. **Committee for General Administration**  
 Pat McDonald, Chair; Ron Widup, Member

**Committee Chair Comments**

**Minute Orders:**  
 Proposed MO#

None.

**Reports:**

1. Written Report: Summary Report on the 87<sup>th</sup> Legislature..... 47  
*Gail Lawrence*

**CONSENT AGENDA ITEMS**

- 25-21(c) Approve Operating Budget for Fiscal Year 2022
- 26-21(c) Approve Appropriation Transfers for Fiscal Year 2022
- 27-21(c) Approve Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges and Deposits, Effective Fall 2022 Semester
- 28-21(c) Approve Appropriation Transfers for Fiscal Year 2021
- 29-21(c) Accept the Project to Renovate the Precision Machining Technology Lab in the Industrial Technology Center at Texas State Technical College in Waco
- 30-21(c) Accept the Project to Renovate the Residential HVAC Lab in Building 20HI at the Texas State Technical College in Harlingen
- 31-21(c) Approve the Concept for the North Interceptor Project at Texas State Technical College in Waco

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**ACTION ON CLOSED MEETING**

**CHANCELLOR COMMENTS**

**BOARD COMMENTS**

**ADJOURN**

**TEXAS STATE TECHNICAL COLLEGE**

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

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

**Thursday, May 13, 2021**

**10:00a.m.**

**AGENDA**

**I. MEETING CALLED TO ORDER BY AUDIT COMMITTEE MEMBER RON WIDUP**

The meeting of the Texas State Technical College Board of Regents Audit Committee was called to order at 10:04 a.m., May 13, 2021, by Chairman Cleveland.

Members Present in Person:

John Hatchel, Curtis Cleveland, Ron Widup, Kathy Stewart

Members Present via Video Conference:

Pat McDonald, Tiffany Tremont, Keith Honey,

Members Absent: Alex Meade, Tony Abad

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

**II. COMMITTEE CHAIR COMMENTS**

None.

**III. MINUTE ORDERS**

The following Minute Order was presented to the Board of Regents by Jason Mallory:

09-21(c) Approve Revised Fiscal Year 2021 Audit Plan

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

#### **IV. REPORTS:**

The following reports were presented to the Board of Regents by Jason Mallory:

1. Status of Fiscal Year 2021 Audit Schedule & Other Projects
2. Summary of Audit Reports
3. Follow-up Schedule & Status
4. Audit of Contracts with Servion (21-005A)
5. Internal Network Penetration Test - West Texas (21-017A)
6. Application Audit of Informer (21-016A)
7. Safety & Security Audit (21-002A)
8. TAC 202 – Quarterly Update (21-009A)
9. Monitoring Review of Skills Development Contracts (2418SDF002 & 2418SDF003)
10. Attestation Disclosures

#### **V. CHANCELLOR COMMENTS**

None.

#### **VI. BOARD COMMENTS**

Regent Widup suggested that the Board of Regents be added to the Emergency Notification System (ENS). Each Regent will let the Chancellor's office know their preference on receiving these alerts.

#### **VII. ADJOURN**

The meeting adjourned at 10:27 a.m.

  
\_\_\_\_\_  
Ray Rushing  
Secretary to the Board of Regents

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**TEXAS STATE TECHNICAL COLLEGE**

**Meeting of the  
Board of Regents**

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

**Thursday, May 13, 2021  
10:05 a.m.**

**AGENDA**

**CLOSED MEETING**

1. The meeting of the Texas State Technical College Board of Regents Closed Session was called to order at 10:34 a.m., May 13, 2021, by Chairman Cleveland.
2. Consultation with Attorney (Texas Government Code, Section 551.071)
  1. Ted Donovan v. TSTC  
Discussion of the Ted Donovan v. TSTC case took place.
  2. John Clark Owen v. TSTC  
Discussion of the John Clark Owen v. TSTC case took place.
  3. Kevin Dorton v. TSTC  
Discussion of the Kevin Dorton v. TSTC case took place.
3. Deliberation Regarding Real Property (Texas Government Code, Section 551.072)  
No discussion took place regarding real property.
4. Personnel Matters (Texas Government Code, Section 551.074)
  1. Executive Compensation  
Discussion regarding executive compensation took place.
5. Adjourn  
The Closed Meeting adjourned at 10:56 a.m.

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



**MEETING CALLED TO ORDER**

The meeting of the Texas State Technical College Board of Regents was called to order at 11:12 a.m., May 13, 2021, by Chairman Cleveland.

**INVOCATION**

Jonathan Hoekstra provided the invocation.

**DETERMINATION OF QUORUM**

Members Present in Person:

Curtis Cleveland, John Hatchel, Kathy Stewart, Ron Widup

Members Present via Video Conference:

Pat McDonald, Tiffany Tremont, Keith Honey

Members Absent: Alex Meade, Tony Abad

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

**CHANCELLOR COMMENTS**

The Chancellor provided a brief summary of operations since last meeting as well as continued progress of the college in light of the COVID-19 pandemic.

**ADOPTION OF AGENDA**

Upon a motion by Regent Hatchel and second by Regent Widup, the Agenda as presented was adopted unanimously.

**APPROVAL OF MINUTES OF FEBRUARY 11, 2021 MEETINGS AND APPROVAL OF MINUTES OF MARCH 30, 2021 EXECUTIVE COMMITTEE MEETING**

Upon a motion by Regent Stewart and second by Regent McDonald, the Minutes of the February 11, 2021 Meetings of the Audit Committee and the Board of Regents as well as the March 30, 2021 Executive Committee Meeting were approved unanimously.

**RECOGNITION OF GUESTS**

None.

**PUBLIC COMMENTS**

None.

**I. COMMITTEE REPORTS & MINUTE ORDERS**

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

Kathy Stewart, Chair; Tony Abad, Member

**Committee Chair Comments**

Regent Stewart provided an update on Student Learning and Student Development. Regent Stewart recognized Faculty Senate Chair, Renee Blackshear in her role with the College.

**Minute Orders:**

Proposed MO#

None.

**Reports:**

None.

b. **Committee for Fiscal Affairs**

Tiffany Tremont, Chair; Alex Meade, Member

**Committee Chair Comments**

Regent Tremont provided an update on Fiscal Affairs and called on Jonathan Hoekstra to present the materials.

**Minute Orders:**

Proposed MO#

10-21(c) Approve the Service Agreement for Call Center and Verification Services with EdFinancial Holdings LLC.....  
*Jonathan Hoekstra*

11-21(c) Approve Legacy Contracts Requiring Board Approval Per SB20 Requirements.....  
*Jonathan Hoekstra*

12-21(c) Approve the Lease of 13,200 Square Feet of the 8-1 Hangar at the TSTC Waco Airport to Air Methods Corporation.....  
*Jonathan Hoekstra*

- 15-21 Approve Delegation of Authority for Leases of Land and Permanent Improvements Which Are Both (1) for a Term of \_\_ Years or Less and (2) Valued at \$\_\_\_\_\_ or Less .....

*Jonathan Hoekstra*

Jonathan advised that this topic was discussed at the morning Work Session of the Board. If they agree, a motion will need to be made to approve with the Board’s guidance after he makes his reports. Jonathan advised the Board of the College’s commitment to provide quarterly reports to the Board of new real property leases signed as well as annual report of all leases.

- 16-21(c) Approve the Lease of 147,693 Square Feet of Ramp Space at the TSTC Waco Airport.....

*Jonathan Hoekstra*

**Reports:**

- 1. Budget Performance Report.....

*Jonathan Hoekstra*

- 2. Pledged Collateral Report.....

*Jonathan Hoekstra*

- 3. Quarterly Investment Report.....

*Jonathan Hoekstra*

- 4. Debt Management Report.....

*Jonathan Hoekstra*

- 5. Oral Report on the CARES Act Higher Education Emergency Relief Fund .....

*Jonathan Hoekstra*

Jonathan provided an oral report of the CARES funding that the college has received since the COVID-19 pandemic began in March 2020. Received confirmation this week of an additional amount of about \$19 mil dedicated to students and another \$19 mil to the College to address constraints brought on by COVID-19. One big investment the College made was in its workforce on April 29, 2021. Specifically: TSTC employees who were part of the TSTC team on January 1, 2021, will receive a single pandemic hardship stipend to demonstrate the college’s gratitude and defray some of the personal and financial costs of transitioning to a new way of doing business. Full-time employees will receive \$2,500. Part-time employees and adjunct faculty will receive a prorata stipend.



**MINUTE ORDER FOR INDIVIDUAL CONSIDERATION**

Minute Order 15-21 was discussed during the morning work session.

Upon a motion by Regent Tremont and second by Regent Widup, Minute Order 15-21 was approved unanimously as: "The Texas State Technical College Board of Regents authorizes the Chancellor, or the Chancellor's designee, to execute all necessary documents in order to lease any land or permanent improvements owned by Texas State Technical College to third parties and approve delegation of this authority, when both of the following conditions are met: (1) when the period of the lease, including optional extensions, does not exceed two years; and (2) when the dollar value of the lease, including any amendment, modification, renewal, or extension of the lease, is less than a cumulative total of \$500,000. This delegation of authority is such that the Chancellor, or the Chancellor's designee, does not need additional Board approval for a specific lease when both conditions are met."

**Committee Chair Closing Comments**

Regent Tremont acknowledged all teammates who are participating in the Workday project. She applauds their dedication to the College and the project.

c. **Committee for Facilities**

Keith Honey, Chair; John Hatchel, Member

**Committee Chair Comments**

Regent Honey provided an update on Facilities and called on Ray Fried to present the materials.

**Minute Orders:**

Proposed MO#

13-21(c) Approve the Project and Budget to Renovate the Electronics Center and Technical Studies Center Buildings at Texas State Technical College in Waco .....

*Ray Fried*

14-21(c) Approve Renewal of the Easement and Right Away Agreement between ONCOR Electric Delivery Company LLC and Texas State Technical College in Waco .....

*Ray Fried*

**Reports:**

- 1. Major Facility Projects Status Update .....  
*Ray Fried*

Regent Honey thanked Vice Chancellor Herrera, Ray Fried and their teams for their continued hard work and dedication especially during these times of COVID-19.

- d. **Committee for General Administration**  
Pat McDonald, Chair; Ron Widup, Member

**Committee Chair Comments**

Regent McDonald provided an update on General Administration. He called on Gail Lawrence to provide an oral update on Legislative Affairs and on Beth Wooten to provide an oral report on the TSTC Foundation.

**Minute Orders:**

Proposed MO#

None.

**Reports:**

- 1. Oral Report on Legislative Affairs .....  
*Gail Lawrence*

Gail provided an oral update on the Legislative progress thus far. She specifically thanked Marlene McMichael for her work and her relationships.

- 2. Oral Report on The TSTC Foundation.....  
*Beth Wooten*

Chancellor Reeser thanked Roger Miller for his work and dedication to the College and his leadership of the Government Affairs team as he prepares for his retirement.

**CONSENT AGENDA ITEMS**

Upon a motion by Regent Hatchel and second by Regent McDonald, the Consent Agenda Items were approved unanimously.

- 10-21(c) Approve the Service Agreement for Call Center and Verification Services with EdFinancial Holdings LLC
- 11-21(c) Approve Legacy Contracts Requiring Board Approval Per SB20 Requirements
- 12-21(c) Approve the Lease of 13,200 Square Feet of the 8-1 Hangar at the TSTC Waco Airport to Air Methods Corporation
- 13-21(c) Approve the Project and Budget to Renovate the Electronics Center and Technical Studies Center Buildings at Texas State Technical College in Waco
- 14-21(c) Approve Renewal of the Easement and Right Away Agreement between ONCOR Electric Delivery Company LLC and Texas State Technical College in Waco
- 16-21(c) Approve the Lease of 147,693 Square Feet of Ramp Space at the TSTC Waco Airport

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

None.

**ACTION ON CLOSED MEETING**

During the Closed meeting, the Regents discussed Executive Compensation. The Board notes that TSTC's handling of the COVID-19 pandemic and the ability to continue to successfully train students, was due to the successful leadership of Chancellor Reeser. The Board approves a 5% bonus to Chancellor Reeser, the logistics to be worked out between human resources and Chancellor Reeser.

**CHANCELLOR COMMENTS**

The Chancellor thanked the Board and TSTC employees for their hard work.

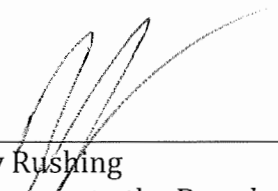
**BOARD COMMENTS**

The Board thanked Chancellor Reeser and the TSTC team for their hard work and dedication especially during the pandemic. Chairman Cleveland encourages all

Regents to receive the COVID-19 vaccine prior to the next scheduled meeting of the Board of Regents in August 2021.

**ADJOURN**

The meeting adjourned at 12:30 p.m.



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Ray Rushing  
Secretary to the Board of Regents

**TEXAS STATE TECHNICAL COLLEGE  
Executive Committee Meeting  
of the Board of Regents**

**Monday, July 12, 2021  
2:00pm**

**Texas State Technical College  
Teleconference**

**I. MEETING CALLED TO ORDER**

The meeting of the Texas State Technical College Board of Regents Executive Committee was called to order at 2:00 p.m., July 12, 2021, by Chair Cleveland.

**II. DETERMINATION OF QUORUM**

Members Present: Chairman Cleveland, Regent Tremont, Regent McDonald, Regent Abad, Regent Hatchel

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

**III. MANAGEMENT COMMENTS**

Chair Cleveland called on Jonathan Hoekstra to provide an update on the financing mechanisms for the Executive Action Items being proposed. Bond proceeds previously secured will be the financing vehicles. Management is shifting towards a focus on marketing, programmatic and infrastructure.

**IV. EXECUTIVE ACTION ITEMS**

EA 17-21 Approve the Interlocal Agreement and Easement Between the City of Lacy Lakeview and Texas State Technical College for the Construction of the Mesquite Tree Force Main Reroute Project

Upon a motion by Regent Abad and a second by Regent Tremont, the proposed Executive Action was unanimously approved.

EA 18-21 Approve the Project and Budget to Renovate a Portion of the Industrial Technology Center at Texas State Technical College in Waco

Regent Hatchel identified three typos in the body of the Executive Action and asked that they be corrected for the permanent record. Upon a motion by Regent McDonald and a second by Regent Abad, the corrected Executive Action was unanimously approved.

EA 19-21 Approve the Project and Budget to Renovate the Kultgen Automotive Center at Texas State Technical College in Waco

Upon a motion by Regent McDonald and a second by Regent Hatchel, the proposed Executive Action was unanimously approved.

EA 20-21 Approve the Concept to Renovate the John B. Connally Technology Center at Texas State Technical College in Waco

Upon a motion by Regent Tremont and a second by Regent McDonald, the proposed Executive Action was unanimously approved.

EA 21-21 Delegate Authority to the Chancellor, or his designee, to Enter into any and all Necessary Agreements Associated with the Economic Development Administration Grant (Federal Award ID No. 08-79-05468) Awarded to Texas State Technical College on or About April 15, 2021

Upon a motion by Regent Abad and a second by Regent McDonald, the proposed Executive Action was unanimously approved.

EA 22-21 Authorize the Purchase of 4.4 Acres of Property Located at Lot 1A, Block A, Connally Subdivision, City of Lacy Lakeview, McLennan County, TX

Upon a motion by Regent Hatchel and a second by Regent Tremont, the proposed Executive Action was unanimously approved.

EA 23-21 Approve Budget Change for Fiscal Year 2021

Upon a motion by Regent Tremont and a second by Regent McDonald, the proposed Executive Action was unanimously approved.

**V. CHANCELLOR COMMENTS**

The Chancellor discussed potential future campus development opportunities.

**VI. ADJOURN**

The meeting adjourned at 2:55 p.m.

*RR*

Ray Rushing (Jul 14, 2021 06:51 CDT)

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Ray Rushing

Secretary to the Board of Regents

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### **Committee for Student Learning and Student Development**

Kathy Stewart, Chair; Tony Abad, Member

#### **Committee Chair Comments**

#### **Minute Orders: Proposed MO#**

None.

#### **Reports:**

None.





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## Committee for Fiscal Affairs

Tiffany Tremont, Chair; Alex Meade, Member

### Committee Chair Comments

#### Minute Orders:

#### Proposed MO#

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*Jonathan Hoekstra*

28-21(c) Approve Appropriation Transfers for Fiscal Year 2021 ..... 26  
*Jonathan Hoekstra*

#### Reports:

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*Jonathan Hoekstra*

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*Jonathan Hoekstra*

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*Jonathan Hoekstra*

4. Written Report: Quarterly Lease..... 33  
*Jonathan Hoekstra*

5. Oral Report: SB20 Compliance .....  
*Jonathan Hoekstra*

6. Oral Report: Survey of Employee Engagement.....  
*Jonathan Hoekstra*



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**Board Meeting Date:** August 19, 2021                      **Proposed Minute Order #:** 27-21(c)

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

**Subject:**                      **Approve Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits, Effective Fall 2022 Semester**

**Background:**                      Management proposes increasing student housing rates at Texas State Technical College in certain residential facilities, according to the included Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2022 Semester. The proposed increases keep the individual properties aligned with comparable properties in the communities in which they are located, while continuing to provide students reasonable affordability, access to campus and support services fostering student engagement and success. This will also support needed upkeep and renovation on all residences and increase the efficacy of Housing to benefit the students.

**Justification:**                      The following factors support the proposal to raise student housing rates.

- Raising the rates in the remaining, renovated Brazos Community houses and duplexes in Waco reflects a rate that is competitive in the rental market while still ensuring reasonably priced accommodations for students. A higher increase in the 3 bedroom duplexes and 3 and 4 bedroom single houses aligns more closely with the market rates for joint lease rental properties with more than 2 bedrooms.
- Raising rates in Marshall Apartments 2 bedroom apartment option will create more disparity between the 4 bedroom and 2 bedroom rental rates, helping to identify the 2 bedroom option as a premium option. This will also more closely align the 2 bedroom rental rates with off-campus, market competitive properties while still remaining at a reasonable rate for students.

**Additional Information:**                      None.

**Fiscal Implications:**                      Maintains fiscal equilibrium of housing operations.

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

**Attachment(s):**                      Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2022 Semester

**Recommended  
Minute Order:**

“Texas State Technical College Board of Regents approves the Schedule of Student and Family Housing Rental Rates, Room and Board Rates, Service Charges, and Deposits Effective Fall 2022 Semester.”

**Recommended By:**

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

**Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2022**

Campus	Description	Fall 2020	Fall 2021	Fall 2022
Harlingen	<b>Single Student Housing</b>			
	<b>A/C Block Brick (Bldg. A-D,G) 2 Bedroom Apartments</b>			
	Double Occupancy per Bedroom per Student	\$805 semester	\$830 semester	\$830 semester
	Single Occupancy per Bedroom per Student	\$1,205 semester	\$1,265 semester	\$1,265 semester
	<b>A/C Brick Veneer Efficiency Dorms w/Microwave &amp; Refrigerator or w/Kitchenette</b>			
	Double Occupancy per Bedroom per Student	\$875 semester	\$900 semester	\$900 semester
	Single Occupancy per Bedroom per Student	\$1,320 semester	\$1,385 semester	\$1,385 semester
	<b>Family Housing</b>			
	A/C Block Brick (Bldg. E,F) 2 Bedroom Apartments	\$755 monthly	\$778 monthly	\$778 Monthly
	<b>Applicable Fees</b>			
	Application Fee Per Person Over 17 Years Old	\$30	\$30	\$30
	Deposit	\$200	\$200	\$200
	Mandatory Meal Plan	NA	\$650 semester	\$650 semester
	Moving Charge*	\$50	\$50	\$50
	<i>*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.</i>			
Lost Key Charge - Outside Door	\$30	\$30	\$30	
Charge - Closet Door	\$3	\$3	\$3	

**Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2022**

Campus	Description	Fall 2020	Fall 2021	Fall 2022
Marshall	<b>Single Student Housing</b>			
	<b>A/C Block Brick (Bldg. A-H) 2 Bedroom Apartments</b>			
	Single Occupancy per Bedroom per Student, Furnished	\$1,395 semester	\$1,480 semester	\$1,510 semester
	<b>4 Bedroom Apartments</b>			
	Single Occupancy per Bedroom per Student, Furnished	\$1,145 semester	\$1,170 semester	\$1,170 semester
	<b>Applicable Fees</b>			
	Application Fee Per Person Over 17 Years Old	\$30	\$30	\$30
	Deposit	\$200	\$200	\$200
	Moving Charge*	\$50	\$50	\$50
	<i>*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.</i>			
Lost Key Charge - Outside Door	\$30	\$30	\$30	

**Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2022**

Campus	Description	Fall 2020	Fall 2021	Fall 2022
Sweetwater	<b>Single Student Housing</b>			
	<b>WASP, Rolling Pains and Avenger Apartments</b>			
	Double Occupancy per Bedroom per Student	\$1,035 semester	\$1,065 semester	\$1,065 semester
	Single Occupancy per Bedroom per Student	\$1,550 semester	\$1,595 semester	\$1,595 semester
	<b>Cedar, Pecan, Oak and Mesquite Lodges</b>			
	Single Occupancy per Bedroom per Student	\$1,150 semester	\$1,185 semester	\$1,185 semester
	<b>Vocational or Associate Degree Nursing Studies - WASP, Rolling Plains and Avenger Apartments</b>			
	Double Occupancy per Bedroom per Student	\$1,045 semester	\$1,065 semester	\$1,065 semester
	Single Occupancy per Bedroom per Student	\$1,560 semester	\$1,595 semester	\$1,595 semester
	<b>Vocational or Associate Degree Nursing Studies - Cedar, Pecan, Oak and Mesquite Lodges</b>			
	Single Occupancy per Bedroom per Student	\$1,165 semester	\$1,185 semester	\$1,185 semester
	<b>Applicable Fees</b>			
	Application Fee Per Person Over 17 Years Old	\$30	\$30	\$30
	Deposit	\$200	\$200	\$200
	Mandatory Meal Plan	\$1,650 semester	\$1,650 semester	\$1,650 semester
	Vocational or Associate Degree Nursing Studies Mandatory Meal Plan	\$1,200 semester	\$1,200 semester	\$1,200 semester
	Moving Charge*	\$50	\$50	\$50
	<i>*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.</i>			
	Lost Key Charge - Outside Door	\$50	\$30	\$30

**Proposed Schedule of Student and Family Housing Rental Rates, Service Charges, and Deposits Effective Fall 2022**

Campus	Description	Fall 2020	Fall 2021	Fall 2022
Waco	<b>Single Student Housing</b>			
	<b>Red River Apartments</b>			
	2 Bedroom/1 Bath Double Occupancy Bedrooms	\$1,320 semester	\$1,345 semester	\$1,345 semester
	2 Bedroom/1 Bath Single Occupancy Bedrooms	\$1,850 semester	\$1,960 semester	\$1,960 semester
	<b>Griffith Hall</b>			
	1 Bedroom/1 Bath Single Occupancy Bedrooms	NA	\$2,800 semester	\$2,800 semester
	2 Bedroom/2 Bath Single Occupancy Bedrooms	NA	\$2,600 semester	\$2,600 semester



2 Bedroom/1 Bath Single Occupancy Bedrooms	NA	\$2,280 semester	\$2,280 semester
<b>Applicable Fees</b>			
Application Fee	\$30	\$30	\$30
Deposit	\$200	\$200	\$200
Mandatory Meal Plan	\$650 semester	\$650 semester	\$650 semester
Moving Charge*	\$50	\$50	\$50
<i>*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.</i>			
Lost Key Charge - Outside Door	\$30	\$30	\$30
<b>Brazos Community Family Housing</b>			
<b>Housing-Wood Frame Monthly</b>			
2 Bedroom Duplex, Student >9 hours	\$555 monthly	\$570 monthly	<b>\$590 monthly</b>
2 Bedroom Duplex, Student <9 hours	\$650 monthly	\$680 monthly	<b>\$700 monthly</b>
3 Bedroom Duplex, Student >9 hours	\$605 monthly	\$625 monthly	<b>\$655 monthly</b>
3 Bedroom Duplex, Student <9 hours	\$700 monthly	\$735 monthly	<b>\$770 monthly</b>
3 Bedroom Single, Student >9 hours	\$650 monthly	\$670 monthly	<b>\$705 monthly</b>
3 Bedroom Single, Student <9 hours	\$740 monthly	\$785 monthly	<b>\$825 monthly</b>
4 Bedroom Single, Student >9 hours	\$685 monthly	\$705 monthly	<b>\$740 monthly</b>
4 Bedroom Single, Student <9 hours	\$780 monthly	\$825 monthly	<b>\$ 865 monthly</b>
<b>Applicable Fees</b>			
Application Fee per Person over 17 Years Old	\$30	\$30	\$30
Deposit	Equal to One Month's Rent	Equal to One Month's Rent	Equal to One Month's Rent
Transfer Charge	\$250	\$250	\$250
Water/Sewage/Trash Collection Costs for Brazos Community Housing	\$70 per month per unit	\$70 per month per unit	\$70 per month per unit
Pet Fee (non-refundable)	No Pets in Housing	No Pets in Housing	No Pets in Housing
Pet Deposit (refundable)	No Pets in Housing	No Pets in Housing	No Pets in Housing
Lost Key Charge - Outside Door	\$30	\$30	\$30
Moving Charge* Length of Residency	Not Allowed	Not Allowed	Not Allowed
Less than 12 Months	\$250	\$250	\$250
12 to 24 Months	\$250	\$250	\$250
24 Months or More	\$250	\$250	\$250
<i>*The Housing Office retains the right to deny any move not considered to be in the best interest of TSTC.</i>			





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**Board Meeting Date:** August 19, 2021 **Proposed Minute Order #:** 28-21(c)

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

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

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

**Justification:** Operational needs and related budgets commonly vary from the funding patterns established during the appropriations process in response to ever-changing environmental and operational circumstances. Initial transfers are approved alongside the annual operating budget at the beginning of each fiscal year. If needed, additional transfers are approved near the end of each fiscal year.

**Additional Information:** Within the General Appropriations Act, Central Administration is referred to as "System Administration." Strategy reallocations refer to General Revenue Appropriations.

**Fiscal Implications:** Funds are transferred to the appropriated funding source from which they will be expended.

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

**Attachment(s):** None.

**Recommended  
Minute Order:**

“The Texas State Technical College Board of Regents approves the following appropriation transfer for Fiscal Year 2021:

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

To TSTC System Administration	\$ 305,000	
To TSTC Fort Bend	\$ 500,000	
From TSTC Waco		\$ 500,000
From TSTC West Texas		\$ 305,000

**Recommended By:**

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer



**Texas State Technical College  
Operating Budget Performance  
as of May 31, 2021**

	<b>FY 2021 Budget</b>	<b>FY 2021 YTD Actual</b>	<b>% of Budget Utilized</b>	<b>NOTE</b>	<b>FY 2021 Forecast</b>
<b>Operating Revenues</b>					
Returned Value Formula Appropriations	66,124,351	66,124,351	100.0%		66,124,351
Special Items & Other Appropriations	23,169,199	23,169,199	100.0%		23,169,199
Debt Service Appropriations	3,757,232	3,757,232	100.0%		3,757,232
HEAF Appropriations	8,662,500	8,662,550	100.0%		8,662,500
Benefits Appropriations	24,885,151	18,497,708	74.3%		24,002,289
Tuition	44,192,647	43,549,242	98.5%	1	43,100,000
Student Financial Aid	33,369,711	19,868,145	59.5%		31,869,206
Auxiliary Enterprises	10,118,700	6,422,544	63.5%	2	8,160,000
Fees & Educational Sales	3,738,936	2,727,958	73.0%		3,708,000
Industry Relations	3,314,000	1,279,567	38.6%	2	1,550,000
Grants	9,006,112	16,053,006	178.2%	3	19,984,515
Contracts & Other	3,717,700	2,120,079	57.0%	4	2,940,030
<b>Total Operating Revenues</b>	<b>234,056,239</b>	<b>212,231,581</b>	<b>90.7%</b>		<b>237,027,322</b>
<b>Operating Carryforward / Reserves</b>	1,914,868	-			-
<b>Operating Expenditures</b>					
Instruction	75,676,647	50,135,062	66.2%	5	69,080,914
Student Financial Aid	38,529,711	24,957,845	64.8%		38,924,120
Statewide Benefits	31,492,672	14,718,410	46.7%		29,747,393
Finance	10,756,887	6,908,895	64.2%	5	9,243,029
Auxiliary Enterprises	10,966,612	5,955,751	54.3%	5	8,785,456
Enrollment Management	11,064,571	6,937,368	62.7%	5	9,362,194
Facilities	9,961,314	6,483,096	65.1%	5	8,902,332
Facilities - Transfer to Capital	1,832,924	1,832,924	100.0%		1,832,924
Information Technology	9,649,790	8,010,646	83.0%		9,797,399
Advancement & Communications	6,322,093	4,516,688	71.4%		6,545,588
Statewide Administration	5,847,803	4,093,183	70.0%		5,466,450
Debt Service & Leases	11,964,640	8,440,244	70.5%	6	13,115,652
Utilities & Other	7,784,277	6,519,350	83.8%	7	9,570,002
Grants	4,121,166	12,894,028	312.9%	4	15,433,144
<b>Total Operating Expenditures</b>	<b>235,971,107</b>	<b>162,403,490</b>	<b>68.8%</b>		<b>235,806,597</b>
<b>Operating Budget Margin (Deficit)</b>	-	<b>49,828,091</b>			<b>1,220,725</b>

**Texas State Technical College  
Operating Budget Performance  
as of May 31, 2021**

**Notes:**

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

- 1)** Tuition revenue has rebounded somewhat from trends seen earlier in the fiscal year, but is still forecasted to finish approximately \$1 million below the originally budgeted amount. Sluggish demand has remained in Fiscal Year 2021 as the ongoing effects of the pandemic on students continue to linger.
  
- 2)** Similar to tuition revenue, other/supplemental revenue sources such as Auxiliary Services and Industry Relations are also forecasted to end the fiscal year below budget due to pandemic related demand issues.
  
- 3)** Grant revenue, as well as grant expense, are both forecasted higher than the original budget, as several new COVID-related and other grants have been awarded to TSTC, including new CARES act awards received since the original budget was approved in August 2020. Forecasted amounts do not reflect the total amount of the awards, but rather the estimated amounts TSTC has identified (to date) to spend in FY 21. The majority of this grant activity has a net zero effect on the operating margin.
  
- 4)** Interest income has been significantly affected by near zero interest rates nationally, and forecasted revenue amounts for the year are approximately \$625,000 less than the original budget.
  
- 5)** As a result of personnel cost and other budget reductions implemented near the beginning of the fiscal year, many of the instructional and operational divisions of the College are forecasted to spend below originally budgeted amounts. These expense reductions provide a necessary counterbalance to offset the reductions in revenue noted in items 1 and 2 above.
  
- 6)** Debt Service expenditures are forecasted above originally budget amounts as the College has initiated full principal payoffs of several small outstanding loans during Fiscal Year 2021.
  
- 7)** Utilities and Other expenditures are forecasted above originally budget amounts as the College has initiated a full principal payoffs of SECO energy contracts during Fiscal Year 2021.

## TEXAS STATE TECHNICAL COLLEGE

Pledged Collateral Report

May 31, 2021

	DEPOSITS			Total Deposits	SECURITY ON DEPOSITS				Sufficient (Insufficient)
	Demand Deposits	Money Market & Time Deposits			FDIC* Coverage (up to)	Required Collateral	Collateral at Market Value		
<b>Depository - Location</b>									
First Ntl Bank of Central Texas - Waco	21,047,154	1,542,058		22,589,212	500,000	22,089,212	34,500,000	12,410,788	
Frost Bank - Harlingen/Fort Bend	71,010	-		71,010	250,000	-	659,234	838,224	
Texas National Bank - Sweetwater	31,740	-		31,740	250,000	-	-	218,260	
Texas Bank & Trust - Marshall	26,632	-		26,632	250,000	-	-	223,368	
Citizens National Bank - Red Oak	11,379	-		11,379	250,000	-	-	238,621	
Prosperity Bank - Abilene	11,002	-		11,002	250,000	-	-	238,998	
Texas Bank - Brownwood	10,990	-		10,990	250,000	-	-	239,010	
InterBank - Breckenridge	11,954	-		11,954	250,000	-	-	238,046	
Bank of America - Waco	-	10,000		10,000	250,000	-	-	240,000	
First Community Bank - San Benito	-	172,368		172,368	250,000	-	-	77,632	
First Ntl Bank - Albany/Breckenridge	-	99,215		99,215	250,000	-	-	150,785	
Veritex Comm. Bank - N. Richland Hills	-	10,000		10,000	250,000	-	-	240,000	
Extracto Banks, N.A. - Waco	-	195,572		195,572	250,000	-	-	54,428	
Cash in State Treasury	9,811,407	-		9,811,407		No Collateral Required			
TexasTerm (Government Pool)	20,409,946	-		20,409,946		No Collateral Required			
TexPool (Government Pool)	20,765,235	-		20,765,235		No Collateral Required			
<b>TOTAL</b>	<b>72,208,449</b>	<b>2,029,213</b>		<b>74,237,662</b>					

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

**TEXAS STATE TECHNICAL COLLEGE**  
**Quarterly Investment Report**  
**As of May 31, 2021**

Description	Ending Value as of 2/28/21	Ending Value as of 5/31/21	Interest Rate
<b><u>Operating Funds</u></b>			
Cash in State Treasury	10,500,082	9,811,407	0.34%
Statewide Operating	12,951,203	14,902,847	0.20%
Harlingen - Local Operating	57,194	44,923	0.01%
Waco - Local Operating	7,062	3,001	0.20%
Sweetwater - Local Operating	26,366	31,740	0.20%
Marshall - Local Operating	34,390	26,632	0.10%
Fort Bend - Local Operating	34,421	26,087	0.00%
Brownwood - Local Operating	10,010	10,990	0.01%
System - Local Operating	3,828	3,830	0.20%
Abilene - Local Operating	13,446	11,002	0.20%
North Texas - Local Operating	17,385	11,379	0.10%
Breckenridge - Local Operating	11,951	11,954	0.10%
Payroll	6,394,059	6,051,902	0.20%
Federal Funds	10	10	0.00%
FNB Central Texas - MMKT	2,043,304	496,178	0.20%
FNB Central Texas - CD	1,946,473	761,496	0.77%
FNB Albany/Breckenridge - CD	100,000	-	0.00%
First Community Bank - CD	172,368	172,368	0.60%
TexasTerm - Pool	20,407,505	20,409,946	0.04%
<b>Total Operating Funds</b>	<b>54,731,057</b>	<b>52,787,692</b>	
<b><u>Endowment Funds</u></b>			
Bank of America - CD	10,000	10,000	0.01%
FNB Albany/Breckenridge - CD	99,215	99,215	0.60%
FNB Central Texas - MMKT	284,064	284,384	0.20%
Extraco Banks, N.A.	195,572	195,572	0.25%
Liberty/Veritex Community Bank - CD	10,000	10,000	2.62%
<b>Total Endowment Funds</b>	<b>598,851</b>	<b>599,171</b>	
<b><u>Bond Proceeds</u></b>			
FNB Central Texas	127,813	85,564	0.20%
TexPool	21,636,529	20,765,235	0.04%
<b>Total Bond Proceeds</b>	<b>21,764,342</b>	<b>20,850,799</b>	
<b>Total All Investments</b>	<b>77,094,250</b>	<b>74,237,662</b>	

**TEXAS STATE TECHNICAL COLLEGE**  
**Quarterly Investment Report**  
**As of May 31, 2021**

**Schedule of Time Deposits:**

Description	Amount	Maturity Date	Days Maturity	Rate	Type
Veritex Community Bank	10,000	9/7/22	731	2.62%	Endowment
Extraco Banks, N.A.	195,572	12/10/21	365	0.25%	Endowment
FNB - Albany/Breckenridge	65,000	4/5/22	365	0.60%	Endowment
FNB - Albany/Breckenridge	34,215	4/13/22	365	0.60%	Endowment
FNB Central Texas	250,000	8/7/21	365	0.65%	Operating
FNB Central Texas	261,496	7/6/21	365	1.00%	Operating
FNB Central Texas	250,000	7/27/21	365	0.65%	Operating
First Community Bank	40,121	6/18/21	215	0.60%	Operating
First Community Bank	132,247	6/20/21	276	0.60%	Operating
Bank of America	10,000	8/10/21	365	0.01%	Endowment
<b>Total Time Deposits</b>	<b>1,248,651</b>				

**Weighted Average Maturity (Time Deposits) 354 days**

**Weighted Average Rate of Interest (All Investments) 0.08%**

*Current One Year Treasury Bill Rate: 0.05%*

*Lipper Money Market Funds Average Return (1 YR): 0.01%*

**FY 2021 Interest Received and Accrued (All Investments): 131,970**

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

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

[ORIGINAL SIGNED BY]  
 Anju Motwani, Vice President & Controller

August 1, 2021  
 \_\_\_\_\_  
 Date

[ORIGINAL SIGNED BY]  
 Jonathan Hoekstra, Chief Financial Officer

August 1, 2021  
 \_\_\_\_\_  
 Date

**Texas State Technical College**  
**Quarterly Real Estate Lease Report for MO 15-21**  
**as of May 31, 2021**

<b>Name of Lease</b>	<b>Amount of Lease</b>	<b>Period of Lease and Optional Extension(s) of Lease</b>
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No leases to report

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

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Keith Honey, Chair; John Hatchel, Member

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**Board Meeting Date:** August 19, 2021 **Proposed Minute Order #:** 29-21(c)

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

**Subject:** **Accept the Project to Renovate the Precision Machining Technology Lab in the Industrial Technology Center at Texas State Technical College in Waco**

**Background:** By MO 22-20(c) and MO 46-20 (c) the Texas State Technical College Board of Regents approved the project and budget to renovate the Precision Machining Technology lab in the Industrial Technology Building on the Waco Campus.

**Justification:** The project will be completed by the contractor in accordance with the contract documents.

**Additional Information:** The project is scheduled to be completed in August of 2021.

<b>Action Schedule:</b>	Approve Project Concept	MO 09-20(c)
	Approve Project, Budget and Contract > \$1M	MO 22-20(c)
	Approve Amended Project Scope and Budget	MO 46-20(c)
	<b>Accept Project</b>	<b>MO 29-21(c)</b>

**Fiscal Implications:** Funds are available as currently budgeted.

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

**Attachment(s):** Photos

**Recommended Executive Action:** "The Texas State Technical College Board of Regents authorizes the Chancellor, or designee, to accept the project for the renovation of the Precision Machining Technology Lab in the Industrial Technology Center at Texas State Technical College in Waco upon final completion."

**Recommended By:** **[ORIGINAL SIGNED BY]**  
Raymond D. Fried, Associate Vice Chancellor Facilities Planning and Construction





PMT Lab in Waco



PMT Lab in Waco



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**Board Meeting Date:** August 19, 2021 **Proposed Minute Order #:** 30-21(c)

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

**Subject:** **Accept the Project to Renovate the Residential HVAC Lab in Building 20HI at the Texas State Technical College in Harlingen**

**Background:** By MO 17-19(c) and MO 39-20 (c) the Texas State Technical College Board of Regents approved the project and budget to renovate the 20HI Building for the Residential HVAC lab at the Harlingen Campus.

**Justification:** The project will be completed in accordance with the contract documents.

**Additional Information:** The project is scheduled to be completed in August of 2021.

**Action Schedule:** Approve Project and Budget MO 17-19(c)  
Approve Amended Budget MO 39-20(c)  
**Accept the Project MO 30-21(c)**

**Fiscal Implications:** Funds are available as currently budgeted.

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

**Attachment(s):** None.

**Recommended Executive Action:** "The Texas State Technical College Board of Regents authorizes the Chancellor, or designee, to accept the project for the renovation of the Residential HVAC lab in Building 20HI at Texas State Technical College in Harlingen upon final completion."

**Recommended By:** **[ORIGINAL SIGNED BY]**  
Raymond D. Fried, Associate Vice Chancellor Facilities Planning and Construction



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**Board Meeting Date:** August 19, 2021 **Proposed Minute Order #:** 31-21(c)

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

**Subject:** **Approve the Concept for the North Interceptor Project at Texas State Technical College in Waco**

**Background:** The City of Waco, the City of Bellmead, and the City of Lacy Lakeview wish to include TSTC in a joint effort to improve the sewerage collection system which is in need of repairs and upgrades to handle present day flows. Texas State Technical College administration proposes to participate in the combined project referred to as the "North Interceptor (NI) Project".

**Justification:** The completion of the North Interceptor Project will allow TSTC to abandon the lift station presently required to discharge the sanitary sewer into the City of Waco's sanitary sewer system.

**Additional Information:** TSTC, the City of Waco, the City of Bellmead, and the City of Lacy Lakeview will each be responsible for the portion of the project which benefits each entity.

**Fiscal Implications:** TSTC's portion of the project is estimated to be \$1,500,000 and scheduled to be completed in 2023.













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

**Attachment(s):** North Interceptor Plan  
North Interceptor Conceptual Schedule  
Letter from Legal Counsel

**Recommended Minute Order:** "The Texas State Technical College Board of Regents approves the concept to construct the portion of the North Interceptor that benefits TSTC and authorizes the Chancellor or Designee to enter into agreements committing TSTC to participate in the project."

**Recommended By:** [ORIGINAL SIGNED BY]  
Raymond D. Fried, Associate Vice Chancellor of Facilities Planning and Construction

**Legend**

-  Ex. Lacy Lakeview Lift Station
-  Ex. Lacy Lakeview Gravity
-  Ex. Lacy Lakeview Force Main
-  Prop. Lacy Lakeview Gravity
-  Ex. TSTC Campus Lift Station
-  Ex. TSTC Force Main
-  Prop. TSTC Gravity
-  Ex. Bellmead Lift Station
-  Prop. Bellmead Gravity
-  Ex. Waco Lift Station
-  Ex. Waco Gravity
-  Ex. Waco Force Main
-  Prop. Waco Gravity
-  Prop. Waco Rehabilitated Force Main
-  Ex. WMARSS Lift Station
-  Ex. Brazos Siphon
-  Ex. WMARSS Gravity Interceptor
-  Ex. WMARSS Force Main
-  Prop. WMARSS Lift Station
-  Prop. WMARSS Gravity Interceptor
-  Prop. WMARSS Force Main
-  City of Lacy Lakeview
-  City of Bellmead
-  City of Waco
-  Stream
-  Surface Water
-  Railroad
-  Street
-  McLennan County

Reroute of COW and COLL Flows from Existing WMARSS East Bank and Lacy Lakeview Interceptors will Allow Additional Capacity for Flows from Village Lake Sewer Basin (see WWMP Project No. 5)

Proposed WMARSS Gravity Interceptor to Reroute Flows from Existing WMARSS Lacy Lakeview and East Bank Interceptors (see WWMP Project No. 8)

Existing COW Lift Stations to be Abandoned

Existing WMARSS Bellmead Interceptor to be Rehabilitated After Reroute of Flows (see WWMP Project No. 12)

Existing WMARSS East Bank Interceptor to be Rehabilitated between Waco Dr & I-35 (see Immediate Needs Project No. 4)

Proposed COB Gravity Interceptor (Design Ongoing)

Existing TSTC 16" Force Main to be Abandoned

Existing COB Lift Stations to be Abandoned

Proposed WMARSS Lift Station, Force Main, and Gravity Interceptor (see WWMP Project No. 8 & 15)

Proposed Rehabilitation of Existing 8" COW TSTC Force Main

Proposed Conversion of Existing 8" COW TSTC Force Main to Gravity Sewer

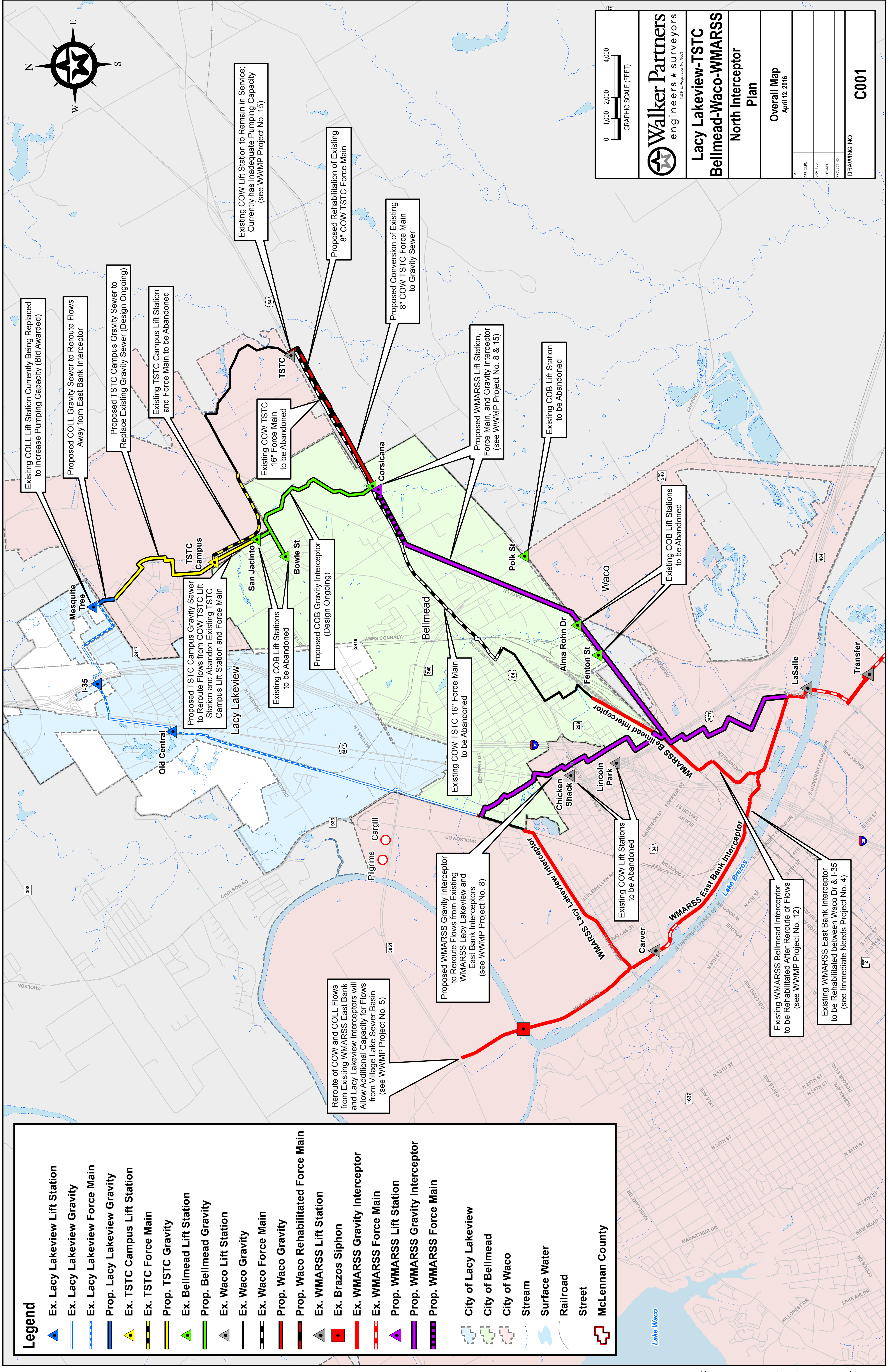
Existing COW Lift Station to Remain in Service; Currently has Inadequate Pumping Capacity (see WWMP Project No. 15)


Existing TSTC Campus Lift Station and Force Main to be Abandoned

Proposed TSTC Campus Gravity Sewer to Replace Existing Gravity Sewer (Design Ongoing)

Proposed COLL Gravity Sewer to Reroute Flows Away from East Bank Interceptor

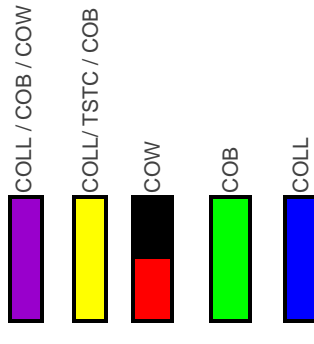
Existing COLL Lift Station Currently Being Replaced to Increase Pumping Capacity (Bid Awarded)



 <b>Walker Partners</b> engineers ★ surveyors <small>T.E.P.E. Registration No. 1002</small>	
<b>Lacy Lakeview-TSTC</b> <b>Bellmead-Waco-WMARSS</b> <b>North Interceptor</b> <b>Plan</b>	
<b>Overall Map</b> April 12, 2016	
<small>DATE</small> <small>REVISION</small> <small>BY</small> <small>DATE</small>	<small>PROJECT NO.</small> <b>C001</b>

# North Interceptor Preliminary Implementation Plan

### Legend



Project	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Project 1</b>									
<b>Project 2</b>									
<b>Project 3</b>									
<b>Project 4</b>									
<b>Project 5</b>									
<b>Project 6</b>									
<b>Project 7</b>									
									<b>TOTAL</b>
City of Lacy Lakeview			\$ 535,000.00	\$ 615,000.00		\$ 180,000.00	\$ 72,500.00	\$ 72,500.00	\$ 1,475,000.00
TSTC				\$ 1,500,000.00					\$ 1,500,000.00
City of Bellmead			\$ 2,670,000.00	\$ 700,000.00	\$ 670,000.00		\$ 145,000.00	\$ 145,000.00	\$ 4,330,000.00
City of Waco			\$ 6,630,000.00	\$ 2,720,000.00	\$ 3,100,000.00		\$ 3,400,000.00	\$ 3,400,000.00	\$ 19,250,000.00



July 22, 2021

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

Re: Approve the Concept for the North Interceptor Improvements Project At Texas State Technical College in Waco

As requested, I have reviewed and considered the legal ramifications of the requested approval of (1) the concept and construction of the portion of the North Interceptor Improvements Project that benefits TSTC, and (2) the authorization of the Chancellor or his designee to execute agreements, and any amendments to said agreements, committing TSTC to participate in project.

The City of Waco, the City of Bellmead, and the City of Lacy Lakeview entered an interlocal agreement in a joint effort to improve the sewerage collection system which is in need of repair and upgrading to handle present day flows. The Texas State Technical College administration proposes to participate in the North Interceptor Improvements Project for that portion that crosses the TSTC Waco Campus and benefits TSTC.

Chapter 135 of the Texas Education Code vests the organization and control of Texas State Technical College with the Board of Regents (“BOR”). This would include the ability to approve projects and the budget for said projects. Generally, the BOR alone has authority to approve and sign agreements on behalf of TSTC with a value exceeding One Million Dollars. However, during the 84th Legislative Session comprehensive changes were made to the Texas Government Code and the Texas Education Code, including provisions that allow the TSTC Board of Regents to delegate this approval and signatory authority to the Chancellor or his designee.

Having reviewed the minute order in question, it is my opinion that the Board of Regents approval of (1) the concept and construction of the portion of the North Interceptor Improvements Project that benefits TSTC, and (2) the authorization of the Chancellor or his designee to execute agreements, and any amendments to said agreements, committing TSTC to participate in project, comports with state law and TSTC policy.

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

Respectfully Submitted,

Edward C. Vallejo  
Associate General Counsel

cc: Rick Herrera  
Vice Chancellor & Chief Student Services Officer  
Ray Rushing, J.D.  
Vice Chancellor & Chief Legal Officer / General Counsel

**Major Projects Report  
August 2021**

#	Project Name	Campus	Managing Campus	Delivery Method	Fund Source	Cost Allocation	Required Approvals	% Complete
1	Rework and Replace Paving on Sweetwater Campus	Sweetwater	Sweetwater	RFQ/ RFP	HEAF Bond HEAF Bond Total Funds	Engineering/ Design Construction Cost Total Budget	Approve Concept Approve Project and Budget Pause Project Project Complete	MO 07-17(c) MO 18-19(c) 7/22/2020 PAUSE
2	Abate and Demo Airbase Buildings on Waco Campus	Waco	Waco	RFQ/ RFP	Appropriations HEAF Additional Funds Total Funds	Contracted and Obligated to date CMR Civil and Ancillary Projects Additional Expenditures Owners Reserve (Balance) Total Budget	Approve Concept Approve A/F Contract < \$1M Approve Project and Budget Approve Abatement and Demo Contract > Complete Project	MO 14-19(c) EA 29-19 MO 38-19(c) MO 08-20(c) August 2025
3	Renovate Precision Machining Lab for PBE in ITC Building	Waco	Waco	CMR	Bonds and Appropriations Total Funds	A/E Original Scope Contractors Pre Con Services A/E Services Amended Scope Construction Contract Amended Scope Owners Cost Total Budget	Approve Project Concept Approve Project, Budget and Contract > \$1M Approve Amend Project Scope and Budget Accept Project	MO 09-20(c) MO 22-20(c) MO 46-20(c) MO 29-21(c)
4	Campus Wide Drainage Project	Waco	Waco	Competitive Sealed Proposal	Unfunded Total Funds	Engineering Design Construction Costs Owner Costs Total Budget	Approve Project and Budget	MO 47-20(c)
5	Renovate Residential HVAC Lab for PBE in Harlingen	Harlingen	Harlingen	CMR	Appropriations Total	A/E Design Construction Budget Owners Cost Project Savings Total Budget	Approve Project and Budget Accept Project	MO 39-20(c) MO 30-21(c)
6	Griffith Hall	Waco	Waco	Design Build	TSTC Foundation Total	Design Build GMP Owners Cost Total Budget	Complete Project Approve Concept to Lease Land Approve Ground Lease Approve Master Lease Complete Project	August 2021 MO 42-19(c) MO 10-20(c) MO 11-20(c) August 2021
7	Fort Bend ITC Welding Expansion And Electrical Lineworker facility Faraday Center	Fort Bend	Waco	IDIQ CMR	Appropriations Phase I & II Appropriations Faraday Total	A/E Services CMAR Owners Cost A/E Faraday CMAR Faraday Owners Cost Faraday Total Budget	Approve Project Concept Approve Project, Budget and Contract > \$1M Accept Lineworker Project Accept Welding Expansion Approve Project and Budget Faraday Complete Faraday Center	MO 45-19(c) MO 05-20(c) MO 36-20(c) MO 45-20(c) EA 08-21 January 2022
8	Renovate a Portion of the ITC Building in Waco for the Texas State Licensing Board examiners Testing center	Waco	Waco	IDIQ/ RFP	Heaf Bonds Total	Architectural Services Construction Contract Owners Costs Owners Reserve (Balance) Total Budget	Approve Project and Budget < \$1M Accept Project	EA 18-21(c) January 2022
9	Kuligen Automotive Center Renovation	Waco	Waco	RFQ/ RFP	Heaf Bonds Total	Architectural Services Construction Contract Owners Costs Owners Reserve (Balance) Total Budget	Approve Project and Budget < \$1M Accept Project	EA 19-21(c) August 2022
10	Renovate the JBC Building for a Multifunction Center, Welcome Center, and Administrative Offices	Waco	Waco	RFQ/ RFP	Heaf Bonds Total	Architectural Services Construction Contract Owners Costs Total Budget	Approve Concept Approve Project and Budget < \$1M Accept Project	EA 20-21(c) Nov 2021 Fall 2022
11	TSTC Portion North Interceptor Joint Effort	Waco	Waco	TBD	Heaf Funds Total	Engineering Services Construction Contract Total Budget	Approve Concept Approve Project and Budget < \$1M Accept Project	MO 31-21(c) January 2023 December 2023



## **MP1 Annual Report to the Texas State Technical College Board of Regents**

### Facilities Planning and Construction

#### MP1 – Five Year Capital Expenditure Plan

By July 1 of every year, TSTC is required to certify a Capital Expenditure Plan (MP1) to the Texas Higher Education Coordinating Board (THECB) as required by Texas Education Code §61.0582. The report includes projects that are planned (contingent upon funding) within the next five years, regardless of funding source:

- New construction projects \$1,000,000 or more;
- Repair and renovation projects \$1,000,000 or more;
- Information resource projects that cumulatively would total \$1,000,000 or more in one year; and
- Property purchases that cumulatively would total \$1,000,000 or more in one year.

#### BOR Review

The MP1 summary report will be presented to the Board of Regents annually.

#### Philosophy

The MP1 is a robust list of projects created to provide direction for future growth. A building's life cycle is approximately 50 years so it will be designed with both adaptable and flexible space to meet both current and future needs.

#### Other Considerations

We want the Board of Regents to be well informed of the plans for each campus. Once submitted to the THECB, the MP1 reports are accessible by the public. You may receive requests for information about upcoming projects so please feel free to forward these requests to our office.



**MP1 2021 Report**

<b>Texas State Technical College in East Williamson County (EWCHEC)</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*EWCHEC Construct Campus Site Phase II	Welding, Electrical Power & Controls and Architectural/Mechanical Drafting	113,000	\$42,900,000
EWCHEC Construct Physical Plant	PPF and Motor Pool	21,400	\$5,300,000
EWCHEC Construct Diesel Facility	Diesel. Relocate Building Construction to vacated Diesel facility	91,227	\$34,700,000
EWCHEC Construct Automotive Technology Facility	Automotive	30,800	\$11,700,000
		<b>Total</b>	<b>\$94,600,000</b>
<b>Texas State Technical College in Ft. Bend County</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*Ft Bend County Construct Campus Site Phase III	Building Construction, Automotive & Diesel	142,100	\$54,000,000
Ft. Bend Construct Physical Plant	PPF and Motor pool	32,588	\$8,000,000
Ft. Bend Construct Aviation/Instrument Facility	Aviation Maintenance and Instrumentation	98,730	\$37,500,000
Ft. Bend Construct Welding Technology Facility	Welding	121,429	\$46,100,000
		<b>Total</b>	<b>\$145,600,000</b>
<b>Texas State Technical College in Harlingen</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*Harlingen Construct Performance Learning Center	Building Construction, Diesel and Welding	131,200	\$49,900,000
Harlingen Construct Plumbing Licensing Test Center	Building Construction	7,000	\$1,200,000
Harlingen Construct Wind & Mechatronics Facility	Wind and Mechatronics	47,370	\$17,500,000
Harlingen Renovate Building J	EMS, Biomedical Equipment & Surgical Technologies	18,000	\$4,500,000
Harlingen Finish Engineering Center	Flex Space for Emerging Technologies	20,800	\$5,600,000
Harlingen Site Drainage and Mall Walk Renovation		-	\$7,392,000
Harlingen Student Housing Renovation		69,000	\$7,280,000
Harlingen Renovate 20ME University Center	Multi-Function Event Center	2,262	\$2,100,000
		<b>Total</b>	<b>\$95,472,000</b>
<b>Texas State Technical College in Marshall</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*Marshall Construct Performance Learning Center	Diesel and Welding	65,750	\$25,000,000
Marshall Construct Technology Facility	Lineworker and Workforce Training. Backfill with Industrial Maintenance, Precision Machining, and Automation & Controls	29,475	\$11,200,000
Marshall Student Housing Renovation		60,000	\$3,360,000
		<b>Total</b>	<b>\$39,560,000</b>
<b>Texas State Technical College in North Texas</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*North Texas Campus Site Phase II	Skilled and Heavy Industrial Trades	45,000	\$17,100,000
North Texas Construct Physical Plant	PPF and Motor pool	29,213	\$7,200,000
North Texas Construct Engineering Center	Emerging Technologies	36,392	\$13,800,000
		<b>Total</b>	<b>\$38,100,000</b>
<b>Texas State Technical College in Waco</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*Waco Construct Performance Learning Center	Automotive, Diesel and Building Construction	189,100	\$71,900,000
Waco Construct State Plumbing Licensing Test Ctr.	Building Construction	7,000	\$1,200,000
Waco Renovate the Kultgen Automotive Facility	Automotive	19,000	\$1,900,000
Waco Renovate & Repurpose JBC 1st and 2nd Floor	Multi-Function Event Center	57,190	\$5,200,000
Waco Construct Craven Entrance and Drainage		-	\$5,900,000
Waco Construct Crest and Airline Drive Realignment		-	\$1,500,000
Waco Construct Campus Drainage Projects		-	\$1,700,000
Waco North Interceptor Wastewater Project		-	\$1,500,000
Waco Airport Development Project		25,000	\$15,250,000
Waco Construct Welding and Emerging Technologies	Welding and Emerging Technologies	206,129	\$78,300,000
Waco Renovate West end of ITC Facility	Market driven Emerging Technologies	21,500	\$6,000,000
Waco Red River Student Housing Renovation		47,096	\$3,920,000
		<b>Total</b>	<b>\$194,270,000</b>
<b>Texas State Technical College in West Texas</b>			
<b>Project Name</b>	<b>Programs Included in Project</b>	<b>GSF</b>	<b>Project Cost</b>
*Abilene Construct Campus Site Phase II	HVAC and Electrical Lineworker	45,000	\$17,100,000
Abilene Construct Physical Plant	PPF and Motor pool	21,400	\$5,300,000
Abilene Construct Aviation Technology Facility	Aircraft Airframe and Aircraft Power plant	63,550	\$24,100,000
Sweetwater Student Housing Renovation		34,000	\$5,860,000
		<b>Total</b>	<b>\$52,360,000</b>
* Project was submitted in the LAR TRB Request			
<b>Total MP1 Projects</b>			<b>\$659,962,000</b>



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Pat McDonald, Chair; Ron Widup, Member

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None.

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*Gail Lawrence*



# **Summary Report on the 87<sup>th</sup> Legislative Session**

## **Introduction**

The Regular Session of the 87th Texas Legislature was unlike any other. The COVID-19 pandemic prevented normal activity and access to the Capitol throughout the first 30 days of the 140-day session. Then, Winter Storm Uri roared through Texas in mid-February, shutting down the entire state with an unprecedented blanket of ice and snow. Activity at the Texas Capitol did not return to some semblance of normal until March – 60 days into the legislative session. Even then, daily screenings, rapid COVID tests, and wristbands were required before entry into the Capitol.

Texas State Technical College's (TSTC) Government Relations (GR) Team is led by Executive Vice Chancellor Gail Lawrence and Deputy Vice Chancellor Joe Arnold. The core GR team also includes Marlene McMichael, Nikki Gonzales, Catherine Barbosa, Maricela DeLeon, Kendal Carrillo and Andrew Parks. This team along with teammates across several divisions within the college incorporated new strategies to adapt to the evolving legislative environment. These strategies included virtual briefings and weekly videos highlighting individual TSTC students and programs. Once COVID-19 restrictions eased allowing access to Capitol offices, virtual meetings were shelved to adapt, once again, to the changing situation.

COVID-19 protocols also impacted the customary TSTC Day at the Capitol. The one-day celebration morphed into TSTC Week at the Capitol (April 20th – 22nd) with large displays in the South Central Gallery on the second level of the Capitol Extension. Because large gatherings within the building were not allowed, the GR Team delivered boxes of hand-crafted pastries by Chef Michele Brown from the Waco campus to key legislative offices. TSTC delegation members, absent the formal Congratulatory Resolutions, acknowledged TSTC from the floor of the Texas House and Senate.

Although the new normal for the session was decidedly different, The TSTC Foundation assisted the GR Team with providing lunches, budget-night dinners, and end-of-session cookie deliveries to legislative offices when appropriate.

### **87<sup>th</sup> Legislative Request to the Legislature**

The primary goal of the Government Relations team was to preserve the historical commission rate of 36% on the Returned-Value Funding Formula.

TSTC's funding in both SB 1 and HB 1 were based upon the Cohort used for the FY 20-21 biennium, but TSTC's results improved for the FY 22-23 biennium. Calculations run by the Texas Higher Education Coordinating Board were:

- Initial Run, 2013-14 Cohort, Total Value Added \$369,217,683
- Updated Run, 2014-15 Cohort, Total Value Added \$389,505,058
- SB 1/HB 1 Funding \$132,248,701
- SB 1/HB 1 Funding/Commission Rate w 2013-14 Cohort, 35.82 percent
- SB 1/HB 1 Funding/Commission Rate w 2014-15 Cohort, 33.95 percent
- Funding at 36 percent for 2014-15 Cohort should be \$140,437,589

## Budget

Despite the fluid environment of the legislative session, TSTC's key funding objectives were achieved within SB 1, the budget bill.

- The Returned-Value Funding Formula was funded at 35.9 percent, netting an increase of \$7.6 million over the last biennium. The primary goal of the session was to maintain TSTC's 36 percent commission rate for the formula.
- The line item for E & G Space Support was increased to match enrollment growth, netting an increase of \$2.55 million over the last biennium.
- As expected, Start-up Funding for the East Williamson County Higher Education Center was eliminated in the bill pattern for System Administration/Operations; however, funding for System Office Operations increased by \$1.355 million, netting an overall gain for System Administration/Operations of \$155,326.
- Minor adjustments were made in allotments for Group Insurance, Workers' Compensation Insurance, and Tuition Revenue Bond Retirement.
- In total, TSTC earned an increase of \$8,884,703 over the previous biennium in the budget approved by the 87th Legislature.

Nevertheless, the budget was not all about the numbers. TSTC submitted four budget Riders, three of which could be considered clean up and were important but not hugely consequential. The fourth, though, was significant. In the end, all four of the Riders were incorporated into the final budget document.

For many sessions, the budget included a line item for Forecasting in the System Administration Operations bill pattern. The Forecasting line item traditionally had been directed to Vice Chancellor Michael Bettersworth's efforts at the Center for Employability Outcomes (C4EO). The significance of the fourth Rider was that it created a permanent place within TSTC's budget for C4EO and established the Center as the workforce research center for the State of Texas. The Rider reads as follows:

Center for Employability Outcomes. From amounts appropriated above in Strategy A.1.1, Forecasting & Curriculum Development, Texas State Technical College shall establish the Center for Employability Outcomes (C4EO) as a separate division of its operations to serve as a workforce research center for Texas. The Center's purpose is to align workforce training capacities with technical and industrial workforce needs, identify new technologies for inclusion in the development of programs, create and promote scalable talent pipeline and capacity-building solutions through basic and applied research, strategic alliance, technology commercialization, and collaborations with industries, associations, agencies, and other institutions of higher education. Emphasis shall be on high-demand or emerging occupations and technological skills and fields with near-term workforce relevance. Activities are intended to promote economic prosperity through access to and the

development and enhancement of workforce training programs which result in industry-recognized micro-credentials, certificates, and traditional higher education degrees. It is the intent of the legislature that the A.1.1, Strategy, Forecasting & Curriculum Development, shall be renamed The Center for Employability Outcomes in the 2024-25 General Appropriations bill.

### Legislation

During the 87th Regular Session of the Texas Legislature, legislators filed 7,148 bills and joint resolutions. TSTC tracked 195 bills, and 37 of these became law.

Total Bills and Joint Resolutions Filed:

- ✓ Texas House of Representatives      4,834
- ✓ Texas State Senate                      2,314

Although TSTC did not specifically endorse or file any legislation, the GR Team worked with multiple lawmakers to include the College in bill language where it would be advantageous and to provide background where bill language might prove detrimental to the College's operations.

Additionally, TSTC collaborated with business associations and non-profit entities on a number of noteworthy bills impacting technical education, several of which became law:

- HB 636 by Rep. Senfronia Thompson continues and addresses the functions of the Texas State Board of Plumbing Examiners. The bill includes provisions which authorizes Career & Technical Education (CTE) programs at institutions of higher education for holders of the Tradesman Plumber-Limited License.
- HB 3938 by Rep. Keith Bell creates an industry-based certification advisory council comprised of nine members representing industry, public school teachers, and the two-year colleges, to include TSTC. The council is intended to focus on aligning high school CTE programs with future workforce needs. The bill tasks the Texas Workforce Commission with providing administrative and staff support for the council.
- SB 1102 by Sen. Brandon Creighton establishes the Texas Reskilling and Upskilling through Education (TRUE) Program to support workforce education. Although not funded in the SB 1, the TRUE Program would provide grant opportunities to eligible institutions, including TSTC, to expand and enhance their technical program offerings. It is possible federal funding could be directed toward the TRUE Program during a fall special session. The budget request for the Program was \$50 million.
- HB 4361, carried by Rep. John Raney in the House and Sen. Paul Bettencourt in the Senate, is perhaps the most impactful bill of the session for TSTC. Also called the "First Right of Refusal" bill, HB 4361 allows employers requesting off-site workforce training or lower division classes to select an institution outside their service delivery area (SDA) to provide

the training if the institution within the SDA has refused to do so within a prescribed time frame. The significance of the bill is that it, for the first time, gives employers a decision-making role in the workforce training process.

### **Tuition Revenue Bonds**

Although the House passed HB 1530 by Rep. Jim Murphy addressing Tuition Revenue Bonds (TRBs) for colleges, the Senate refused to consider the bill or the issue. Hope remains that the Legislature will address “capital” projects for colleges when it returns in special session this fall to address disbursement of federal COVID-19 funding. All but one of TSTC’s TRB requests (Waco) were included in Chairman Murphy’s HB 1530.

### **Final Notes**

Outside forces made the Regular Session of the 87th Legislature a unique and often peculiar legislative session. However, for TSTC, the session was different in many good ways. Never has the TSTC brand been higher. Legislators and staff understood and often publicly acknowledged the unique nature of the College’s mission and funding formula. That recognition led to more collaboration with industry associations, non-profit think tanks, and individual legislators as they sought to improve legislation directed at workforce training or technical education. With the long-term goal of building a better Texas by putting more people to work, these same collaborators are already scheduling ongoing discussions with TSTC throughout the coming months to develop strategies to achieve that goal in advance of the 88th Texas Legislature.