

Legislative Appropriation Request

for Fiscal Years 2014 and 2015

Submitted to the
Governor's Office of Budget, Planning and Policy
And the Legislative Budget Board

by

South Texas College

August 16, 2012

Legislative Appropriation Request

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Legislative Appropriation Request Administrator's Summary Statement

Introduction:

South Texas College (STC) was established by Texas Senate Bill 251 on June 1, 1993, as a comprehensive public community college offering technical/vocational and academic programs to the people of Hidalgo and Starr Counties. STC began operations as an independent two-year institution of higher learning on September 1, 1993. The College was independently accredited by the Southern Association of Colleges and Schools to offer Associate of Applied Science Degrees in 1995 and the Associate of Art and Associate of Science Degrees in 1996.

South Texas College's service area is among the fastest growing areas of the United States in terms of population, business and industry. Yet, the area has often been cited as being one of the poorest, least well-educated regions in the nation and consistently ranks among the areas in Texas having highest levels of unemployment.

Board of Trustees:

The College's Board of Trustees represents seven districts based on population. A community leader from each of the seven districts was originally appointed by the Texas Governor to serve on the founding Board of Trustees. Since then, elections have been held, as required by State law, and all members were elected by the year 2000. The Board of Trustees serves staggered six-year terms with elections held in May of each even-numbered year. Policymaking and supervisory functions are the responsibility of, and are vested in, the Board. The Board delegates administrative responsibilities to the President, who is the chief administrative officer of the District. The names, terms of office and hometowns of the members of the Board of Trustees are as follows:

Name	Term	Hometown
Ms. Rose Benavidez	May 2012 – May 2018	Rio Grande City, Texas
Ms. Graciela Farias	May 2012 – May 2018	La Joya, Texas
Mr. Paul R. Rodriguez	August 2012 – May 2016	McAllen, Texas
Mr. Gary Gurwitz	May 2010 – May 2016	McAllen, Texas
Dr. Alejo Salinas, Jr.	May 2008 – May 2014	Edinburg, Texas
Mr. Jesse Villarreal	May 2012 – May 2018	Weslaco, Texas
Mr. Roy De Leon	May 2008 – May 2014	Mercedes, Texas

Comprehensive Mission

South Texas College is a world-class comprehensive institution of higher learning providing premier educational and workforce programs and services in response to the needs of the region.

Vision

A better quality of life for our communities

Core Values

Student Success, Learning, Excellence, Integrity, Community, Opportunity

Guiding Principles

- *Be a premier learning-centered higher education institution where student and community success are paramount;*
- *Serve as the cornerstone for the economic vitality of South Texas;*
- *Foster an environment for the students and community to achieve a better quality of life;*
- *Nurture a culture where collaboration is valued and achievement is recognized.*

Strategic Directions

1. *South Texas College commits to student learning as the foundation of student success through excellence in teaching and service, faculty and staff empowerment, professional development, and accountability.*
2. *South Texas College proudly provides opportunities to all students with high expectations for their success.*
3. *South Texas College leads the transformation of the region to a “college-going” culture whereby attending and completing higher education is expected for all.*
4. *South Texas College serves as the catalyst for regional economic prosperity and social mobility.*
5. *South Texas College models professionalism through integrity, mutual respect, civility, trust, and collaboration.*
6. *South Texas College champions a culture of excellence based on evidence.*

STC's Current and Anticipated Implementation of Its Comprehensive Mission:

South Texas College has expanded educational programs to meet the enrollment of the College and identified workforce development and transfer program needs in its service area. The College's fall enrollment has grown from just over 1,000 students in Fall 1993 to over 27,500 in Fall 2011, an increase of nearly 2600%. This student growth represents the population growth of Starr and Hidalgo Counties, but also the previously educationally underserved that desired an opportunity for higher education. The College currently offers degree and certificate programs. These include Associate of Arts degrees, Associate of Science degrees, Associate of Applied Science degrees, baccalaureate degrees and certificate programs.

In June of 2003, the 78th Texas State Legislature approved Senate Bill 286, Section 50. This bill granted approval for the Texas Higher Education Coordinating Board to conduct a pilot project with three community colleges to grant baccalaureate degrees in applied science and applied technology. Specifically, the Texas Legislature amended Subchapter A, Chapter 130, Texas Education Code, adding Section 130.0012 permitting three state community colleges to offer bachelor's degrees after acquiring Texas Higher Education Coordinating Board approval and appropriate regional accreditation. H.B. 2198 passed in the 80th Legislative Session removed the pilot status and South Texas College was granted permanent authority to offer the Bachelor of Applied Technology. The Texas Higher Education Coordinating Board approved South Texas College as one of the three pilot colleges at their regular meeting on July 17, 2003. STC subsequently submitted a program application for the Bachelor of Applied Technology in Technology Management to the Texas Higher Education Coordinating Board and the application was approved on April 22, 2004. STC submitted the *Application for Member Institutions Seeking Accreditation at a More Advanced Degree Level* to the Southern Association of Colleges and Schools, Commission on Colleges. STC was approved as a Level II degree granting institution to offer the Bachelor of Applied Technology in Technology Management at the annual meeting of the Commission on Colleges in December of 2005. STC has also developed and was approved for a second baccalaureate degree program which began in Spring of 2008 - a Bachelor of Applied Technology in Computer Information Technologies. The third BAT degree program, a Bachelor of Applied Technology in Medical and Health Services Management, was approved by the Texas Higher Education Coordinating Board on July 28, 2011. The first cohort for the new baccalaureate degree began in Fall of 2011. Also, STC is working on developing the curriculum of a forth baccalaureate degree program. The Bachelor of Applied Science in Organizational Leadership is tentatively scheduled to start in the Fall of 2013.

The College also serves the people of its district through its dual enrollment/dual credit program, through classes as "contract training", the Academies Program, Recovery Program and other innovative programs developed specifically to meet the needs of the high school students. All of the high schools in the STC District participate in one or all of these programs. Approximately 11,000 high school students are expected to enroll in the dual enrollment program during the Fall 2012 semester. In addition to these credit-bearing programs, STC's emphasis on continuing education, workforce development and workplace training has intensified over the past biennium.

Even before the 76th Texas Legislature enacted House bill 1678 (Texas Education Code §61.086) in 1999, STC has been committed to provision of access to higher education to the people of its service district and equity of services to them. Participation in educational opportunities provided by the College – as manifested in both credit and non-credit enrollment growth – speaks to provision of access to higher education opportunities through STC. In addition to increasing enrollments and development of programming to serve its students (as noted above), South Texas College has taken the initiative to bring educational opportunity to the people of its nearly 2800-mile service district through an aggressive program of campus development. Beginning with the original Pecan Campus (McAllen) – formerly the McAllen Extension Campus of Texas State Technical College - Harlingen – STC has added:

- Technology Campus (McAllen) – Technology Campus located in Foreign Trade Zone
- Starr County Campus (Rio Grande City) – opened Fall 1999 to provide service and access to western portion of district
- Mid-Valley Campus (Weslaco) – opened Fall 2000 to provide service and access to eastern portion of district
- Nursing and Allied Health Campus (McAllen) – opened Fall 2000 adjacent to medical district and Texas A&M site to provide improved facilities and access for health occupations training and collaboration with other health service and training providers
- Additions to Pecan Campus, Technology Campus, Starr County Campus, Mid-Valley Campus, and Nursing and Allied Health Campus have added over 795,000 square feet of classrooms and support buildings between 2004 and 2012
- eSTC Virtual Campus – launched Fall 2011 offering online access to more than 500 course sections, 15 degrees, and 5 certificates

In an election held on September 29, 2001, the residents of Hidalgo and Starr Counties authorized the issuance of \$98,700,000 in bonds to construct, renovate and furnish instructional facilities, acquire necessary sites and pay issuance costs. The bonds are payable from an ad-valorem tax levied.

In 1999, the College began a District Wide Campus Development Master Plan for construction of new facilities. The Facilities Master Plan was developed to coincide with the projected student enrollment through the year 2010 at all campuses. With the passage of the \$98,700,000 bond construction program in 2001, approximately 736,136 square feet of projects were constructed to accommodate the facilities requirements through 2007.

In 2008, efforts began for developing an updated District Wide Campus Expansion Master Plan that would identify facilities needs for each campus through 2020. This master plan was completed in the spring of 2010 and identified an additional 1.3 million square feet of new facilities to accommodate the anticipated student enrollment growth.

South Texas College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the

Baccalaureate and Associate degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of South Texas College.

The Commission on Colleges granted membership to South Texas College in December of 1995. South Texas College received its most recent ten year reaffirmation of accreditation in June of 2010.

In 2002, the Texas Higher Education Coordinating Board issued exemplary status to sixteen of the College's programs. This represented the most exemplary awards granted to one college.

STC is committed to equitable access to quality educational opportunities for all in its district. Performance Measures are a welcome means of assessing the integrity of the College and its programming in maintaining quality and providing service, and STC is proud of improvements in these measures. Inspired by the Performance Measures required by the State of Texas, STC has adopted a more extensive set of Institutional Performance Indicators. Formally approved by the College's Board of Trustees in June 1999, and revised with Board approval in May 2004, these encompass the individual institutional performance indicators broadly grouped in the following areas:

- Access
- Completion
- Transfer Rate and Success
- Employment
- Success and Retention
- College Readiness
- Academic Progress of All Students
- Student Development
- Stakeholder Satisfaction
- Finance
- Facilities

Every department, program, and office at STC is required to incorporate all appropriate measures from the Institutional Performance Indicators in its own annual review of strategic and institutional effectiveness planning, implementation of plans, and reporting on success in accomplishing intended outcomes. Progress is reported and reviewed annually, culminating in a biennial report and use of results in planning continued improvement in quality and service for the following two years (STC has a biennial cycle for Institutional Effectiveness process). These plans and the final reports are available for review by the College community and its stakeholders, in addition to the State report on the quality and success of South Texas College.

As a result of the growth of its student population; the enthusiastic support of the private, business, corporate and industrial communities of Hidalgo and Starr Counties; the rapid expansion of its technical/vocational and academic programs; and the strong commitment to meeting the area's need for a trained and skilled workforce, STC is earning and establishing a popular reputation among the residents of the two counties. STC's students are graduating in record numbers, transferring to four-year colleges and universities in greater numbers than ever before or finding employment upon finishing at STC.

Review of STC's enrollment targets for the next four years indicates a projected enrollment of over 52,000 students by 2015. Clearly, meeting needs of such a student body will require continued planning and resources to make facilities, faculty, and support services available as they become needed.

Present Funding

The voters of Hidalgo and Starr Counties approved the establishment of a taxing district for STC in August 1995. They approved a \$.08 M&O tax and a \$.02 debt service tax, for a total of \$.10. This election satisfied the provision in Senate Bill 251, establishing South Texas College, "that an election be held at which a majority of the votes cast at the election favor the confirmation of the college". Since 1997, local officials have collected taxes for STC. In an election held on September 29, 2001, the residents of Hidalgo and Starr Counties authorized the issuance of \$98,700,000 in bonds to construct, renovate and furnish instructional facilities, acquire necessary sites and pay issuance costs. The voters approved an additional \$.03 for a total of \$.11 of M&O tax. Still, the challenge before STC is to secure facilities and funding to keep abreast of enrollment growth and its mandate to serve those who reside in its district.

Future Funding Needs

South Texas College District endorses the \$1.968 billion request for student success funding for the 2014-15 biennium and recommends, as the July 16, 2012 Texas Association of Community Colleges letter outlines, that funding for community colleges be appropriated through three strategies: Core Operations, Student Success Points, and Contact Hour funding.

Finally, increases in employee benefits and employees' wages and salaries account for 75.49 percent of the College's total annual budget. STC is already operating with very lean staffing and many salaries barely at state averages. Many are far below; so, further containment of these expenses will be most challenging and likely impair functioning of the institution. It will be critical to the continued quality and development efforts of South Texas College to ensure a reasonable salary or wage and adequate benefits to all its employees. Furthermore, continued encroachment of these costs on the total College budget decreases the funding available for either continued support of existing programs or development of new and necessary approaches.

Diminishing State Appropriations

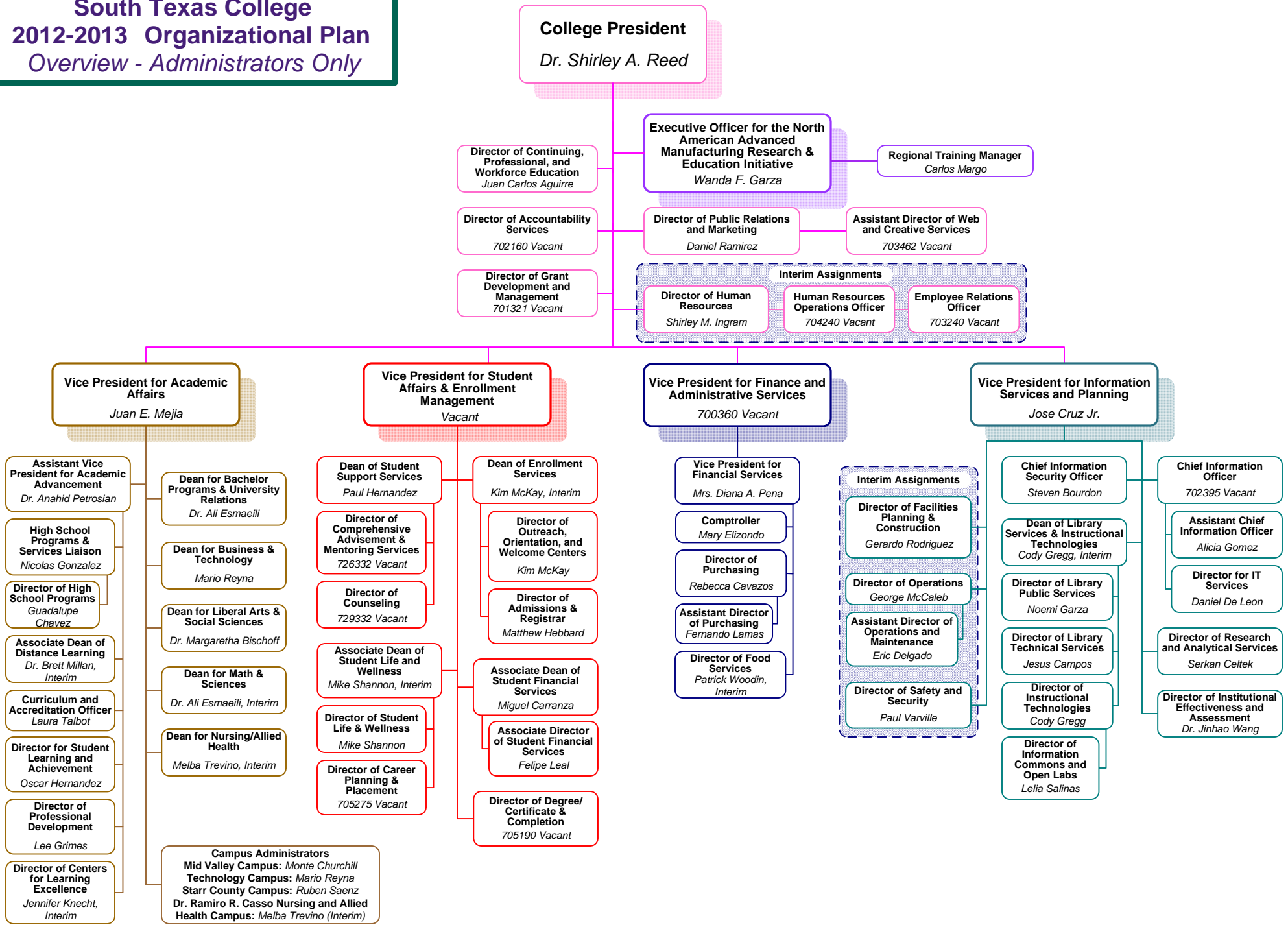
The College was created in September 1, 1993 to address the lack of educational opportunities in South Texas. The College has successfully met this need and will continue to do so in the future.

With the diminishing state appropriations and the growing cost of educational programs, the College has made adjustments to the tuition and fee rates charged to students. Tuition and fee increases have been necessary to adequately cover the faculty salaries and benefits of additional faculty hired to meet increasing enrollment.

Again, South Texas College District endorses the \$1.968 billion request for student success funding for the 2014-15 biennium and recommends, as the July 16, 2012 Texas Association of Community Colleges letter outlines, that funding for community colleges be appropriated through three strategies: Core Operations, Student Success Points, and Contact Hour funding.

The College requests restoration of full funding for retirement benefits contributions. The College requests group health insurance contributions to fully fund all employees who perform functions that are eligible to be funded by state appropriations.

South Texas College 2012-2013 Organizational Plan Overview - Administrators Only





CERTIFICATE

Agency Name South Texas College

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the GOBPP will be notified in writing in accordance with Article IX, Section 7.01 (2012-13 GAA).

Chief Executive Officer or Presiding Judge

Signature *Shirley A. Reed*

Printed Name Dr. Shirley A. Reed

President _____

Title _____

Date 8/16/12

Board or Commission Chair

Signature *Rose Benavidez*

Printed Name Rose Benavidez

Board Chair _____

Title _____

Date 8/16/12

Chief Financial Officer

Signature *Diana A. Peña*

Printed Name Diana A. Peña

Vice President for Financial Services _____

Title _____

Date 8/16/12

2.A. SUMMARY OF BASE REQUEST BY STRATEGY

8/16/2012 10:26:00AM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

948 South Texas College

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
1 Provide Instruction					
1 Provide Administration and Instructional Services					
1 ACADEMIC EDUCATION (1)	18,578,155	21,599,839	21,645,413	0	0
2 VOCATIONAL/TECHNICAL EDUCATION (1)	9,391,435	10,210,335	10,239,922	0	0
3 BACHELOR OF APPLIED TECHNOLOGY (1)	306,450	355,845	355,845	0	0
TOTAL, GOAL 1	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	28,276,040	32,166,019	32,241,180	0	0
SUBTOTAL	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
TOTAL, METHOD OF FINANCING	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0

(1) - Formula funded strategies are not requested in 2014-15 because amounts are not determined by institutions.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY

8/16/2012 10:26:08AM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

948 South Texas College

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
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*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

8/16/2012 10:26:57AM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 948	Agency name: South Texas College				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>					
1 General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Base line	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
TOTAL, General Revenue Fund	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
TOTAL, ALL GENERAL REVENUE	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
GRAND TOTAL	\$28,276,040	\$32,166,019	\$32,241,180	\$0	\$0
FULL-TIME-EQUIVALENT POSITIONS					
TOTAL, ADJUSTED FTES					
NUMBER OF 100% FEDERALLY FUNDED FTES	0.0	0.0	0.0	0.0	0.0

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/16/2012
 TIME : 9:35:15AM

Agency code: 948 Agency name: South Texas College

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
1 Provide Instruction						
<i>1 Provide Administration and Instructional Services</i>						
1 ACADEMIC EDUCATION	\$0	\$0	\$0	\$0	\$0	\$0
2 VOCATIONAL/TECHNICAL EDUCATION	0	0	0	0	0	0
3 BACHELOR OF APPLIED TECHNOLOGY	0	0	0	0	0	0
TOTAL, GOAL 1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$0	\$0	\$0	\$0	\$0	\$0

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/16/2012
 TIME : 9:35:23AM

Agency code: 948 Agency name: South Texas College

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
General Revenue Funds:						
1 General Revenue Fund	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCING	\$0	\$0	\$0	\$0	\$0	\$0

FULL TIME EQUIVALENT POSITIONS

Schedule 3C: Group Insurance Data Elements (Community Colleges)

8/16/2012 9:36:44AM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **948** Agency Code: **South Texas College**

	Total I & A Enrollment	Local Non I & A	GR Percent Enrollment	Non - GR Percent Enrollment	Total Enrollment
GENERAL REVENUE / SALARIES					
Unrestricted General Revenue:	\$28,401,412	GR Percent:	39.70%		
Total Salaries:	\$71,544,023	Non-GR Percent:	60.30%		
FULL TIME ACTIVES					
1a Employee Only	646	106	299	453	752
2a Employee and Children	228	23	100	151	251
3a Employee and Spouse	77	3	32	48	80
4a Employee and Family	129	6	54	81	135
5a Eligible, Opt Out	12	2	6	8	14
6a Eligible, Not Enrolled	10	1	4	7	11
Total for this Section	1,102	141	495	748	1,243
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	14	0	6	8	14
Total for this Section	14	0	6	8	14
Total Active Enrollment	1,116	141	501	756	1,257

Schedule 3C: Group Insurance Data Elements (Community Colleges)

8/16/2012 9:36:47AM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 948 Agency Code: South Texas College

	Total I & A Enrollment	Local Non I & A	GR Percent Enrollment	Non - GR Percent Enrollment	Total Enrollment
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	646	106	299	453	752
2e Employee and Children	228	23	100	151	251
3e Employee and Spouse	77	3	32	48	80
4e Employee and Family	129	6	54	81	135
5e Eligible, Opt Out	12	2	6	8	14
6e Eligible, Not Enrolled	10	1	4	7	11
Total for this Section	1,102	141	495	748	1,243

Schedule 3C: Group Insurance Data Elements (Community Colleges)

8/16/2012 9:36:47AM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 948

Agency Code: South Texas College

	Total I & A Enrollment	Local Non I & A	GR Percent Enrollment	Non - GR Percent Enrollment	Total Enrollment
TOTAL ENROLLMENT					
1f Employee Only	646	106	299	453	752
2f Employee and Children	228	23	100	151	251
3f Employee and Spouse	77	3	32	48	80
4f Employee and Family	129	6	54	81	135
5f Eligible, Opt Out	12	2	6	8	14
6f Eligible, Not Enrolled	24	1	10	15	25
Total for this Section	1,116	141	501	756	1,257