

TSTC SYSTEM ADMINISTRATION

LEGISLATIVE APPROPRIATIONS REQUEST



LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2020 & 2021

Submitted to the Governor's Office of Budget, Planning and
Policy and the Legislative Budget Board
by Texas State Technical College System Administration.
Originally submitted August 3, 2018.

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In accordance with the instructions, Texas State Technical College (TSTC) submits the following Legislative Appropriation Request (LAR) for fiscal years 2020 and 2021 to the Governor's Office of Budget, Policy, and Planning and the Legislative Budget Board. TSTC's LAR is submitted in a manner consistent with the description of TSTC in Section 135.02 of the Texas Education Code, including a LAR for the System Administration unit and the College's six campuses.

OVERVIEW

TSTC is the State of Texas' leading provider of two-year technical education in Texas. TSTC's operations are dispersed across 10 campuses, allowing the College to meet workforce needs not just regionally but across the state. The campus locations include Abilene, Breckenridge, Brownwood, the East Williamson County Higher Education Center (in Hutto), TSTC in Fort Bend County (in Rosenberg), Harlingen, Marshall, TSTC in North Texas (in Red Oak), Sweetwater, and Waco. With these 10 campuses across Texas, TSTC is set to place nearly 5,000 of its graduates in great paying job during this biennium (2018-2019).

With a focus on employability, TSTC executes its legislative mission of economic development through workforce education. This mission has never been so relevant as Texas faces a middle-skills gap that is already severe with an incumbent skilled workforce that is rapidly "greying" and who will retire soon in record numbers.

TSTC has many unique advantages contributing to success in addressing this skills gap, including

- (1) an extraordinary funding structure that is designed to fund the College only when it succeeds in placing students in great paying jobs,
- (2) an operating structure that focuses directly on education and placement and not administration, and
- (3) a narrowly focused mission statement.

The result is an alignment of interests between TSTC, its students, and the employers it serves, setting TSTC apart from other institutions. This job-creating advantage becomes threatened, however, as TSTC's different funding mechanisms become less reliable year after year. Maintaining this advantage drives the purpose of TSTC's funding requests:

PURPOSE OF FUNDING REQUESTS THAT SUPPORT JOB CREATION

Performance and Accountability Funding. The accountability notions embedded within TSTC's results-based funding structure lose their strength when the link between performance and funding unravels as the funding rate (also referred to as TSTC's "commission rate") loses consistency and predictability. While funding formulas are not addressed in this document, funding requests within this LAR are directly impacted by the results-oriented nature and recent instability of TSTC's returned value funding formula (Instruction and Administration).

Start Up Funding. The returned-value funding method used for TSTC measures the first five years of employment earnings of job-placed students and then indicates funding levels based on that actual salary performance. Accordingly, there is a significant delay between teaching a student and realizing a funding amount—sometimes as much as 8 to 10 years. So, for new campuses, working capital is needed until the student performance begins to reflect in the formula. Start Up funding is that working capital for the newly authorized campuses for TSTC. Eventually, Start Up funding will phase out as the funding formula results begin to show for new campuses.

Dual Credit Funding. TSTC is not funded for dual credit under the outcomes-based funding formula. The last Legislature recognized this problem and directed the THECB to recommend a method to solve this matter. The resulting recommendation is to fund TSTC's dual credit offerings using the same contact hour method that

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is used for the community colleges. The need for career and technical dual credit classes is strong and underserved. Implementing this recommendation is critical to meeting the CTE needs of Texas students.

Infrastructure Funding. Historically, TSTC has been underfunded in infrastructure support and we request an increase in our rates of funding. This problem was observed during the space model study required by Rider 55 of House Bill 1, General Appropriations Act, 84th Legislature, Regular Session. The problem was later confirmed and validated by an independent consultant engaged by the THECB. The trend results in extremely lean facilities operations, significant deferred maintenance, and aging equipment. This impact on TSTC's facilities and equipment jeopardizes the ability to offer cutting edge experiences essential to high-quality technical education. When the College was founded, then Governor John Connally predicted that it would be "the most sophisticated technical-vocational institute in the country." Decades of accrued deferred maintenance, however, chip away at the College's ability to maintain that brand standard.

HIGHLIGHTS SINCE THE 85TH LEGISLATURE

TSTC is a top performer in THECB's 60x30 Strategic Plan:

92% of TSTC graduates leave with identified marketable skills. Plan Goal :80%

Student loan debt of TSTC students averages 40% of their first year wage. Plan Goal: 60%

Other Student Success Achievements:

TSTC Degrees and awards have increased 30% in the past 5 years.

Total Wages produced by TSTC graduates in their first year working increased 47% in the past 5 years.

EXCEPTIONAL ITEMS OVERVIEW

Restoration of Start-Up Funding.

With the launch of the campus at TSTC in EWCHEC, the Legislature authorized Start Up funding to provide a funding mechanism to support these new campuses. In a results-based/accountability funding model, this type of funding is especially critical. For new campuses at TSTC, Start Up funding is a proxy for formula funded, Instruction and Administration (I&A) funding for start up locations. TSTC's I&A funding is derived from the wages of placed former students (sometimes 8-10 years after TSTC incurs the cost of instruction). This is different than a cost reimbursement formula, such as contact hour funding which would allow phase out much sooner. TSTC's Start Up funding will phase out as students leave TSTC, enter the workforce, and funding is derived after the value is returned to the State from the benefit of the student's wages. Start Up funding for the East Williamson Higher Education Center is included as the B.1.1. Strategy on TSTC System Administration's bill pattern because the Center operates as a Multi-Institutional Teaching Center (MITC) and its Start Up funding flows through TSTC System Administration.

Forecasting & Curriculum Development

TSTC System Administration requests operating funds in the amount of \$1.5M to support TSTC's Center for Employability Outcomes (the Center or C4EO). The Center's work is an extension of the Forecasting and Curriculum Development mandate, which requires TSTC to forecast technical training and college curriculum needed to maintain and improve the state's economic and technological competitiveness.

In support of this mandate, TSTC created the Center to improve the employability of students by aligning curriculum with employer skill requirements. C4EO does this by providing Texas higher education institutions with data-driven web tools to scientifically optimize alignment of curriculum to regional labor market needs. As

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a result, students are more employable and employers are able to hire the right talent to remain competitive.

The Center's work is done in close coordination with the Texas Higher Education Coordinating Board, Texas Workforce Commission, and Texas Education Agency through complementary strategies and direct partnerships. This multi-disciplinary process enables educators, employers, and workforce professionals to develop course materials that are more relevant and responsive to employers' needs.

Tuition Revenue Bonds:East Williamson County Higher Education Center--Phase II of New Campus Development

TSTC includes capital needs within the TRB portion of the LAR to demonstrate its highest priority capital needs and expansion plans. The project indicated for TSTC System Administration is a \$16.5 million project that develops the second phase of the new campus in Hutto, Texas. This campus is part of a Multi-Institution Teaching Center (East Williamson Higher Education Center, a partnership with TSTC and Temple College and Texas A&M Central Texas). Additional capacity is needed to respond to the increased workforce development need in the Austin region and across Texas.

SIGNIFICANT CHANGES IN PROVISION OF SERVICE (CLIENT POPULATION, COST, EFFICIENCIES, TECHNOLOGIES, ETC)

Academic Dual Credit. At the close of the 85th Legislative Session, TSTC informed its dual credit partners that it was phasing out its academic dual credit offerings in favor of technical dual credit offerings. Since TSTC is not funded for dual credit, the administration determined it would only focus any dual credit offerings on technical coursework that led to certain career pathways. Since academic dual credit is pervasively offered in Texas, affected school districts could find partners to offer the academic coursework (students would not lose access). Consequently, TSTC's dual credit enrollment declined significantly during the current biennium as TSTC narrowed its focus of offerings.

Operational Consolidation. TSTC's merged statewide operational structure continued to create efficiencies and contain costs during the period that it brought new campuses online in recent years. This cost containment continued through the current biennium with higher faculty to administrator ratios, elimination of redundancies, and increased consistency in service delivery across statewide operations.

Technologies. TSTC's centralized operations provides new opportunities for modernizing information systems and reporting. The College anticipates evaluation and implementation of enterprise systems, including its enterprise resource planning platform.

SIGNIFICANT EXTERNALITIES

As mentioned previously, the growth in the nationwide skills gap continues to outpace the nationwide skills supply chain. Improving economic conditions and low unemployment exacerbate the growing labor shortage. With the historical go-to-college mantra, the reality of a healthy skills supply ratio is overlooked. The true ratio of jobs in the economy is 1:2:7. For every job that requires a master's degree or more, two jobs require a bachelor's degree, and more than half a dozen jobs require a credential or two-year degree. This ratio is across all industries and was the same in 1950, 1990, and will be the same in 2030. TSTC's programs directly address this creeping issue.

10% BIENNIAL BASE REDUCTION OPTIONS

The cumulative effect of the 10% Base Reduction scenario across the statewide college would be nearly \$2.4 million with the largest impact relating to the \$1.4 million reduction of start-up funding for TSTC's newest locations. Start Up funding is a proxy for instruction and administrative costs with the substantial portion funding teaching and learning. Cutting the Start Up funding at these highest potential locations would account for nearly 60% of TSTC's overall reduction calculation

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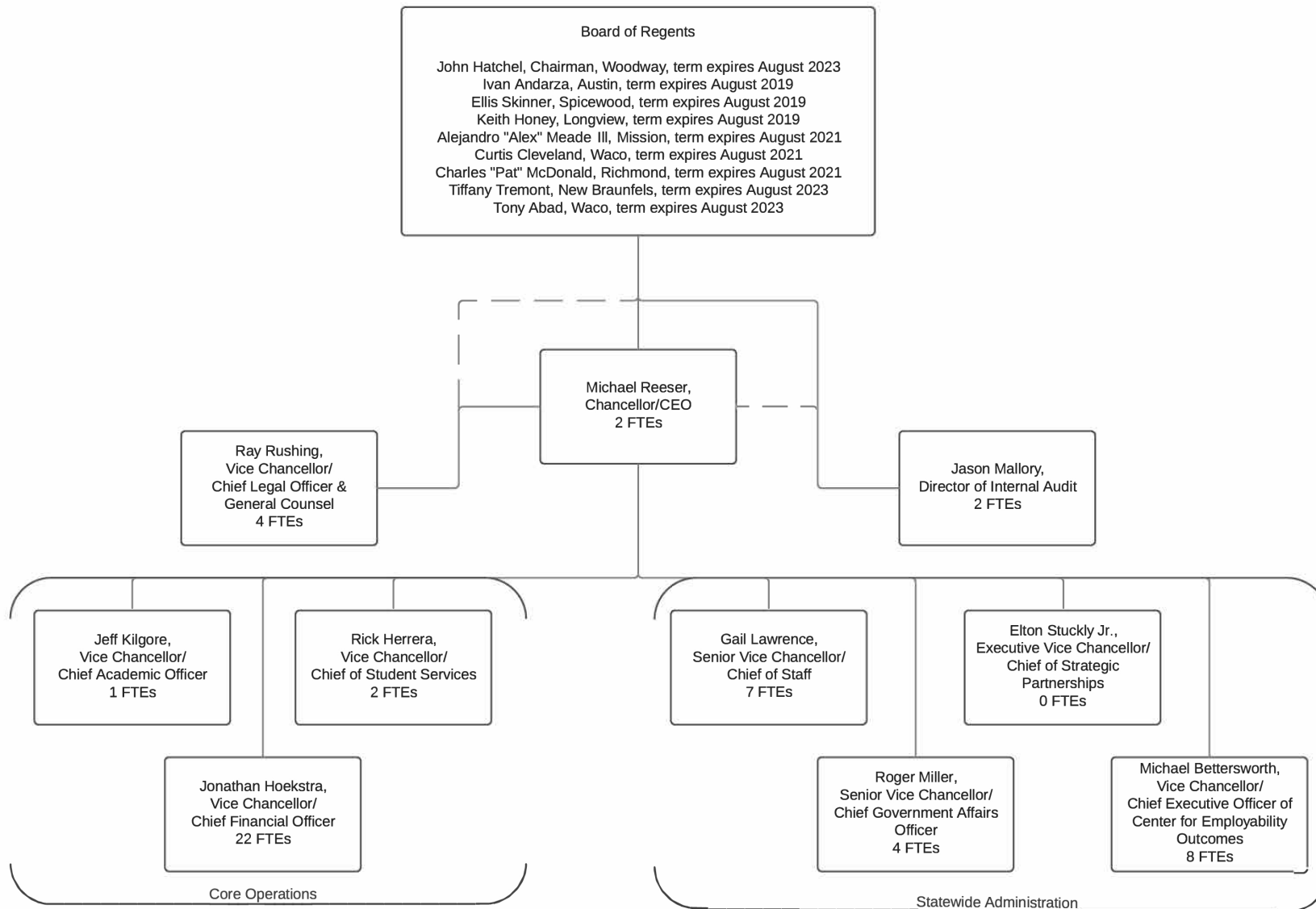
statewide. Cutting services at these new locations would have a significant impact on TSTC's delivery of services. Consequently, responding to the reduction requires a statewide, strategic approach to mitigate the impact of the reductions.

In accordance with the request, TSTC's strategies for responding to the Base Reduction Scenarios would impact the following:

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

TSTC's baseline reduction approach would be similar to its ongoing budget approach. That is, TSTC would reduce programming/funding based on its appraisal of markets and related program performance and potential across the state. To mitigate the statewide impact of reductions, TSTC would invest first in programs and activities with the highest return potential. Based on the extent of cuts, TSTC would reduce or close services in its lowest performing and lowest potential markets to mitigate the impact of reductions to the returns on the State's investment. TSTC is unique in the college sector because of its concentrated focus on placing students in jobs. Through careful budgeting and a streamlined statewide structure, the organization is lean on activities that are not directly related to education. The following reduction considerations would be required under the proposed reductions:

- o Student Oriented Activities not directly related to teaching. Continue reduction efforts for activities not essential to Place More Texans. For example, even though student recreation centers help provide a vibrant student life, TSTC might consider elimination of the activity to mitigate the reduction impact on providing a skilled workforce to Texas.
- o Level of Dual Credit Offerings. Continue refining the focus of dual credit offerings (TSTC eliminated a substantial portion of offerings following the 85th Session). TSTC still partners with over 100 high schools in offering dual credit; however, it receives no appropriations support for the effort. The dual enrollment effort is extremely important to TSTC but it is an activity that requires significant resources of the College without the ability to recoup the costs.
- o Core Programmatic Offerings. Evaluate markets by recent performance and growth potential. Depending on the reduction request, TSTC would eliminate programming in areas that provide the lowest prospects for return on capital to the State.



Budget Overview - Biennial Amounts
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 Appropriation Years: 2020-21

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2020-21
Goal: 1. Provide Instructional and Operations Support											
1.1.2. Forecasting & Curriculum Dvlpment	356,350	356,350	9,648						365,998	356,350	1,500,000
1.1.3. Staff Group Insurance Premiums	48,210		88,729	186,677					136,939	186,677	
1.1.4. Workers' Compensation Insurance	31,350	31,350							31,350	31,350	
1.1.5. System Office Operations	4,992,111	3,439,340	1,101,343						6,093,454	3,439,340	
1.1.6. Technical Training Partnership	592,266	592,266							592,266	592,266	
1.1.12. Hold Harmless	466,973	466,973							466,973	466,973	
Total, Goal	6,487,260	4,886,279	1,199,720	186,677					7,686,980	5,072,956	1,500,000
Goal: 3. Provide Non-formula Support											
3.1.1. E Williamson County Ctr		1,233,027		661,477						1,894,504	2,666,973
3.5.1. Exceptional Item Request											2,877,090
Total, Goal		1,233,027		661,477						1,894,504	5,544,063
Total, Agency	6,487,260	6,119,306	1,199,720	848,154					7,686,980	6,967,460	7,044,063
Total FTEs									41.7	42.0	16.0

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 Provide Instructional and Operations Support					
1 <i>Provide Instructional and Operations Support</i>					
2 FORECASTING & CURRICULUM DVLPMENT	252,573	187,354	178,644	178,175	178,175
3 STAFF GROUP INSURANCE PREMIUMS	124,336	50,367	86,572	90,980	95,697
4 WORKERS' COMPENSATION INSURANCE	15,675	15,675	15,675	15,675	15,675
5 SYSTEM OFFICE OPERATIONS	4,969,463	3,042,424	3,051,030	1,720,578	1,718,762
6 TECHNICAL TRAINING PARTNERSHIP	296,133	296,133	296,133	296,133	296,133
12 HOLD HARMLESS	0	233,487	233,486	233,487	233,486
TOTAL, GOAL 1	\$5,658,180	\$3,825,440	\$3,861,540	\$2,535,028	\$2,537,928

3 Provide Non-formula Support

1 *INSTRUCTIONAL SUPPORT*

1 E WILLIAMSON COUNTY CTR	0	0	0	947,252	947,252
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5 *Exceptional Item Request*

2.A. Summary of Base Request by Strategy

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<i>Goal / Objective / STRATEGY</i>	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$0	\$0	\$0	\$947,252	\$947,252
TOTAL, AGENCY STRATEGY REQUEST	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	4,336,416	3,113,481	3,373,779	3,060,561	3,058,745
SUBTOTAL	\$4,336,416	\$3,113,481	\$3,373,779	\$3,060,561	\$3,058,745
General Revenue Dedicated Funds:					
770 Est. Other Educational & General	1,321,764	711,959	487,761	421,719	426,435
SUBTOTAL	\$1,321,764	\$711,959	\$487,761	\$421,719	\$426,435
TOTAL, METHOD OF FINANCING	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180

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

2.B. Summary of Base Request by Method of Finance
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Agency code: **719** Agency name: **Texas State Technical College System Administration**

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2016-17 GAA)	\$10,801,722	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$3,110,562	\$3,108,744	\$0	\$0
Regular Appropriations from MOF Table (2020-21)	\$0	\$0	\$0	\$3,060,561	\$3,058,745

TRANSFERS

Administrative - From Waco to System Office Opr	\$1,955,590	\$342,505	\$0	\$0	\$0
Administrative - From West Tx to System Office Opr	\$510,558	\$96,382	\$0	\$0	\$0
Administrative - From North Tx to System Office Opr	\$184,490	\$237,603	\$0	\$0	\$0

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

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Agency code: 719		Agency name: Texas State Technical College System Administration			
METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>					
Partnership - From System to Waco (EWC) - Tech Part Tr	\$ (296,133)	\$ (296,133)	\$ (296,133)	\$ 0	\$ 0
EWCHEC - From System to EWCHEC (Waco)	\$ (1,000,000)	\$ (666,514)	\$ (666,513)	\$ 0	\$ 0
EWCHEC - From System to EWCHEC (Waco)-Hold Harmless	\$ 0	\$ (233,487)	\$ 0	\$ 0	\$ 0
Fort Bend - From System to Fort Bend	\$ (4,500,000)	\$ 0	\$ 0	\$ 0	\$ 0
North Tx - From System to North Tx	\$ (3,000,000)	\$ 0	\$ 0	\$ 0	\$ 0
Administrative - From System to Harlingen	\$ (315,000)	\$ 0	\$ 0	\$ 0	\$ 0

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

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Agency code: 719		Agency name: Texas State Technical College System Administration				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>						
	Administrative - From Marshall to System Office Opr	\$0	\$522,563	\$1,227,681	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
	System Office - Lapse Hiring Freeze	\$(4,811)	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$4,336,416	\$3,113,481	\$3,373,779	\$3,060,561	\$3,058,745
TOTAL, ALL	GENERAL REVENUE	\$4,336,416	\$3,113,481	\$3,373,779	\$3,060,561	\$3,058,745

GENERAL REVENUE FUND - DEDICATED

770 GR Dedicated - Estimated Other Educational and General Income Account No. 770

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2016-17 GAA)

\$546,062 \$0 \$0 \$0 \$0

Regular Appropriations from MOF Table (2018-19 GAA)

\$0 \$726,550 \$735,693 \$0 \$0

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

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Agency code: 719		Agency name: Texas State Technical College System Administration				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE FUND - DEDICATED</u>						
Regular Appropriations from MOF Table (2020-21 GAA)		\$0	\$0	\$0	\$421,719	\$426,435
<i>BASE ADJUSTMENT</i>						
Revised Receipts		\$(198,152)	\$(522,717)	\$(387,783)	\$0	\$0
<p>Comments: The large adjustment to revised receipts is due to the changes made beginning (Fall 2016) 09/01/2016 in TSTC's tuition structure. State tuition was an average of about \$120 per semester credit hour and changed to \$16 per semester credit hour. Designated tuition was \$46 per semester credit hour and changed to an average of about \$150 per semester credit hour.</p>						
Adjustments to Expended		\$973,854	\$508,126	\$139,851	\$0	\$0
TOTAL,	GR Dedicated - Estimated Other Educational and General Income Account No. 770	\$1,321,764	\$711,959	\$487,761	\$421,719	\$426,435
TOTAL GENERAL REVENUE FUND - DEDICATED - 704, 708 & 770		\$1,321,764	\$711,959	\$487,761	\$421,719	\$426,435
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$1,321,764	\$711,959	\$487,761	\$421,719	\$426,435

2.B. Summary of Base Request by Method of Finance
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Agency code:	719	Agency name:	Texas State Technical College System Administration			
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
TOTAL, GR & GR-DEDICATED FUNDS		\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
GRAND TOTAL		\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2016-17 GAA)		70.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)		0.0	28.8	28.8	29.0	29.0
RIDER APPROPRIATION						
Art IX, Sec 6.10(a)(2), Board or Administrator FTE Adjustment (2016-17 GAA)		(7.0)	0.0	0.0	0.0	0.0
Art IX, Sec 6.10(a)(2), Board or Administrator FTE Adjustment (2018-19 GAA)		0.0	2.9	2.9	3.0	3.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Unauthorized Over Cap		0.0	10.0	10.0	10.0	10.0
Unauthorized Below Cap		(25.0)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES		38.0	41.7	41.7	42.0	42.0

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

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Agency code: **719**

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

METHOD OF FINANCING

Exp 2017

Est 2018

Bud 2019

Req 2020

Req 2021

NUMBER OF 100% FEDERALLY FUNDED

FTEs

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

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OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1001 SALARIES AND WAGES	\$2,977,611	\$3,078,844	\$3,161,682	\$1,889,644	\$1,889,644
1002 OTHER PERSONNEL COSTS	\$210,246	\$90,320	\$113,425	\$122,276	\$126,993
1005 FACULTY SALARIES	\$0	\$0	\$0	\$646,718	\$644,902
2001 PROFESSIONAL FEES AND SERVICES	\$176,625	\$10,000	\$10,000	\$10,000	\$10,000
2003 CONSUMABLE SUPPLIES	\$1,808	\$0	\$0	\$0	\$0
2004 UTILITIES	\$383,568	\$0	\$0	\$0	\$0
2005 TRAVEL	\$25,204	\$0	\$0	\$0	\$0
2006 RENT - BUILDING	\$4,818	\$0	\$0	\$0	\$0
2007 RENT - MACHINE AND OTHER	\$15,681	\$0	\$0	\$0	\$0
2008 DEBT SERVICE	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$1,524,663	\$350,143	\$280,300	\$517,509	\$517,508
5000 CAPITAL EXPENDITURES	\$337,956	\$296,133	\$296,133	\$296,133	\$296,133
OOE Total (Excluding Riders)	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
OOE Total (Riders)					
Grand Total	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180

2.E. Summary of Exceptional Items Request
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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719

Agency name: Texas State Technical College System Administration

Priority	Item	2020			2021			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Williamson County Startup Funding	\$1,333,486	\$1,333,486	10.0	\$1,333,487	\$1,333,487	10.0	\$2,666,973	\$2,666,973
2	Forecasting & Curriculum Dev	\$750,000	\$750,000	6.0	\$750,000	\$750,000	6.0	\$1,500,000	\$1,500,000
3	TRB - Williamson County Phase II	\$1,438,545	\$1,438,545		\$1,438,545	\$1,438,545		\$2,877,090	\$2,877,090
Total, Exceptional Items Request		\$3,522,031	\$3,522,031	16.0	\$3,522,032	\$3,522,032	16.0	\$7,044,063	\$7,044,063

Method of Financing

General Revenue	\$3,522,031	\$3,522,031		\$3,522,032	\$3,522,032		\$7,044,063	\$7,044,063
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$3,522,031	\$3,522,031		\$3,522,032	\$3,522,032		\$7,044,063	\$7,044,063

Full Time Equivalent Positions

16.0

16.0

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719	Agency name: Texas State Technical College System Administration					
Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
2 FORECASTING & CURRICULUM DVLPMENT	\$178,175	\$178,175	\$750,000	\$750,000	\$928,175	\$928,175
3 STAFF GROUP INSURANCE PREMIUMS	90,980	95,697	0	0	90,980	95,697
4 WORKERS' COMPENSATION INSURANCE	15,675	15,675	0	0	15,675	15,675
5 SYSTEM OFFICE OPERATIONS	1,720,578	1,718,762	0	0	1,720,578	1,718,762
6 TECHNICAL TRAINING PARTNERSHIP	296,133	296,133	0	0	296,133	296,133
12 HOLD HARMLESS	233,487	233,486	0	0	233,487	233,486
TOTAL, GOAL 1	\$2,535,028	\$2,537,928	\$750,000	\$750,000	\$3,285,028	\$3,287,928

2.F. Summary of Total Request by Strategy
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
3 Provide Non-formula Support						
1 <i>INSTRUCTIONAL SUPPORT</i>						
1 E WILLIAMSON COUNTY CTR	\$947,252	\$947,252	\$1,333,486	\$1,333,487	\$2,280,738	\$2,280,739
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	0	0	1,438,545	1,438,545	1,438,545	1,438,545
TOTAL, GOAL 3	\$947,252	\$947,252	\$2,772,031	\$2,772,032	\$3,719,283	\$3,719,284
TOTAL, AGENCY STRATEGY REQUEST	\$3,482,280	\$3,485,180	\$3,522,031	\$3,522,032	\$7,004,311	\$7,007,212
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$3,482,280	\$3,485,180	\$3,522,031	\$3,522,032	\$7,004,311	\$7,007,212

2.F. Summary of Total Request by Strategy
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719	Agency name: Texas State Technical College System Administration					
Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
General Revenue Funds:						
1 General Revenue Fund	\$3,060,561	\$3,058,745	\$3,522,031	\$3,522,032	\$6,582,592	\$6,580,777
	\$3,060,561	\$3,058,745	\$3,522,031	\$3,522,032	\$6,582,592	\$6,580,777
General Revenue Dedicated Funds:						
770 Est. Other Educational & General	421,719	426,435	0	0	421,719	426,435
	\$421,719	\$426,435	\$0	\$0	\$421,719	\$426,435
TOTAL, METHOD OF FINANCING	\$3,482,280	\$3,485,180	\$3,522,031	\$3,522,032	\$7,004,311	\$7,007,212
FULL TIME EQUIVALENT POSITIONS	42.0	42.0	16.0	16.0	58.0	58.0

2.G. Summary of Total Request Objective Outcomes

Automated Budget and Evaluation system of Texas (ABEST)

Agency code: **719**

Agency name:

Goal/ *Objective* / **Outcome**

**Total
Request**

**Total
Request**

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
1001	SALARIES AND WAGES	\$200,875	\$173,234	\$164,644	\$164,644	\$164,644
1002	OTHER PERSONNEL COSTS	\$16,526	\$2,120	\$2,000	\$2,000	\$2,000
2001	PROFESSIONAL FEES AND SERVICES	\$22,543	\$10,000	\$10,000	\$10,000	\$10,000
2003	CONSUMABLE SUPPLIES	\$66	\$0	\$0	\$0	\$0
2005	TRAVEL	\$4,424	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$8,139	\$2,000	\$2,000	\$1,531	\$1,531
TOTAL, OBJECT OF EXPENSE		\$252,573	\$187,354	\$178,644	\$178,175	\$178,175
Method of Financing:						
1	General Revenue Fund	\$178,175	\$178,175	\$178,175	\$178,175	\$178,175
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$178,175	\$178,175	\$178,175	\$178,175	\$178,175
Method of Financing:						
770	Est. Other Educational & General	\$74,398	\$9,179	\$469	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$74,398	\$9,179	\$469	\$0	\$0

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$178,175	\$178,175
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$252,573	\$187,354	\$178,644	\$178,175	\$178,175
FULL TIME EQUIVALENT POSITIONS:		1.0	1.0	1.0	1.0	1.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

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719 Texas State Technical College System Administration

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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TSTC System Administration requests additional operating funds of \$1.57 million to fully establish the new Center for Employability Outcomes. This work extends the Forecasting and Curriculum Development mandate for TSTC to forecast technical training and education needed to maintain and improve the state's economic and technological competitiveness.

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

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

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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719 Texas State Technical College System Administration

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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The demand for skilled labor is growing due to rising incumbent worker retirements (baby boomers), global competition in the labor market, and technology advances across industry sectors. Aligning technical education curriculum with the needs of the labor market will increase student employability and result in higher economic returns to the private and public sector, and bridge the competency needs of industry. The Center’s work has relied on temporary grant funding to develop and mature methodologies and is now ready to formalize its structure for expanded service delivery across Texas colleges. This request is a continuation of an existing initiative funded under the Forecasting and Curriculum Development Strategy.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$365,998	\$356,350	\$(9,648)	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
1002	OTHER PERSONNEL COSTS	\$96,373	\$21,649	\$62,975	\$67,383	\$72,100
2009	OTHER OPERATING EXPENSE	\$27,963	\$28,718	\$23,597	\$23,597	\$23,597
TOTAL, OBJECT OF EXPENSE		\$124,336	\$50,367	\$86,572	\$90,980	\$95,697
Method of Financing:						
1	General Revenue Fund	\$21,325	\$25,709	\$22,501	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$21,325	\$25,709	\$22,501	\$0	\$0
Method of Financing:						
770	Est. Other Educational & General	\$103,011	\$24,658	\$64,071	\$90,980	\$95,697
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$103,011	\$24,658	\$64,071	\$90,980	\$95,697
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$90,980	\$95,697
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$124,336	\$50,367	\$86,572	\$90,980	\$95,697
FULL TIME EQUIVALENT POSITIONS:						

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719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
 STRATEGY: 3 Staff Group Insurance Premiums Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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STRATEGY DESCRIPTION AND JUSTIFICATION:

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$136,939	\$186,677	\$49,738	\$49,738	Increase in group insurance premiums. MOF - Other E&G. FTE's - 0
			\$49,738	Total of Explanation of Biennial Change

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$15,675	\$15,675	\$15,675	\$15,675	\$15,675
TOTAL, OBJECT OF EXPENSE		\$15,675	\$15,675	\$15,675	\$15,675	\$15,675
Method of Financing:						
1	General Revenue Fund	\$15,675	\$15,675	\$15,675	\$15,675	\$15,675
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$15,675	\$15,675	\$15,675	\$15,675	\$15,675
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$15,675	\$15,675
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$15,675	\$15,675	\$15,675	\$15,675	\$15,675

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

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719 Texas State Technical College System Administration

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$31,350	\$31,350	\$0	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,776,736	\$2,905,610	\$2,997,038	\$1,500,000	\$1,500,000
1002	OTHER PERSONNEL COSTS	\$97,347	\$66,551	\$48,450	\$49,904	\$49,904
1005	FACULTY SALARIES	\$0	\$0	\$0	\$164,966	\$163,150
2001	PROFESSIONAL FEES AND SERVICES	\$154,082	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,742	\$0	\$0	\$0	\$0
2004	UTILITIES	\$383,568	\$0	\$0	\$0	\$0
2005	TRAVEL	\$20,780	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$4,818	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$15,681	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,472,886	\$70,263	\$5,542	\$5,708	\$5,708
5000	CAPITAL EXPENDITURES	\$41,823	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$4,969,463	\$3,042,424	\$3,051,030	\$1,720,578	\$1,718,762
Method of Financing:						
1	General Revenue Fund	\$3,825,108	\$2,364,302	\$2,627,809	\$1,720,578	\$1,718,762
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,825,108	\$2,364,302	\$2,627,809	\$1,720,578	\$1,718,762

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Method of Financing:						
770	Est. Other Educational & General	\$1,144,355	\$678,122	\$423,221	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,144,355	\$678,122	\$423,221	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,720,578	\$1,718,762
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,969,463	\$3,042,424	\$3,051,030	\$1,720,578	\$1,718,762
FULL TIME EQUIVALENT POSITIONS:		37.0	40.7	40.7	41.0	41.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. Strategy Request
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719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
 STRATEGY: 5 System Office Operations Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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In compliance with the June 30, 2016 Policy Letter, TSTC reduced its baseline request. A reduction of \$264,138 for System Administration is reflected within this strategy, including an \$80,000 reduction in Start-Up funding for TSTC in Williamson County. Reducing funding for TSTC's start-up operations would significantly impact core services since start-up funding supports core teaching, learning, and student service functions, since it is a substitute for Formula Funding because TSTC's results-based formula does not reimburse start-up costs

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$6,093,454	\$3,439,340	\$(2,654,114)	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
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719 Texas State Technical College System Administration

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
1	Fall Term Partnership Headcount Enrollment	260.00	296.00	325.00	350.00	375.00
Objects of Expense:						
5000	CAPITAL EXPENDITURES	\$296,133	\$296,133	\$296,133	\$296,133	\$296,133
TOTAL, OBJECT OF EXPENSE		\$296,133	\$296,133	\$296,133	\$296,133	\$296,133
Method of Financing:						
1	General Revenue Fund	\$296,133	\$296,133	\$296,133	\$296,133	\$296,133
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$296,133	\$296,133	\$296,133	\$296,133	\$296,133
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$296,133	\$296,133
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$296,133	\$296,133	\$296,133	\$296,133	\$296,133

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

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719 Texas State Technical College System Administration

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$592,266	\$592,266	\$0	<u> </u>	
			\$0	Total of Explanation of Biennial Change

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719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support
 STRATEGY: 12 Hold Harmless

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$0	\$233,487	\$233,486	\$233,487	\$233,486
TOTAL, OBJECT OF EXPENSE		\$0	\$233,487	\$233,486	\$233,487	\$233,486
Method of Financing:						
1	General Revenue Fund	\$0	\$233,487	\$233,486	\$233,487	\$233,486
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$233,487	\$233,486	\$233,487	\$233,486
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$233,487	\$233,486
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$233,487	\$233,486	\$233,487	\$233,486

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support
 STRATEGY: 12 Hold Harmless

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$466,973	\$466,973	\$0	<u>\$0</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
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719 Texas State Technical College System Administration

GOAL: 3 Provide Non-formula Support
 OBJECTIVE: 1 INSTRUCTIONAL SUPPORT
 STRATEGY: 1 East Williamson County Higher Education Center

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$225,000	\$225,000
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$2,989	\$2,989
1005	FACULTY SALARIES	\$0	\$0	\$0	\$481,752	\$481,752
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$237,511	\$237,511
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$947,252	\$947,252
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$0	\$616,513	\$616,514
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$616,513	\$616,514
Method of Financing:						
770	Est. Other Educational & General	\$0	\$0	\$0	\$330,739	\$330,738
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$0	\$330,739	\$330,738

3.A. Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Non-formula Support
 OBJECTIVE: 1 INSTRUCTIONAL SUPPORT Service Categories:
 STRATEGY: 1 East Williamson County Higher Education Center Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$947,252	\$947,252
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$947,252	\$947,252
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The 83rd and 84th Legislatures provided \$2,400,000 and \$2,000,000, respectively, in Special Item Support for Transition Funding at TSTC in East Williamson County.

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

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

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

3.A. Strategy Request
 86th Regular Session, Agency Submission, Version 1
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719 Texas State Technical College System Administration

GOAL: 3 Provide Non-formula Support
 OBJECTIVE: 1 INSTRUCTIONAL SUPPORT Service Categories:
 STRATEGY: 1 East Williamson County Higher Education Center Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

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

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

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

Forged relationships with surrounding ISDs.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$0	\$1,894,504	\$1,894,504	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
 86th Regular Session, Agency Submission, Version 1
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719 Texas State Technical College System Administration

GOAL: 3 Provide Non-formula Support
 OBJECTIVE: 5 Exceptional Item Request
 STRATEGY: 1 Exceptional Item Request

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2008	DEBT SERVICE	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 3 Provide Non-formula Support
 OBJECTIVE: 5 Exceptional Item Request
 STRATEGY: 1 Exceptional Item Request

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$0	\$0	\$0	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
METHODS OF FINANCE (INCLUDING RIDERS):				\$3,482,280	\$3,485,180
METHODS OF FINANCE (EXCLUDING RIDERS):	\$5,658,180	\$3,825,440	\$3,861,540	\$3,482,280	\$3,485,180
FULL TIME EQUIVALENT POSITIONS:	38.0	41.7	41.7	42.0	42.0

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719

Agency name:

Texas State Technical College System Administration

CODE	DESCRIPTION	Excp 2020	Excp 2021
	Item Name: Williamson County Start Up Funding Restoration to Prior Levels		
	Item Priority: 1		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 03-01-01 East Williamson County Higher Education Center		
OBJECTS OF EXPENSE:			
1005	FACULTY SALARIES	500,000	500,000
5000	CAPITAL EXPENDITURES	833,486	833,487
	TOTAL, OBJECT OF EXPENSE	\$1,333,486	\$1,333,487
METHOD OF FINANCING:			
1	General Revenue Fund	1,333,486	1,333,487
	TOTAL, METHOD OF FINANCING	\$1,333,486	\$1,333,487
	FULL-TIME EQUIVALENT POSITIONS (FTE):	10.00	10.00

DESCRIPTION / JUSTIFICATION:

This funding supports new programs in a results-based environment. Start Up funding for TSTC is a proxy for formula funded, Instruction and Administration (I&A) funding for start up locations. This is especially relevant for TSTC since TSTC's I&A funded formula is purely results-based, derived from the wages of placed former students. This is different than a cost reimbursement formula such as contact hour funding which would allow phase out much sooner.

TSTC's Start Up funding will phase out as students leave TSTC, enter the workforce, and funding is derived after the value is returned to the State from the benefit of the student's wages.

EXTERNAL/INTERNAL FACTORS:

Major accomplishments to date and expected over the next two years: Enrollment increased 36% from 2016 to 2018 with 218 for 2016 and 338 for 2018. Graduates increased 90% from 2016 to 2017 with 39 for 2016 and 74 for 2017.

Year established and funding source prior to receiving special item funding:

Established during the 83rd Legislature. Funding established in connection with launch of new campus. No prior funding for this item (teaching and learning at this location).

Formula funding: Formula funding will phase out start up funding gradually, beginning 5-6 years after the first cohort of students begins enrolling. TSTC's funding formula does not return funding until after five years of earnings have been recorded from a student. Consequently, the start up funding will not entirely be replaced until 8-10 years

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719

Agency name:

Texas State Technical College System Administration

CODE DESCRIPTION

Excp 2020

Excp 2021

after the launch of the campus. This is less predictable with a volatile funding rate for the returned value formula.

Non-general revenue sources of funding: Student tuition partially funds core operations of new locations.

Consequences of not funding: This funds core operations (teaching and learning) as a substitute for the Instruction and Administration formula funding. Elimination of funding would suspend TSTC's ability to operate programs. Following accreditor imposed teach-out obligations, the College would need to close programs.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Startup Funding will begin to phase out in the coming years as working graduates from the East Williamson County Higher Education Center appear in the Returned Value formula, however it will be the 2022-2023 biennium until that is the case. Maintaining quality service in core operations for students is vital to long term growth and success in the center. Funds will be used for instructional salaries and supplies.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2022	2023	2024
	\$1,000,000	\$1,000,000	\$850,000

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719

Agency name:

Texas State Technical College System Administration

CODE	DESCRIPTION	Excp 2020	Excp 2021
	Item Name: Forecasting & Curriculum Development		
	Item Priority: 2		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-02 Forecasting and Curriculum Development		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	450,000	450,000
1002	OTHER PERSONNEL COSTS	10,000	10,000
2001	PROFESSIONAL FEES AND SERVICES	25,000	25,000
2009	OTHER OPERATING EXPENSE	265,000	265,000
	TOTAL, OBJECT OF EXPENSE	\$750,000	\$750,000
METHOD OF FINANCING:			
1	General Revenue Fund	750,000	750,000
	TOTAL, METHOD OF FINANCING	\$750,000	\$750,000
	FULL-TIME EQUIVALENT POSITIONS (FTE):	6.00	6.00

DESCRIPTION / JUSTIFICATION:

TSTC System Administration is requesting operating funds in the amount of \$1.5M to support the Center for Employability Outcomes (C4EO or the Center). The Center's work is an extension of the Forecasting and Curriculum Development mandate, which requires TSTC to forecast technical training and education needed to maintain and improve the state's economic and technological competitiveness.

In support of this mandate, TSTC created the Center to improve the employability of students by aligning curriculum with employer skill requirements. C4EO does this by providing Texas higher education institutions with data-driven web tools to scientifically optimize alignment of curriculum to regional labor market needs. As a result, more students are more employable and employers are able to hire the right talent to remain competitive.

The Center's work is done in close coordination with the Texas Higher Education Coordinating Board, Texas Workforce Commission, and Texas Education Agency through complementary strategies and direct partnerships. This multi-disciplinary process enables educators, employers, and workforce professionals to develop course materials that are more relevant and responsive to employers' needs.

EXTERNAL/INTERNAL FACTORS:

Major accomplishments to date and expected over the next two years:

TSTC has secured partnerships with more than thirty-five (35) colleges, universities, state and federal agencies, and companies to support this work. The Center recently

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**

Agency name:

Texas State Technical College System Administration

CODE DESCRIPTION

Excp 2020

Excp 2021

partnered with the TEA to update the state’s entire inventory of career and technical education (CTE) courses. FY 2019 will see expanded outreach to Texas colleges in support of 60X30TX and the THECB’s new marketable skills mandate.

Year established and funding source prior to receiving special item funding:
 Established in 79th Legislature. The activity and related funding did not occur previously.

Formula funding: There is no formula funding for this item.

Non-general revenue sources of funding: In recent years, TSTC has allocated approximately \$1 million per year of non-general revenue fund sources towards the commercialization of related activities that extend the impact of this item.

Consequences of not funding: Reduced capacity for providing resources to Texas higher education and secondary education institutions that increase alignment of curriculum to labor market needs.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

As Texas colleges focus their attention on marketable skills and the tools produced by the Center for Employability Outcomes (C4EO) are used more widely, support costs to maintain the increased client base will continue, if not increase. In addition, it would be prudent to continue investment in research and development, as the results of the Center have a multiplier effect on all Texas colleges, not just TSTC.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2022	2023	2024
	\$850,000	\$850,000	\$850,000

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 719

Agency name:

Texas State Technical College System Administration

CODE	DESCRIPTION	Excp 2020	Excp 2021
	Item Name: Williamson County Phase II TRB for Industrial Technology Center		
	Item Priority: 3		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: No		
	Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	1,438,545	1,438,545
TOTAL, OBJECT OF EXPENSE		\$1,438,545	\$1,438,545
METHOD OF FINANCING:			
1	General Revenue Fund	1,438,545	1,438,545
TOTAL, METHOD OF FINANCING		\$1,438,545	\$1,438,545

DESCRIPTION / JUSTIFICATION:

TSTC requests funding for its second phase of establishing a campus in Hutto, Texas. This campus is part of a Multi-Institution Teaching Center (East Williamson Higher Education Center, a partnership with TSTC and Temple College and Texas A&M Central Texas). Additional capacity is needed to respond to the increased workforce development need in the Austin region and across Texas. This project will construct a new Welding Technology Lab and create additional space to expand the Industrial Maintenance and HVAC programs. This additional capacity will increase production of workers in these high demand occupations. Tuition Revenue Bond Issuance Authority in the amount of \$16,500,000 is requested by TSTC System Administration for the new Industrial Technology Center.

State funding is requested for projected debt service payments of \$2,877,090 for the FY 2020/2021 biennium. This is based upon an amortization of 20 years at 6.00%.

EXTERNAL/INTERNAL FACTORS:

Major accomplishments to date and expected over the next two years: Enrollment increased 36% from 2016 to 2018 with 218 for 2016 and 338 for 2018. Graduates increased 90% from 2016 to 2017 with 39 for 2016 and 74 for 2017. This facility would increase first year capacity for an additional 200 students.

Year established and funding source prior to receiving special item funding: Not applicable.

Formula funding: Not applicable.

Non-general revenue sources of funding: Funding from local community and industry to be sought to assist with start up operational cost and instructional equipment.

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **719**

Agency name:

Texas State Technical College System Administration

CODE DESCRIPTION

Excp 2020

Excp 2021

Consequences of not funding: Reduced capacity for reducing Texas' technical skills shortage.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Debt service for Tuition Revenue Bonds will continue for 20 years after inception.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2022	2023	2024
	\$1,438,545	\$1,438,545	\$1,438,545

4.B. Exceptional Items Strategy Allocation Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2020	Excp 2021
Item Name:			
Williamson County Start Up Funding Restoration to Prior Levels			
Allocation to Strategy:			
	3-1-1 East Williamson County Higher Education Center		
OBJECTS OF EXPENSE:			
1005	FACULTY SALARIES	500,000	500,000
5000	CAPITAL EXPENDITURES	833,486	833,487
TOTAL, OBJECT OF EXPENSE		\$1,333,486	\$1,333,487
METHOD OF FINANCING:			
1	General Revenue Fund	1,333,486	1,333,487
TOTAL, METHOD OF FINANCING		\$1,333,486	\$1,333,487
FULL-TIME EQUIVALENT POSITIONS (FTE):		10.0	10.0

4.B. Exceptional Items Strategy Allocation Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2020	Excp 2021
Item Name: Forecasting & Curriculum Development			
Allocation to Strategy: 1-1-2 Forecasting and Curriculum Development			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	450,000	450,000
1002	OTHER PERSONNEL COSTS	10,000	10,000
2001	PROFESSIONAL FEES AND SERVICES	25,000	25,000
2009	OTHER OPERATING EXPENSE	265,000	265,000
TOTAL, OBJECT OF EXPENSE		\$750,000	\$750,000
METHOD OF FINANCING:			
1	General Revenue Fund	750,000	750,000
TOTAL, METHOD OF FINANCING		\$750,000	\$750,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		6.0	6.0

4.B. Exceptional Items Strategy Allocation Schedule

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

Code	Description	Excp 2020	Excp 2021
Item Name: Williamson County Phase II TRB for Industrial Technology Center			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	1,438,545	1,438,545
TOTAL, OBJECT OF EXPENSE		\$1,438,545	\$1,438,545
METHOD OF FINANCING:			
1	General Revenue Fund	1,438,545	1,438,545
TOTAL, METHOD OF FINANCING		\$1,438,545	\$1,438,545

4.C. Exceptional Items Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

GOAL: 1 Provide Instructional and Operations Support

OBJECTIVE: 1 Provide Instructional and Operations Support

STRATEGY: 2 Forecasting and Curriculum Development

Service Categories:

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

CODE DESCRIPTION	Excp 2020	Excp 2021
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	450,000	450,000
1002 OTHER PERSONNEL COSTS	10,000	10,000
2001 PROFESSIONAL FEES AND SERVICES	25,000	25,000
2009 OTHER OPERATING EXPENSE	265,000	265,000
Total, Objects of Expense	\$750,000	\$750,000

METHOD OF FINANCING:

1 General Revenue Fund	750,000	750,000
Total, Method of Finance	\$750,000	\$750,000

FULL-TIME EQUIVALENT POSITIONS (FTE):

	6.0	6.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Forecasting & Curriculum Development

4.C. Exceptional Items Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 1 INSTRUCTIONAL SUPPORT

STRATEGY: 1 East Williamson County Higher Education Center

Service Categories:

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

CODE DESCRIPTION	Excp 2020	Excp 2021
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OBJECTS OF EXPENSE:

1005 FACULTY SALARIES	500,000	500,000
5000 CAPITAL EXPENDITURES	833,486	833,487
Total, Objects of Expense	\$1,333,486	\$1,333,487

METHOD OF FINANCING:

1 General Revenue Fund	1,333,486	1,333,487
Total, Method of Finance	\$1,333,486	\$1,333,487

FULL-TIME EQUIVALENT POSITIONS (FTE): 10.0 10.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Williamson County Start Up Funding Restoration to Prior Levels

4.C. Exceptional Items Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 5 Exceptional Item Request

STRATEGY: 1 Exceptional Item Request

Service Categories:

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

CODE	DESCRIPTION	Exp 2020	Exp 2021
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OBJECTS OF EXPENSE:

2008	DEBT SERVICE	1,438,545	1,438,545
Total, Objects of Expense		\$1,438,545	\$1,438,545

METHOD OF FINANCING:

1	General Revenue Fund	1,438,545	1,438,545
Total, Method of Finance		\$1,438,545	\$1,438,545

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Williamson County Phase II TRB for Industrial Technology Center

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

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

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

GR Baseline Request Limit = \$6,219,306

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2020 Funds				2021 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded							
Strategy: 1 - 1 - 2 Forecasting and Curriculum Development														
1.0	178,175	178,175	0	1.0	178,175	178,175	0		356,350	0				
1.0				1.0					*****GR-D Baseline Request Limit=\$0*****					
Strategy: 1 - 1 - 3 Staff Group Insurance Premiums														
0.0	90,980	0	90,980	0.0	95,697	0	95,697		356,350	186,677				
Strategy: 1 - 1 - 4 Workers' Compensation Insurance														
0.0	15,675	15,675	0	0.0	15,675	15,675	0		387,700	186,677				
Strategy: 1 - 1 - 5 System Office Operations														
41.0	1,720,578	1,720,578	0	41.0	1,718,762	1,718,762	0		3,827,040	186,677				
Strategy: 1 - 1 - 6 Technical Training Partnerships with Community Colleges														
0.0	296,133	296,133	0	0.0	296,133	296,133	0		4,419,306	186,677				
Strategy: 1 - 1 - 12 Hold Harmless														
0.0	233,487	233,487	0	0.0	233,486	233,486	0		4,886,279	186,677				
Strategy: 3 - 1 - 1 East Williamson County Higher Education Center														
0.0	947,252	616,513	330,739	0.0	947,252	616,514	330,738		6,119,306	848,154				
42.0				42.0					*****GR Baseline Request Limit=\$6,219,306*****					
Excp Item: 1 Williamson County Start Up Funding Restoration to Prior Levels														
10.0	1,333,486	1,333,486	0	10.0	1,333,487	1,333,487	0		8,786,279	848,154				
Strategy Detail for Excp Item: 1														
Strategy: 3 - 1 - 1 East Williamson County Higher Education Center														
10.0	1,333,486	1,333,486	0	10.0	1,333,487	1,333,487	0							
Excp Item: 2 Forecasting & Curriculum Development														
6.0	750,000	750,000	0	6.0	750,000	750,000	0		10,286,279	848,154				

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

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency code:

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

GR Baseline Request Limit = \$6,219,306

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2020 Funds				2021 Funds				Biennial	Biennial	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded	Cumulative GR	Cumulative Ded					
Strategy Detail for Excp Item: 2														
Strategy: 1 - 1 - 2 Forecasting and Curriculum Development														
6.0	750,000	750,000	0	6.0	750,000	750,000	0							
Excp Item: 3 Williamson County Phase II TRB for Industrial Technology Center											13,163,369	848,154		
0.0	1,438,545	1,438,545	0	0.0	1,438,545	1,438,545	0							
Strategy Detail for Excp Item: 3														
Strategy: 3 - 5 - 1 Exceptional Item Request														
0.0	1,438,545	1,438,545	0	0.0	1,438,545	1,438,545	0							
58.0	\$7,004,311	\$6,582,592	\$421,719	58.0	\$7,007,212	\$6,580,777	426,435							

6.A. Historically Underutilized Business Supporting Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2016 - 2017 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2016			Total Expenditures FY 2016		HUB Expenditures FY 2017			Total Expenditures FY 2017
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$		
11.2%	Heavy Construction	11.2 %	0.0%	-11.2%	\$0	\$60,312	11.2 %	7.0%	-4.2%	\$4,100	\$58,274
21.1%	Building Construction	21.1 %	0.1%	-21.0%	\$23,737	\$21,683,391	21.1 %	0.8%	-20.3%	\$42,915	\$5,159,091
32.9%	Special Trade	32.7 %	31.2%	-1.5%	\$1,358,056	\$4,358,201	32.9 %	3.6%	-29.3%	\$208,915	\$5,851,854
23.7%	Professional Services	23.6 %	9.5%	-14.1%	\$84,245	\$888,266	23.7 %	1.0%	-22.7%	\$197,249	\$19,187,293
26.0%	Other Services	24.6 %	11.2%	-13.4%	\$860,022	\$7,660,757	26.0 %	18.6%	-7.4%	\$1,843,212	\$9,911,643
21.1%	Commodities	21.0 %	9.3%	-11.7%	\$1,675,252	\$18,100,071	21.1 %	3.5%	-17.6%	\$691,363	\$19,763,719
	Total Expenditures		7.6%		\$4,001,312	\$52,750,998		5.0%		\$2,987,754	\$59,931,874

B. Assessment of Fiscal Year 2016 - 2017 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained zero of six, or 0%, of the applicable statewide HUB procurement goals in FY 2016 and FY 2017. The agency had expenditures in five of the six HUB categories in FY 2016 and in all of the six HUB categories in FY 2017. The agency's overall spent increased from FY 2016 to FY 2017.

Applicability:

The agency increased HUB usage in Heavy Construction and Building Construction due to new projects from FY 2016 to FY 2017.

Factors Affecting Attainment:

- The agency routinely utilizes vendors that could qualify for HUB certification, but they have no direct incentive to complete the HUB certification steps. This creates a limited supply of "HUB certified" vendors.
- The agency HUB spent decreased due to the increased use of contracts and purchasing cooperatives.

"Good-Faith" Efforts:

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

- Developed and conducted training to internal departments regarding the HUB program and policies and procedures
- Promoted the use of HUBs with internal departments
- Attended various vendor fairs, demonstrations, and other events to learn more about HUB vendors
- Provided a purchasing/HUB overview to new employees during new employee orientation
- Meet with potential HUB vendors and encouraged them to apply for certification and showed them how to participate in the bidding process
- Ensured that the TPASS HUB Electronic Database is accessible to all employees and encouraged use of the directory in procurement activities.

6.A. Historically Underutilized Business Supporting Schedule
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Agency Code: **719** Agency: **Texas State Technical College System Administration**

- Posted information to our website regarding the HUB Program and provided a link to apply for HUB certification

6.H. Estimated Funds Outside the Institution's Bill Pattern

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Automated Budget and Evaluation System of Texas (ABEST)

TSTC System Administration (719)

Estimated Funds Outside the Institution's Bill Pattern
2018-19 and 2020-21 Biennia

	2018-19 Biennium				2020-21 Biennium			
	FY 2018 Revenue	FY 2019 Revenue	Biennium Total	Percent of Total	FY 2020 Revenue	FY 2021 Revenue	Biennium Total	Percent of Total
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 3,113,481	\$ 3,261,761	\$ 6,375,242		\$ 3,261,761	\$ 3,261,761	\$ 6,523,522	
Tuition and Fees (net of Discounts and Allowances)	293,762	200,000	493,762		150,000	150,000	300,000	
Endowment and Interest Income	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	3,407,243	3,461,761	6,869,004	62.6%	3,411,761	3,411,761	6,823,522	55.4%
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 921,468	\$ 1,102,009	\$ 2,023,477		\$ 1,168,130	\$ 1,238,217	\$ 2,406,347	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	5,302	5,435	10,737		5,570	5,710	11,280	
Total	926,770	1,107,444	2,034,214	18.5%	1,173,700	1,243,927	2,417,627	19.6%
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	(58,935)	-	(58,935)		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Endowment and Interest Income	341,972	350,000	691,972		300,000	300,000	600,000	
Sales and Services of Educational Activities (net)	237,808	1,204,764	1,442,572		1,228,859	1,253,436	2,482,295	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	520,845	1,554,764	2,075,609	18.9%	1,528,859	1,553,436	3,082,295	25.0%
TOTAL SOURCES	\$ 4,854,858	\$ 6,123,969	\$ 10,978,827	100.0%	\$ 6,114,320	\$ 6,209,124	\$ 12,323,444	100.0%

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
1 Administrative									
Category: Administrative - FTEs / Layoffs									
Item Comment: Ideally, in a reduction situation, TSTC would reduce only non-core administrative services to mitigate the impact to the College's stakeholders. TSTC has been on a crusade to cut and contain the level of non-core/administrative costs. During the last five years, the College has reduced the number of total employees by four people, despite expanding into three new markets (and adding 60+) at the same time. TSTC's structural adjustments and budget controls have facilitated this cost containment trend. Consequently, the College would need to look beyond administrative costs to cut its budget at the levels proposed.									
Strategy: 1-1-5 System Office Operations									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$243,966	\$243,965	\$487,931			
General Revenue Funds Total	\$0	\$0	\$0	\$243,966	\$243,965	\$487,931			
Item Total	\$0	\$0	\$0	\$243,966	\$243,965	\$487,931			

FTE Reductions (From FY 2020 and FY 2021 Base Request)

2 Prog Service Reductions

Category: Programs - Service Reductions (Contracted)

Item Comment: This portion relates to the strategy for startup funding for East Williamson County Higher Education Center. Startup funding is a substitute for the formula-funded line items since the returned-value funding formula is outcome based, deriving the formula yield after the teaching event and five trailing years of earnings results. Consequently, reduction in the strategy would be linked to program service reductions.

TSTC would combine the statewide impact of proposed reductions and apply to program service reductions based on markets performance and growth potential. Depending on the reduction request, TSTC would eliminate programming in areas that provide the lowest prospects for return on capital to the State.

Strategy: 1-1-5 System Office Operations

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$67,000	\$67,000	\$134,000			
General Revenue Funds Total	\$0	\$0	\$0	\$67,000	\$67,000	\$134,000			
Item Total	\$0	\$0	\$0	\$67,000	\$67,000	\$134,000			
FTE Reductions (From FY 2020 and FY 2021 Base Request)									
AGENCY TOTALS									
General Revenue Total				\$310,966	\$310,965	\$621,931			\$621,931
Agency Grand Total	\$0	\$0	\$0	\$310,966	\$310,965	\$621,931			\$621,931
Difference, Options Total Less Target									
Agency FTE Reductions (From FY 2020 and FY 2021 Base Request)									
Article Total				\$310,966	\$310,965	\$621,931			
Statewide Total				\$310,966	\$310,965	\$621,931			

6.L. Document Production Standards
Summary of Savings Due to Improved Document Production Standards

Agency Code: 719	Agency Name: TSTC System Administration	Prepared By: Nathan Ehlert
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Documented Production Standards Strategies	Estimated 2018	Budgeted 2019
1. Adobe Sign	\$321	\$337
2. Moodle Training	\$1,394	\$1,463
3.	\$0	\$0
4.	\$0	\$0
Total, All Strategies	\$1,715	\$1,800
Total Estimated Paper Volume Reduced	17,478.00	18,352.00

Description:
 Adobe Sign is a time and print saving initiative that enables signatures to be obtained electronically, as well as retaining a copy of the document. Because of TSTC's multiple locations, documents were often printed multiple times as they proceeded through the approval process.
 Moodle Training is a tool used to deliver employee and student training electronically in lieu of paper handouts.

Schedule 1A: Other Educational and General Income
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Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
Gross Tuition					
Gross Resident Tuition	0	0	0	0	0
Gross Non-Resident Tuition	0	0	0	0	0
Gross Tuition	0	0	0	0	0
Less: Resident Waivers and Exemptions (excludes Hazlewood)	0	0	0	0	0
Less: Non-Resident Waivers and Exemptions	0	0	0	0	0
Less: Hazlewood Exemptions	0	0	0	0	0
Less: Board Authorized Tuition Increases (TX. Educ. Code Ann. Sec. 54.008)	0	0	0	0	0
Less: Tuition increases charged to doctoral students with hours in excess of 100 (TX. Educ. Code Ann. Sec. 54.012)	0	0	0	0	0
Less: Tuition increases charged to undergraduate students with excessive hours above degree requirements. (TX. Educ. Code Ann. Sec. 61.0595)	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	0	0	0	0	0
Plus: Tuition waived for Students 55 Years or Older (TX. Educ. Code Ann. Sec. 54.013)	0	0	0	0	0
Less: Tuition for repeated or excessive hours (TX. Educ. Code Ann. Sec. 54.014)	0	0	0	0	0
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	0	0	0	0	0
Less: Transfer of funds for Texas Public Education Grants Program (Tex. Educ. Code Ann. Sec. 56c) and for Emergency Loans (Tex. Educ. Code Ann. Sec. 56d)	0	0	0	0	0
Less: Transfer of Funds (2%) for Physician/Dental Loans (Medical Schools)	0	0	0	0	0
Less: Statutory Tuition (Tx. Educ. Code Ann. Sec. 54.051) Set Aside for Doctoral Incentive Loan Repayment Program (Tx. Educ. Code Ann. Sec. 56.095)	0	0	0	0	0
Less: Other Authorized Deduction	0	0	0	0	0
Net Tuition	0	0	0	0	0

Schedule 1A: Other Educational and General Income
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration					
	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
Student Teaching Fees	0	0	0	0	0
Special Course Fees	0	0	0	0	0
Laboratory Fees	0	0	0	0	0
Subtotal, Tuition and Fees (Formula Amounts for Health-Related Institutions)	0	0	0	0	0
OTHER INCOME					
Interest on General Funds:					
Local Funds in State Treasury	352,588	269,282	347,910	347,910	347,910
Funds in Local Depositories, e.g., local amounts	0	0	0	0	0
Other Income (Itemize)					
Subtotal, Other Income	352,588	269,282	347,910	347,910	347,910
Subtotal, Other Educational and General Income	352,588	269,282	347,910	347,910	347,910
Less: O.A.S.I. Applicable to Educational and General Local Funds Payrolls	(12,076)	(9,685)	(16,669)	(21,234)	(21,234)
Less: Teachers Retirement System and ORP Proportionality for Educational and General Funds	(10,913)	(8,517)	(14,722)	(18,753)	(18,753)
Less: Staff Group Insurance Premiums	(124,336)	(50,367)	(86,572)	(90,980)	(95,697)
Total, Other Educational and General Income (Formula Amounts for General Academic Institutions)	205,263	200,713	229,947	216,943	212,226
Reconciliation to Summary of Request for FY 2017-2019					
Plus: Transfer of Funds for Texas Public Education Grants Program and Physician Loans	0	0	0	0	0
Plus: Transfer of Funds 2% for Physician/Dental Loans (Medical Schools)	0	0	0	0	0
Plus: Transfer of Funds for Cancellation of Student Loans of Physicians	0	0	0	0	0
Plus: Organized Activities	0	0	0	0	0
Plus: Staff Group Insurance Premiums	124,336	50,367	86,572	90,980	95,697
Plus: Board-authorized Tuition Income	0	0	0	0	0
Plus: Tuition Increases Charged to Doctoral Students with Hours in Excess of 100	0	0	0	0	0

Schedule 1A: Other Educational and General Income
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719 Texas State Technical College System Administration					
	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
Plus: Tuition Increases Charged to Undergraduate Students with Excessive Hours above Degree Requirements (TX. Educ. Code Ann. Sec. 61.0595)	0	0	0	0	0
Plus: Tuition rebates for certain undergraduates (TX Educ.Code Ann. Sec. 54.0065)	0	0	0	0	0
Plus: Tuition for repeated or excessive hours (TX. Educ. Code Ann. Sec. 54.014)	0	0	0	0	0
Less: Tuition Waived for Students 55 Years or Older	0	0	0	0	0
Less: Tuition Waived for Texas Grant Recipients	0	0	0	0	0
Total, Other Educational and General Income Reported on Summary of Request	329,599	251,080	316,519	307,923	307,923

Schedule 2: Selected Educational, General and Other Funds

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Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
General Revenue Transfers					
Transfer from Coordinating Board for Texas College Work Study Program (2017, 2018, 2019)	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program	0	0	0	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	0	0	0	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2017, 2018, 2019)	0	0	0	0	0
Other (Itemize)					
Other: Fifth Year Accounting Scholarship	0	0	0	0	0
Texas Grants	0	0	0	0	0
B-on-Time Program	0	0	0	0	0
Texas Research Incentive Program	0	0	0	0	0
Less: Transfer to System Administration	(6,145,495)	902,920	265,035	265,035	265,035
GME Expansion	0	0	0	0	0
Subtotal, General Revenue Transfers	(6,145,495)	902,920	265,035	265,035	265,035
General Revenue HEF for Operating Expenses	0	0	0	0	0
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	0	0	0	0	0
Other Additions (Itemize)					
Increase Capital Projects - Educational and General Funds	0	0	0	0	0
Transfer from Department of Health, Disproportionate Share - State-owned Hospitals (2017, 2018, 2019)	0	0	0	0	0
Transfers from Other Funds, e.g., Designated funds transferred for educational and general activities (Itemize)	0	0	0	0	0
Other (Itemize)					
Gross Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Sec. 145.001(d))	0	0	0	0	0
Correctional Managed Care Contracts	0	0	0	0	0

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %	95.96%				
GR-D/Other %	4.04%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	21	20	1	21	1
2a Employee and Children	9	9	0	9	1
3a Employee and Spouse	1	1	0	1	1
4a Employee and Family	6	6	0	6	2
5a Eligible, Opt Out	0	0	0	0	0
6a Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	37	36	1	37	5
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	0	0	0	0	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Active Enrollment	37	36	1	37	5

Schedule 3A: Staff Group Insurance Data Elements (ERS)
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	0	0	0	0	0
2c Employee and Children	0	0	0	0	0
3c Employee and Spouse	0	0	0	0	0
4c Employee and Family	0	0	0	0	0
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	0	0	0	0	0
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	21	20	1	21	1
2e Employee and Children	9	9	0	9	1
3e Employee and Spouse	1	1	0	1	1
4e Employee and Family	6	6	0	6	2
5e Eligible, Opt Out	0	0	0	0	0
6e Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	37	36	1	37	5

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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 Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	21	20	1	21	1
2f Employee and Children	9	9	0	9	1
3f Employee and Spouse	1	1	0	1	1
4f Employee and Family	6	6	0	6	2
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	37	36	1	37	5

Schedule 4: Computation of OASI
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Automated Budget and Evaluation System of Texas (ABEST)

Agency 719 Texas State Technical College System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2017		2018		2019		2020		2021	
	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI
General Revenue (% to Total)	94.2414	\$197,631	95.9647	\$230,315	93.7189	\$248,719	93.7189	\$316,829	93.7189	\$316,829
Other Educational and General Funds (% to Total)	5.7586	\$12,076	4.0353	\$9,685	6.2811	\$16,669	6.2811	\$21,234	6.2811	\$21,234
Health-Related Institutions Patient Income (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Grand Total, OASI (100%)	100.0000	\$209,707	100.0000	\$240,000	100.0000	\$265,388	100.0000	\$338,063	100.0000	\$338,063

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

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719 Texas State Technical College System Administration

Description	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	2,066,074	2,440,262	2,709,945	3,452,085	3,452,085
Employer Contribution to TRS Retirement Programs	140,493	165,938	184,276	234,742	234,742
Gross Educational and General Payroll - Subject To ORP Retirement	742,621	683,652	759,185	967,045	967,045
Employer Contribution to ORP Retirement Programs	49,013	45,121	50,106	63,825	63,825
Proportionality Percentage					
General Revenue	94.2414 %	95.9647 %	93.7189 %	93.7189 %	93.7189 %
Other Educational and General Income	5.7586 %	4.0353 %	6.2811 %	6.2811 %	6.2811 %
Health-related Institutions Patient Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Proportional Contribution					
Other Educational and General Proportional Contribution (Other E&G percentage x Total Employer Contribution to Retirement Programs)	10,913	8,517	14,722	18,753	18,753
HRI Patient Income Proportional Contribution (HRI Patient Income percentage x Total Employer Contribution To Retirement Programs)	0	0	0	0	0
Differential					
Differential Percentage	1.9000 %	1.9000 %	1.9000 %	1.9000 %	1.9000 %
Gross Payroll Subject to Differential - Optional Retirement Program	396,352	330,308	302,040	302,040	302,040
Total Differential	7,531	6,276	5,739	5,739	5,739

Schedule 7: Personnel
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

	Actual 2017	Actual 2018	Budgeted 2019	Estimated 2020	Estimated 2021
Part A.					
FTE Positions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	0.0	0.0	0.0	0.0	0.0
Educational and General Funds Non-Faculty Employees	38.0	42.0	42.0	42.0	42.0
Subtotal, Directly Appropriated Funds	38.0	42.0	42.0	42.0	42.0
Other Appropriated Funds					
AUF	0.0	0.0	0.0	0.0	0.0
Subtotal, Other Appropriated Funds	0.0	0.0	0.0	0.0	0.0
Subtotal, All Appropriated	38.0	42.0	42.0	42.0	42.0
Non Appropriated Funds Employees	11.0	10.0	10.0	10.0	10.0
Subtotal, Other Funds & Non-Appropriated	11.0	10.0	10.0	10.0	10.0
GRAND TOTAL	49.0	52.0	52.0	52.0	52.0

Schedule 7: Personnel
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

	Actual 2017	Actual 2018	Budgeted 2019	Estimated 2020	Estimated 2021
Part B.					
Personnel Headcount					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	0.0	0.0	0.0	0.0	0.0
Educational and General Funds Non-Faculty Employees	40.0	42.0	42.0	42.0	42.0
Subtotal, Directly Appropriated Funds	40.0	42.0	42.0	42.0	42.0
Other Appropriated Funds					
AUF	0.0	0.0	0.0	0.0	0.0
Subtotal, Other Appropriated Funds	0.0	0.0	0.0	0.0	0.0
Subtotal, All Appropriated	40.0	42.0	42.0	42.0	42.0
Non Appropriated Funds Employees	11.0	11.0	11.0	11.0	11.0
Subtotal, Non-Appropriated	11.0	11.0	11.0	11.0	11.0
GRAND TOTAL	51.0	53.0	53.0	53.0	53.0

Schedule 7: Personnel

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

	Actual 2017	Actual 2018	Budgeted 2019	Estimated 2020	Estimated 2021
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	\$0	\$0	\$0	\$0	\$0
Educational and General Funds Non-Faculty Employees	\$2,977,611	\$3,032,060	\$3,473,450	\$3,577,564	\$3,684,983
Subtotal, Directly Appropriated Funds	\$2,977,611	\$3,032,060	\$3,473,450	\$3,577,564	\$3,684,983
Other Appropriated Funds					
AUF	\$0	\$0	\$0	\$0	\$0
Subtotal, Other Appropriated Funds	\$0	\$0	\$0	\$0	\$0
Subtotal, All Appropriated	\$2,977,611	\$3,032,060	\$3,473,450	\$3,577,564	\$3,684,983
Non Appropriated Funds Employees	\$1,388,118	\$1,314,160	\$1,583,216	\$1,630,712	\$1,679,634
Subtotal, Non-Appropriated	\$1,388,118	\$1,314,160	\$1,583,216	\$1,630,712	\$1,679,634
GRAND TOTAL	\$4,365,729	\$4,346,220	\$5,056,666	\$5,208,276	\$5,364,617

Schedule 8A: Tuition Revenue Bond Projects
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency 719 Texas State Technical College System Administration

Project Priority:	Project Code:	Tuition Revenue Bond Request	Total Project Cost	Cost Per Total Gross Square Feet
1	1	\$ 16,500,000	\$ 16,500,000	\$ 177
Name of Proposed Facility:	Project Type:			
Williamson County Phase 2	New Construction			
Location of Facility:	Type of Facility:			
East Williamson County, Hutto, Texas	Technology Bldg and Labs			
Project Start Date:	Project Completion Date:			
09/01/2019	08/01/2021			
Gross Square Feet:	Net Assignable Square Feet in Project			
62,000	55,800			

Project Description

Texas State Technical College System shall contribute to the educational and economic development of the State of Texas by offering occupationally oriented programs with supporting academic course work, emphasizing highly specialized advanced and emerging technical and vocational areas for certificates or associate degrees. The emphasis of each Texas State Technical College System campus shall be on advanced or emerging technical programs. As such, this project will construct a new Welding Lab and create additional space in the existing Building to expand the Industrial Maintenance Program and HVAC program to increase the capacity and excellence of these two high demand programs.

Schedule 8B: Tuition Revenue Bond Issuance History

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Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2018	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
2002	\$10,880,000	Nov 14 2002	\$10,880,000			
		<i>Subtotal</i>	\$10,880,000	\$0		
2005	\$3,125,000	Jul 8 2008	\$3,125,000			
		<i>Subtotal</i>	\$3,125,000	\$0		
2016	\$41,740,000	Apr 28 2016	\$41,740,000			
		<i>Subtotal</i>	\$41,740,000	\$0		

Schedule 9: Non-Formula Support
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

1 - Technical Training Partnerships with Community College

(1) Year Non-Formula Support Item First Funded:	2000
Year Non-Formula Support Item Established:	2000
Original Appropriation:	\$250,000

(2) Mission:

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

(3) (a) Major Accomplishments to Date:

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

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

For FY 2021 & FY 2022 these funds will be used at the East Williamson County Higher Education Center, because of the funding issues related to this partnership. These funds are used in maintaining existing partnerships and planning new partnerships with the state's community colleges.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

None

(5) Formula Funding:

None

(6) Category:

Instructional Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

None

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719 Texas State Technical College System Administration

(9) Impact of Not Funding:

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

(10) Non-Formula Support Needed on Permanent Basis/Discontinued

This item will be needed on a permanent basis.

(11) Non-Formula Support Associated with Time Frame:

This item is not associated with a particular time frame.

(12) Benchmarks:

TSTC is an active participant in the THECB 60x30 strategic plan, which provides an excellent source external benchmarks. Although the strategic plan ends in 2030, TSTC statewide has already surpassed two of the four strategic plan goals. The first achievement is goal number 3, in which 80% of institution graduates will have completed programs with identified marketable skills. The second is goal number 4, in which TSTC students have an average student loan debt of 42% relative to their first year wage, which positively exceeds the plan goal of 60%. TSTC is actively working on improving the number and rate of students with a degree, which comprise the remaining two goals of the THECB 60x30 strategic plan.

(13) Performance Reviews:

Student success is continually reviewed throughout the fiscal year with the use of an increasing number of analytic tools. These reporting tools provide a view of the student lifecycle, from application to working in Texas. While different departments are focused on various sections of the student lifecycle, the reporting tools enable all areas to be continually refined and improved throughout the year. Each semester program review reports are created for college stakeholders to continually monitor performance and to identify potential areas of improvement.

Schedule 9: Non-Formula Support
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719 Texas State Technical College System Administration

2 - Forecasting and Curriculum Development

(1) Year Non-Formula Support Item First Funded:	2006
Year Non-Formula Support Item Established:	2006
Original Appropriation:	\$250,000

(2) Mission:

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

(3) (a) Major Accomplishments to Date:

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

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

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

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

Perkins Leadership Grant

(5) Formula Funding:

None

(6) Category:

Instructional Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

Contract Fees paid by other colleges for the service.

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(9) Impact of Not Funding:

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

(10) Non-Formula Support Needed on Permanent Basis/Discontinued

At this time this item will be needed on a permanent basis.

(11) Non-Formula Support Associated with Time Frame:

This item is not associated with a particular time frame.

(12) Benchmarks:

The number of Texas institutions utilizing the service over time would be an adequate benchmark for this item to demonstrate the far reaching effects of the state's investment.

(13) Performance Reviews:

Institutions utilizing the service could continually be asked for feedback and for ways in which the service has produced positive results for their institution.

Schedule 9: Non-Formula Support
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3 - Williamson County Start Up Funding

(1) Year Non-Formula Support Item First Funded:	2012
Year Non-Formula Support Item Established:	2012
Original Appropriation:	\$2,400,000

(2) Mission:

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

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

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

(3) (a) Major Accomplishments to Date:

Significant enrollment growth (35-40% annual growth) in recent two years with continued momentum anticipated through remainder of 2018-2019.

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

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

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

Forged relationships with surrounding ISDs.

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

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Grow enrollment beyond current instructional and space capacity.

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

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

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

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

None

(5) Formula Funding:

None

(6) Category:

Start-Up

(7) Transitional Funding:

Y

(8) Non-General Revenue Sources of Funding:

GR-Dedicated 770 Tuition & Fees

(9) Impact of Not Funding:

This funds core operations (teaching and learning) as a substitute for the Instruction and Administration formula funding. Elimination of funding would suspend TSTC's ability to operate programs. Following accreditor imposed teach-out obligations, the College would need to close programs.

(10) Non-Formula Support Needed on Permanent Basis/Discontinued

Support will be necessary until the Returned-Value formula for this location has completed phasing in.

(11) Non-Formula Support Associated with Time Frame:

This item will be necessary to operations until the Returned-Value formula begins to phase into the funding model. It is anticipated that will begin to occur within 2 biennia.

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(12) Benchmarks:

TSTC is an active participant in the THECB 60x30 strategic plan, which provides an excellent source external benchmarks. Although the strategic plan ends in 2030, TSTC has already surpassed two of the four strategic plan goals. The first achievement is goal number 3, in which 80% of institution graduates will have completed programs with identified marketable skills. The second is goal number 4, in which TSTC students have an average student loan debt of 42% relative to their first year wage, which positively exceeds the plan goal of 60%. TSTC is actively working on improving the number and rate of students with a degree, which comprise the remaining two goals of the THECB 60x30 strategic plan.

(13) Performance Reviews:

Student success is continually reviewed throughout the fiscal year with the use of an increasing number of analytic tools. These reporting tools provide a view of the student lifecycle, from application to working in Texas. While different departments are focused on various sections of the student lifecycle, the reporting tools enable all areas to be continually refined and improved throughout the year. Each semester program review reports are created for college stakeholders to continually monitor performance and to identify potential areas of improvement.

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Equal opportunity shall be afforded within TSTC to all employees and applicants for admission or employment regardless of race, color, gender, religion, national origin, age, genetic information, disability or veteran status. TSTC will make reasonable accommodations for persons with disabilities. TSTC's policy is that, in all aspects of its operations, each person with a disability shall be considered for admission or access to or treatment or employment in its programs and activities in accordance with Part 84 of Title 45, the regulation implementing Section 504 of the Rehabilitation Act of 1973.

