South Texas College
Board of Trustees
Public Hearing and Special Board Meeting
Tuesday, July 28, 2026 @ 5:00 PM
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501

Agenda

"At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code. At this meeting, the Board of Trustees may deliberate on and take any action deemed appropriate by the Board of Trustees on the following subjects:"

I. Call Meeting to Order

II. Determination of Quorum

III. Public Comments

IV. The Public Hearing

A. Public Hearing on FY 2026 - 2027 Budget

1. Presentation of Overview of FY 2026 - 2027 Budget
2. Public Comments
3. Close Public Hearing on FY 2026 - 2027 Budget

V. Consideration and Action on Agenda Items

A. Consideration and Approval of Resolution 2026-018 Adopting the Budget for FY 2026 – 2027

VI. Announcements
A. Next Meeting

A. Next Meeting:

- Regular Meeting of the Board of Trustees, Tuesday, July 28, 2026 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, TX

The Public Hearing on FY 2026 - 2027 Budget

Ms. Mary Del Paz, Vice President for Finance and Administrative Services, will present the FY 2026 - 2027 Budget to the public and Board of Trustees during the public hearing and prior to the formal adoption of the Budget by the Board.

The Public Hearing on the FY 2026 - 2027 Budget will consist of:

- Presentation of Overview of FY 2026 - 2027 Budget
- Public Comments
- Closing of the Public Hearing on FY 2026 - 2027 Budget

The Budget is included under separate cover.

Proposed Budget for FY 2026 - 2027

Mary Del Paz, MBA, CPA, CFE, CGMA
Vice President for Finance and Administrative Services

July 28, 2026

SOUTH TEXAS COLLEGE

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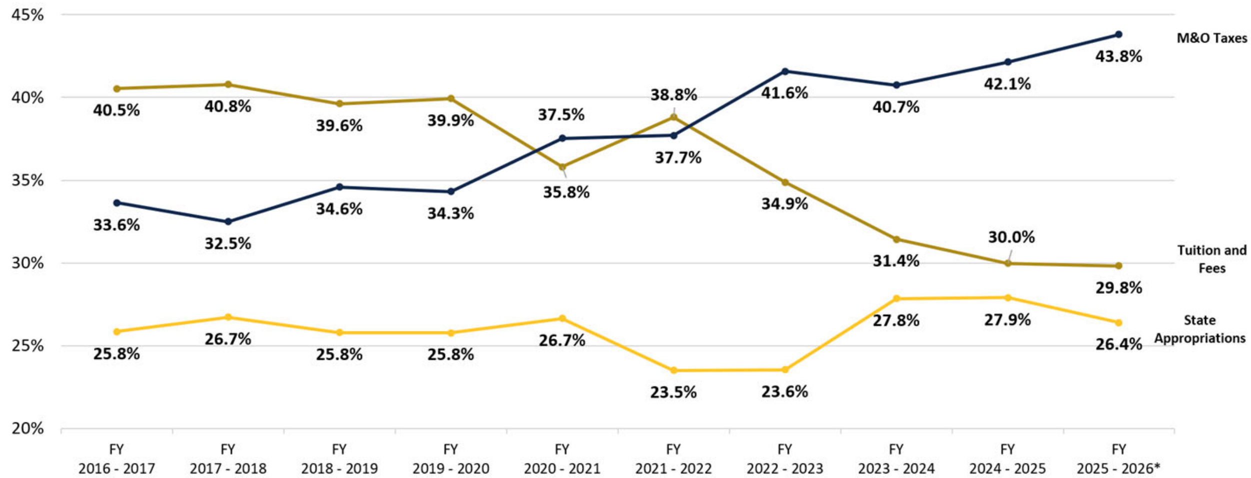
Key Updates

- Reduction in State Appropriation allocation (Near-Final Run)
- Slight increase in FAST appropriation
- No increase to tuition rates
  - Governor Abbot's November 13, 2024, Letter to Texas Colleges and Universities
- Increase in M&O property tax revenue and interest revenue
- TASB model, approved salary increases, and new positions and adjustments
- Operating, technology, travel, capital, and scholarship expenses based on department needs
- Increase in transfer to Renewals and Replacement Plant Fund Transfer
- Contingency Fund for uncertainties in the amount of $3,911,478

Proposed Unrestricted Fund Revenues

10-Year Historical Three Primary Revenue Sources



* Projected

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Proposed Unrestricted Fund Revenues - State Appropriation Detail

State Appropriation	FY 2025 - 2026 Budget (Amended)	FY 2026 - 2027 Budget (Preliminary)	Increase/ (Decrease)
Foundation Performance Tier Funding	**$55,754,476**	**$49,412,422**	**$(6,342,054)**
Financial Aid for Swift Transfer (FAST)	**8,822,990**	**9,057,206**	**234,216**
Hazlewood Reimbursement	**147,913**	**160,000**	**12,087**
Total State Appropriation Revenues	**$64,725,379**	**$58,629,628**	**$(6,095,751)**

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Traditional and Dual Credit Enrollment Headcount Projection

Term	FY 2025 - 2026 Traditional (Actual)	FY 2026 - 2027 Traditional Projected	Enrollment Decrease (from FY 2025 - 2026)	% Reduction
Fall	16,134	16,134	-	0.0%
Spring	14,308	14,308	-	0.0%
Summer	7,764	7,741	(23)	-0.3%
Total	38,206	38,183	(23)	-0.1%

Term	FY 2025 - 2026 Dual Credit (Actual)	FY 2026 - 2027 Dual Credit Projected	Enrollment Increase (from FY 2025 - 2026)	% Increase
Fall	11,511	11,971	460	4.0%
Spring	13,826	14,379	553	4.0%
Summer	5,093	4,973	(120)	-2.4%
Total	30,430	31,323	893	2.9%

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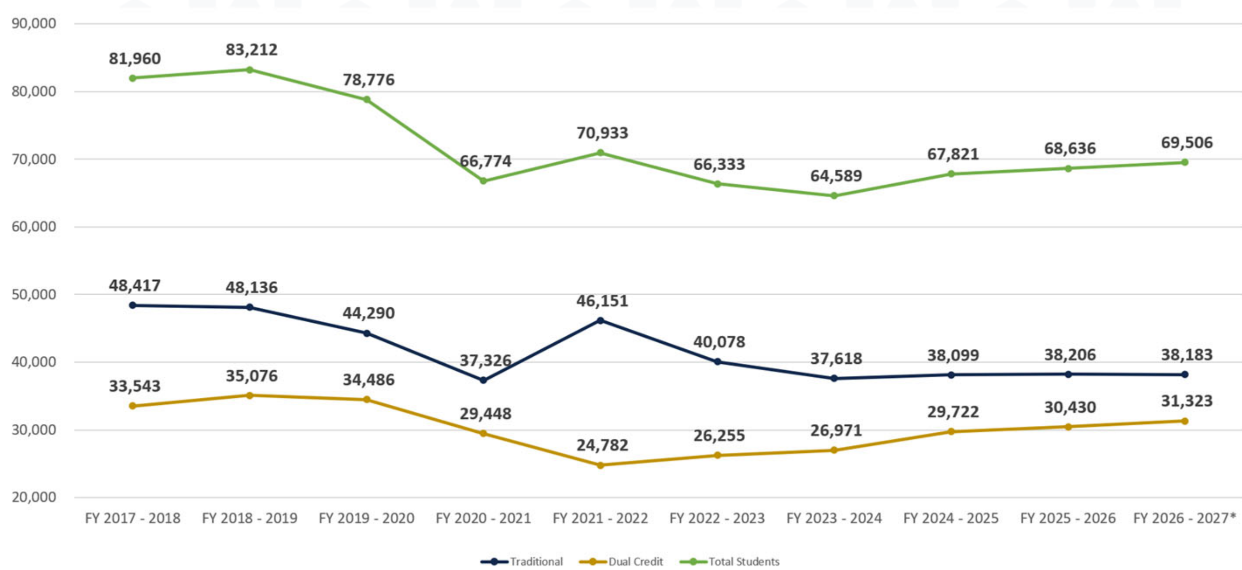
10 Year Historical Enrollment – Total



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Proposed Unrestricted Fund Revenues and Carryover Allocations FY 2026 - 2027

- M&O Property Taxes
  - Approximate increase of $9.7 million based on FY 2025 – 2026 actuals and 2% increase in taxable assessed value
- Other Revenues
  - Dual Enrollment Reimbursement Cost
    - Approximate decrease of $498,000
  - Interest
    - Approximate increase of $3.3 million
- Carryover Fund Balance Allocation
  - Approximate increase of $340,243 based on College's needs

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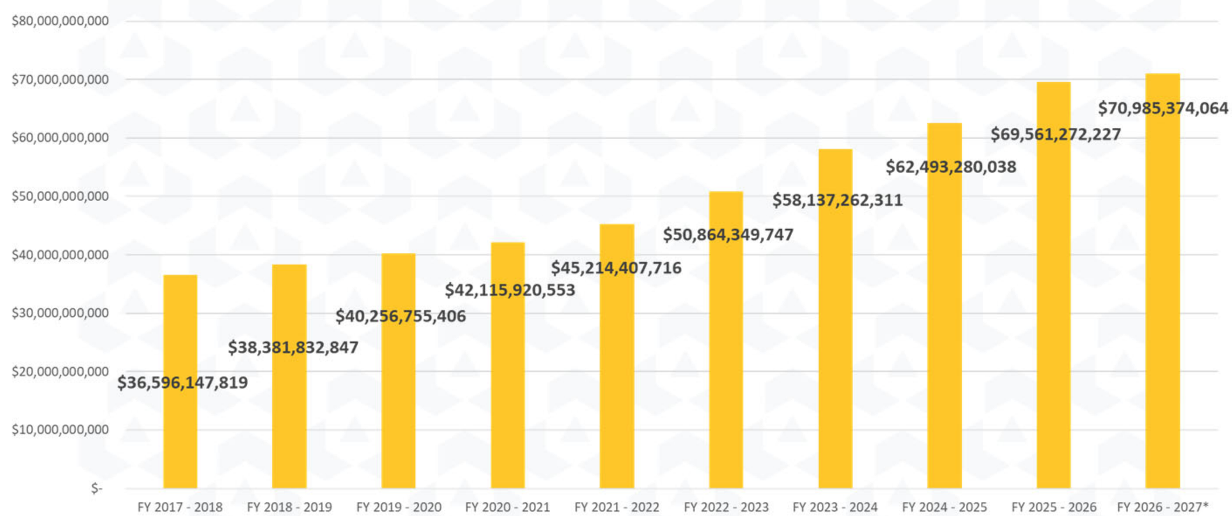
Total Net Taxable Assessed Value FY 2018 – FY 2027



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* Projected

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Proposed Unrestricted Fund Revenues – Other Revenue Detail FY 2026 – 2027

Other Revenues	FY 2025 - 2026 Budget (Amended)	FY 2026 - 2027 Budget (Proposed)	Increase/ (Decrease)
Dual Credit Enrollment Cost Reimbursement	$4,250,000	$3,752,400	$(497,600)
Dual Credit Academy Participation Fee	300,000	350,000	50,000
Interest	10,000,000	13,320,000	3,320,000
Administrative Cost - Veterans	9,000	9,000	-
Administrative Cost - Pell	75,000	75,000	-
Administrative Cost – Federal Work Study	60,000	60,000	-
Administrative Cost - CEWD	144,249	123,912	(20,337)
Administrative Cost – CATA	31,927	25,000	(7,927)
Shuttle System Contribution	189,217	184,540	(3,677)
Testing Commission	4,500	4,500	-
Total Other Revenues	$15,063,893	$17,904,352	$2,840,459

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Proposed Unrestricted Fund – Carryover Allocations Detail FY 2026 – 2027

Carryover Allocations	FY 2025 - 2026 Budget (Amended)	FY 2026 – 2027 Budget (Proposed)	Increase/ (Decrease)
Unexpended Construction Plant Fund	$10,000,000	$10,000,000	$-
Renewals and Replacements Plant Fund	1,000,000	2,500,000	1,500,000
Scholarship	403,106	147,832	(255,274)
NAH Faculty	250,000	252,000	2,000
ERP Implementation	13,014,348	12,107,865	(906,483)
Transfer In from Auxiliary	157,590	157,590	-
Total Carryover Allocations	$24,825,044	$25,165,287	$304,243

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Proposed Unrestricted Fund Revenues FY 2026 – 2027

Summary of Revenues and Carryover Allocations	FY 2025 - 2026 Budget (Amended)	FY 2026 - 2027 Budget (Proposed)	Increase/ (Decrease)
State Appropriations	**$64,725,379**	**$58,629,628**	**$(6,095,751)**
Tuition	**60,162,524**	**61,345,189**	**1,182,665**
Academic & Differential Tuition-Net	***55,901,771***	***57,673,609***	***1,771,838***
CEWD/CATA Tuition – Net	***4,260,753***	***3,671,580***	***(589,173)***
Fees	**2,830,966**	**3,093,304**	**262,338**
M&O Property Taxes	**85,163,229**	**94,849,611**	**9,686,382**
Other Revenues	**15,063,893**	**17,904,352**	**2,840,459**
Carryover Allocations	**24,825,044**	**25,165,287**	**340,243**
Total Revenues and Carryover Allocations	**$252,771,035**	**$260,987,371**	**$8,216,336**

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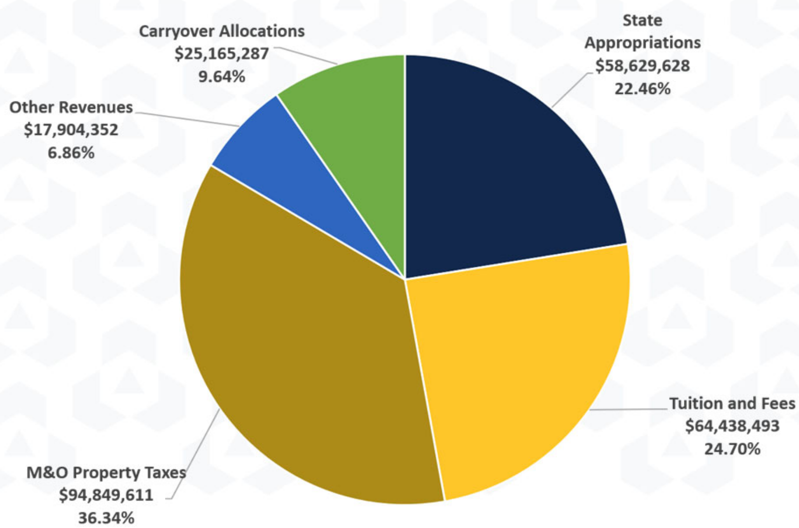
Proposed Unrestricted Fund Revenues and Carryover Allocations FY 2026 – 2027



Total Revenues: $260,987,371

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Proposed Unrestricted Fund Expenditures

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Proposed Expenditures FY 2026 – 2027

- Salaries and Benefits
  - Approved annual salary increase scenarios for faculty and non-faculty personnel of 3% plus strategic adjustments ($5,155,246)
  - Approved requests for new positions and other adjustments ($3,931,843)
  - Approved adjunct/overload rate increase of $50 per LHE ($664,180)

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Proposed Unrestricted Fund Expenditures FY 2026 – 2027

Summary of Expenditures	FY 2025 - 2026 Budget (Amended)	FY 2026 - 2027 Budget (Proposed)	Difference FY 2026 Amended to FY 2027 Preliminary
Salaries	**$133,122,233**	**$140,255,761**	**$7,133,529**
Benefits	**33,432,303**	**35,276,681**	**1,844,378**
Operating	**39,488,833**	**40,501,724**	**1,012,891**
Technology	**20,580,059**	**22,197,702**	**1,617,643**
Travel	**3,151,471**	**3,148,244**	**(3,227)**
Capital Outlay	**2,393,064**	**1,871,649**	**(521,415)**
Scholarships	**403,106**	**149,132**	**(253,974)**
Total Expenditures	**$232,571,069**	**$243,400,893**	**$10,829,824**
Transfers & Reserves			
Transfer to Unexpended Plant Fund	10,000,000	10,000,000	-
Transfer to Renewals and Replacements Plant Fund	1,000,000	2,500,000	1,500,000
Transfer to Student Activities Auxiliary Fund	1,175,000	1,175,000	-
Contingency Fund	8,024,966	3,911,478	(4,113,488)
Total Transfers & Reserves	**20,199,966**	**17,586,478**	**(2,613,488)**
Total Expenditures, Transfers & Reserves	**$252,771,035**	**$260,987,371**	**$8,216,336**
Revenues over Expenditures	**$-**	**$-**	

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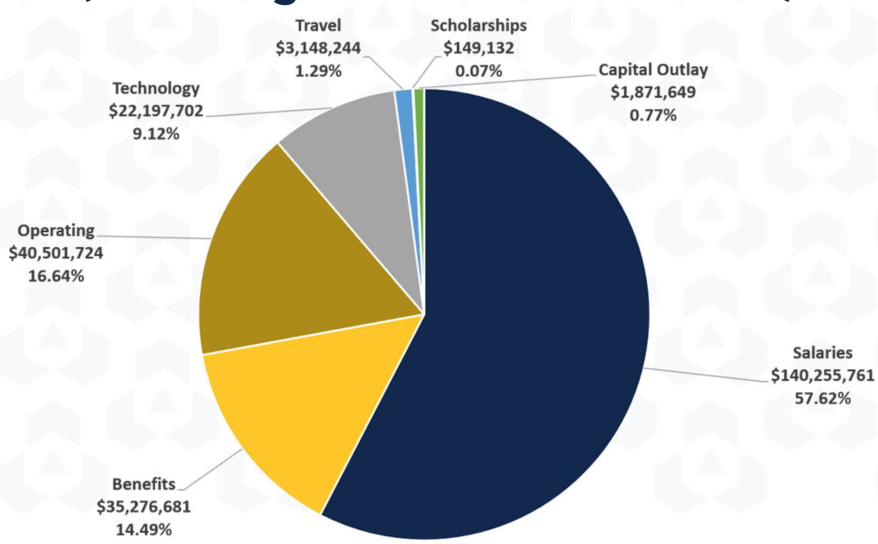
Proposed Unrestricted Fund Expenditures by Classification FY 2026 – 2027
(Excluding Transfers and Reserves)



Total Expenditures: $243,400,893

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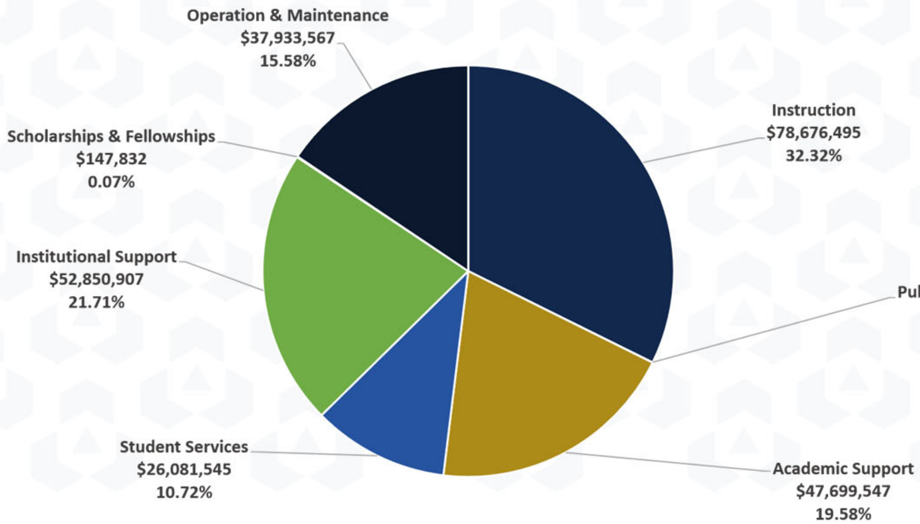
Proposed Unrestricted Fund Expenditures by Function FY 2026 – 2027
(Excluding Transfers and Reserves)



Total Expenditures: $243,400,893

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Proposed Unrestricted Fund Revenues and Expenditures FY 2026 – 2027

Summary of Expenditures	FY 2026 - 2027 Budget (Proposed)
State Appropriations	$58,629,628
Tuition and Fees	64,438,493
Property Taxes	94,849,611
Other Revenues	17,904,352
Carryover Allocations	25,165,287
Total Revenues	$260,987,371
Salaries	$140,255,761
Benefits	35,276,681
Operating	40,501,724
Technology	22,197,702
Travel	3,148,244
Capital Outlay	1,871,649
Scholarships	149,132
Total Expenditures	$243,400,893
Transfers & Reserves	17,586,478
Total Expenditures, Transfers & Reserves	$260,987,371
Revenues over Expenditures	$-

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Proposed Auxiliary Fund Revenues and Expenditures

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Proposed Auxiliary Fund Revenues and Expenditures

Total Revenues	Total Expenditures
$2,984,519	$2,984,519

Revenue Sources		Expenditure Types	
Funded Non Self Sustaining Bookstore Commissions, Vending Machine Commissions and Interest Income	$435,000	Funded Non Self Sustaining Facilities Operations & Maintenance Auxiliary Enterprise Manager, Employee/Spouse/Dependent Waiver, Non Public Fund	$435,000
Non Funded Non Self Sustaining Carryover Fund Balance	$157,590	Non Funded Non Self Sustaining Transfer to Unrestricted	$157,590
Self Sustaining		Self Sustaining	
Conferences Revenue	$324,005	Conference Expenditures	$324,005
Child Care Center Revenue	$710,816	Child Care Center Expenditures	$710,816
Transfer In from Unrestricted-Student Activities & Wellness	$1,175,000	Student Activities & Wellness	$1,175,000
Non Public Fund	$107,108	Non Public Fund	$107,108
NAH Pinning Fees	$75,000	HSP Pinning Ceremonies	$75,000

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Proposed Restricted Fund Revenues and Expenditures

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Proposed Restricted Fund Revenues and Expenditures

Total Revenues	Total Expenditures
$103,182,912	$103,182,912

Revenue Sources		Expenditure Types	
State and Federal Financial Aid	$73,890,000	Pell, SEOG, College Work-Study, TEOG Initial and Renewal	$73,890,000
State and Federal Grants	$7,167,744	Carl Perkins, TWC Adult Education and Literacy, Veterans Chapter 31 & 33, Skills Development Fund, Increase in Nursing and Allied Health Care	$7,167,744
Private and Local Grants and Scholarships	$10,209,332	Student scholarships, TPEG, VIDA, MEDA, Development Corporation of McAllen	$10,209,332
On Behalf State Appropriations	$11,915,836	Eligible Staff Retirement and Insurance Benefits	$11,915,836

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Proposed Plant Fund Revenues and Expenditures

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Proposed Plant Fund Revenues and Expenditures

Plant Fund	Revenues, Transfer In and Fund Balance Allocation	Expenditures, Transfers, and Reserves
Unexpended Fund (Construction)	$38,141,489	$38,141,489
Renewals & Replacements	$11,465,220	$11,465,220
Retirement of Indebtedness	$10,882,527	$10,882,527

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Proposed Section 140.0045 Expenditures

Proposed Section 140.0045 Expenditures

- Local Government Code Section 140.0045 requires that proposed budgets prepared by certain political subdivisions, including community colleges, add a line item indicating the amount of expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Section 305.002, Government Code.

Expenditures	FY 2024 - 2025 Actual	FY 2025 - 2026 Estimated	FY 2026 - 2027 Budget
Total Section 140.0045 Expenditures	$24,032	$16,000	$17,143

Thank You

Questions?

SOUTH TEXAS COLLEGE

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Consideration and Approval of Resolution 2026-018 Adopting the Budget for FY 2026 – 2027

Purpose	To approve Resolution 2026-018 adopting the Budget for FY 2026 - 2027 as presented.
Justification	A Notice of the Public Hearing on South Texas College's proposed budget for FY 2026 - 2027 was advertised on July 8, 2026, in the Starr County Town Crier and The Monitor. The Hearing gives the general public the opportunity to make comments and have input with regard to the adoption of the budget. A copy of the budget is included under separate cover. Resolution 2026-018 adopting the Budget for FY 2026 - 2027 and a presentation on the Budget follow in the packet for the Board's information and review. A copy of the proposed budget was made available for viewing at the Office of the Vice President for Finance and Administrative Services located in the Building P in Room 3.144 at the Pecan Campus prior to the Public Hearing. Copies of the budget are publicly available online and printed copies will be made available at the Public Hearing. At the July 14, 2026 Finance, Audit, and Human Resources Committee meeting, the Committee deferred the review of the FY 2026 – 2027 Proposed Budget, which included all Funds to the July 28, 2026, Board of Trustees meeting.
Enclosed Documents	Appendix A – Resolution 2026-018 adopting the Budget for FY 2026 - 2027
Staff Resource	Mary Del Paz, Vice President for Finance and Administrative Services
Recommendation	The Board of Trustees of South Texas College approves and authorizes Resolution 2026-018 adopting the Budget for FY 2026 - 2027 as presented.

Resolution No. 2026-018

A RESOLUTION ADOPTING THE BUDGET OF SOUTH TEXAS COLLEGE FOR THE FISCAL YEAR BEGINNING SEPTEMBER 1, 2026, AND ENDING AUGUST 31, 2027, IN ACCORDANCE WITH THE PROVISIONS OF THE TEXAS EDUCATION CODE AND ORDERING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

BE IT ORDERED BY THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE, THAT:

SECTION I: The Budget Estimate of revenues for South Texas College District (the "College District") and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning September 1, 2026, and ending August 31, 2027, as submitted by the President of the College, be, and the same is in all things, adopted and approved as the budget of all of the current revenues and expenses for the fiscal year beginning the 1st day of September, 2026, and ending the 31st day of August, 2027.

SECTION II: The amount of ad valorem taxes and revenue from other sources, as estimated by the President, is hereby appropriated out of the various Funds for the payment of operating expenses and capital outlay of the College District. A copy of the Budget Summary indicating such revenues and appropriating their expenditures is attached hereto and made a part hereof for all purposes as Exhibit "A" and shall remain on file in the Office of the President.

SECTION III: The sums indicated in Exhibit "A" are hereby appropriated in the Unrestricted Fund and College's Debt Service Fund out of the current year ad valorem taxes as collected for the purposes of maintenance and operation of the College District, as applicable, and applying the interest due on the general obligation bonds, redeeming the bonds as they mature, and creating sinking funds as required by such bonds.

SECTION IV: All Resolutions or parts of Resolutions in conflict herewith are hereby repealed.

SECTION V: This Resolution shall be and remain in full force and effect as of September 1, 2026.

SECTION VI: If any part, or parts, of this Resolution are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to the extent this Resolution is considered severable.

CONSIDERED, PASSED and **APPROVED** this _____ day of July, 2026 at a meeting of the Board of Trustees of South Texas College District at which a quorum was present and which was held in accordance with the Texas Government Code Chapter *551.*

SIGNED this _____ day of July, 2026.

SOUTH TEXAS COLLEGE DISTRICT

By: _________________________
Paul R. Rodriguez, Chair

ATTEST:

By: _______________________________
Victoria Cantú, Secretary