

LEGISLATIVE APPROPRIATIONS REQUEST

FISCAL YEARS 2026 AND 2027
TSTC SYSTEM ADMINISTRATION





LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2026 & 2027

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

Original submission: August 16, 2024.

Amended submission: October 18, 2024.

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Administrator's Statement

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

In accordance with the instructions, Texas State Technical College (TSTC) submits the following Legislative Appropriations Request (LAR) for fiscal years 2026 and 2027 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 seven campus bill patterns. The Administrator's Statement and related attachments are identical in all eight TSTC LAR documents.

OVERVIEW

TSTC is a unique institution focused on providing specialized technical education, not commonly offered by public junior colleges, through its network of campuses across Texas. With 11 campuses currently, and another authorized, TSTC offers over 100 degree and certificate programs designed to meet the evolving needs of Texas employers. The college's programs cover a range of advanced and emerging technologies, including Electrical Lineworker, Precision Machining, and Welding.

TSTC's approach to education is hands-on and practical, emphasizing real-world experience and problem-solving skills. This "learning by thinking and doing" philosophy is supported by strong partnerships with industry leaders alongside capital intensive training labs filled with high-tech equipment. Students benefit from training on cutting-edge machinery and technology, often working directly with top organizations to prepare for high-demand careers.

By aligning programs with industry requirements, TSTC helps students become highly qualified candidates and ensures that graduates are well-prepared to meet the technological and workforce demands of Texas.

SIGNIFICANT CHANGES IN POLICY

FUNDING FOR WORKFORCE TRAINING: TSTC is the only higher education institution in the state that is not funded for accelerated training (short-term, non-credit credentials). Short-term credentials for reskilling or upskilling employees are crucial for the growth of the Texas economy because they enable the workforce to quickly adapt to the evolving demands of industry. As technology advances and market needs shift, businesses require employees with updated skills to stay competitive. Short-term programs provide a fast and flexible way to bridge the skill-gaps, ensuring that workers can contribute effectively to high-growth sectors such as manufacturing, technology, and transportation. TSTC's adaptability not only helps businesses thrive but also empowers workers with new opportunities, leading to a more dynamic and resilient economy in Texas. TSTC requests following the recommendation of the THECB's Formula Advisory Committee that workforce training and continuing education students be included in TSTC's Returned-Value formula funding.

RESOLVING THE MID-SESSION RUN: In previous years, the calculation of TSTC's formula was incomplete when the base budget was written, and significant fluctuations have been seen when the final calculation is run mid-session. The cohort years included in the Returned-Value formula have been six and seven years, respectively, before the legislative session, with the intent of including five years of wage data after a student exits TSTC in the calculation. Timing issues with the availability of the data has resulted in the base budget using an interim cohort, and the final formula calculation estimating a portion of the fifth year wages.

TSTC requests following the recommendation of the THECB's Formula Advisory Committee that adjust the cohort years included in the formula calculation to seven and eight years, respectively, to remedy the issue. To avoid the mid-session fluctuations and ensure five full years of actual wage data is available for the Returned-Value formula calculation, the formula calculation for 89th legislative session would include cohort years 2017 and 2018.

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RETURNED-VALUE FORMULA REFINEMENT: As stated in the General Appropriations Act, TSTC, THECB and the LBB will work together to refine TSTC's formula as needed. The current formula calculation relies on an outdated federal minimum wage, and TSTC is currently working with the THECB to update the base wage used in the formula. The new data includes actual wages in Texas for high school graduates from the American Community Survey, which can be updated each session and more closely reflects the intended demographic. Recommendations based on this work will be available in late 2024.

TSTC's primary funding source is the Returned-Value funding formula appropriation, which provides a "commission" to the College based on the economic value created by the employment and earnings of its former students. In recent sessions, the legislature has maintained the link between performance and funding by funding the full commission rate. As the base wage is adjusted, the commission rate will receive a corresponding adjustment in the THECB's recommendation.

TSTC's focused mission and dependable economic model have enabled a successful transformation from a struggling education agency to a market-driven workforce pipeline. This transformation has provided measurable economic benefits to taxpayers and enhanced upward mobility for Texans who are frequently overlooked by conventional educational systems.

SIGNIFICANT CHANGES IN PROVISION OF SERVICE AND EXTERNALITIES

The 88th Legislature designated the campus in East Williamson County, previously an extension center, as a stand-alone campus. Growing needs from industry partners such as Samsung, Tesla, & KoMiCo Technologies Inc. have spurred a significant demand for advanced skills in the area. In response to these needs, TSTC requested that East Williamson County be its own campus and continue to grow. As such, the campus now has its own bill pattern and will need the traditional campus funding appropriation strategies to continue operations, which primarily include Instruction and Administration (I&A) funding, Space Support, Small Institution Supplement, and Institutional Enhancement.

By aligning educational programs and workforce development initiatives with the specific requirements of these industry leaders, Texas can position itself as a key player in the global economy and support the growth and success of its industry partners.

PURPOSE OF NEW FUNDING REQUESTS AND EXCEPTIONAL ITEMS

In 2013, TSTC transitioned to become the state's leading institution in outcomes-based funding, meaning its funding is directly tied to a skilled graduate filling a high-value job in the workforce. This model has led to increased student prosperity and a greater value returned to the state. Despite these successes, TSTC faces significant challenges which hinder its ability to fully address the growing workforce demands in Texas.

Unlike other two-year institutions in Texas, TSTC has constrained access to capital funds for new construction and infrastructure improvements. TSTC does not receive property tax support and relies heavily on public and private funds along with state Capital Construction Assistance Projects (CCAP) and limited HEF funding. This limits TSTC's ability to expand instructional space. Currently, there is a misalignment between current campus capacities and the increasing industry workforce needs. Without the necessary funds to build new instructional spaces, TSTC cannot fully meet the demand for skilled workers. To address these challenges, as outlined on page 3 of the attachment, the TSTC System is proposing an ambitious, two-phased plan to address the needs across the state. This strategic plan is critical for TSTC to continue delivering a high-quality workforce and supporting Texas' economic growth. Phase 1 of the plan corresponds to Exceptional Item number 2, which includes CCAP funding for the two newest campuses and expanding the presence in Ellis County. Phase 2 can be achieved with a proposed \$1 billion endowment along with other public and private funds from local governmental entities, private foundations, and donors.

Administrator's Statement

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Exceptional Item No. 1: Start-up funding for new campuses

TSTC receives Returned-Value formula funding after former students participate in the workforce for five years, causing a delay in funding to TSTC of seven to nine years. Until then, the System lacks a revenue stream to operate and maintain these new campuses. Start-up, or bridge funding, from the legislature is necessary to resolve the timing difference between when the funding is earned and paid. TSTC is requesting \$19.4 million to continue expanding the new campus in Comal/Guadalupe counties and \$900 thousand to establish the campus in Denton County.

Exceptional Item No. 2: CCAP Funding to increase capacity

The 88th legislature authorized TSTC to operate in new locations in Texas: Comal/Guadalupe Counties, Denton County, and expanding in Ellis County. However, funding for campus buildings and equipment is still needed. Located in the fastest-growing areas of Texas, these new locations will place skilled graduates in open positions employers are desperately trying to fill. TSTC requests \$450 million in one-time CCAP funds to build these new campuses in authorized counties.

Exceptional Item No. 3: Commercial Driver's License Training Capacity

The shortage of commercial driver's license (CDL) holders is restricting Texas industry and supply chain operations. According to the Texas Trucking Association (TXTA), the shortage of CDL holders continues to negatively impact the supply chain, as 82% of Texas communities depend exclusively on trucks for needed products. With its statewide scope and strategic placement across the Texas landscape, TSTC is uniquely positioned to address the CDL shortage in a meaningful way. To execute rapidly, TSTC requests an Exceptional Item of \$66.2 million to (1) establish or expand six CDL training and testing sites, (2) create capacity to license approximately 1,100 drivers per year, and (3) establish a platform for an advanced transportation ecosystem around the state meeting both the immediate and future training needs of Texas.

DIFFERENT BY DESIGN

In 1965, Texas State Technical College (TSTC) was founded to meet the evolving workforce needs of the state. As the only state-supported technical college in Texas, TSTC exists to place more Texans in great-paying jobs.

Education Code Title 3. Higher Education Chapter 135 Sec. 135.01

CREATING CAREERS, CHANGING LIVES

As the workforce college of Texas, TSTC provides technical training in high demand fields. With over 7,660+ industry partnerships within the state, graduates can expect to find meaningful employment. But the impact doesn't end there. Every new job has a ripple effect, changing the lives of students, their families, and the State of Texas.

100% OUTCOMES-BASED FUNDING

As the only higher education institution that is 100% outcomes-based funded, the state holds TSTC accountable for job placement and wages. TSTC does not get paid unless our students get well-paying jobs. This unique returned-value funding model incentivizes the college to provide employers with highly-skilled workers to meet their demands.

BEST IN CLASS

TSTC stands out as the premier institution for training students for high-skilled, high-waged jobs offering programs that align with industry's ever-changing demands. TSTC produces more highly skilled, highly paid graduates than any other two-year college in Texas. With a focus on hands-on learning and real-world experience, TSTC ensures that graduates are job-ready, making it the best choice for those seeking to excel in today's competitive job market.

WORKFORCE TRAINING

In addition to certificates and degrees, TSTC keeps Texans working by providing the latest skills through short-term training programs, many of which are tailored to specific employer needs.

WE'VE GOT TEXAS COVERED

From north to south and everywhere in between, TSTC has a location that will fit the needs of Texans throughout the state.



\$108.4M

combined first-year earnings
of TSTC graduates



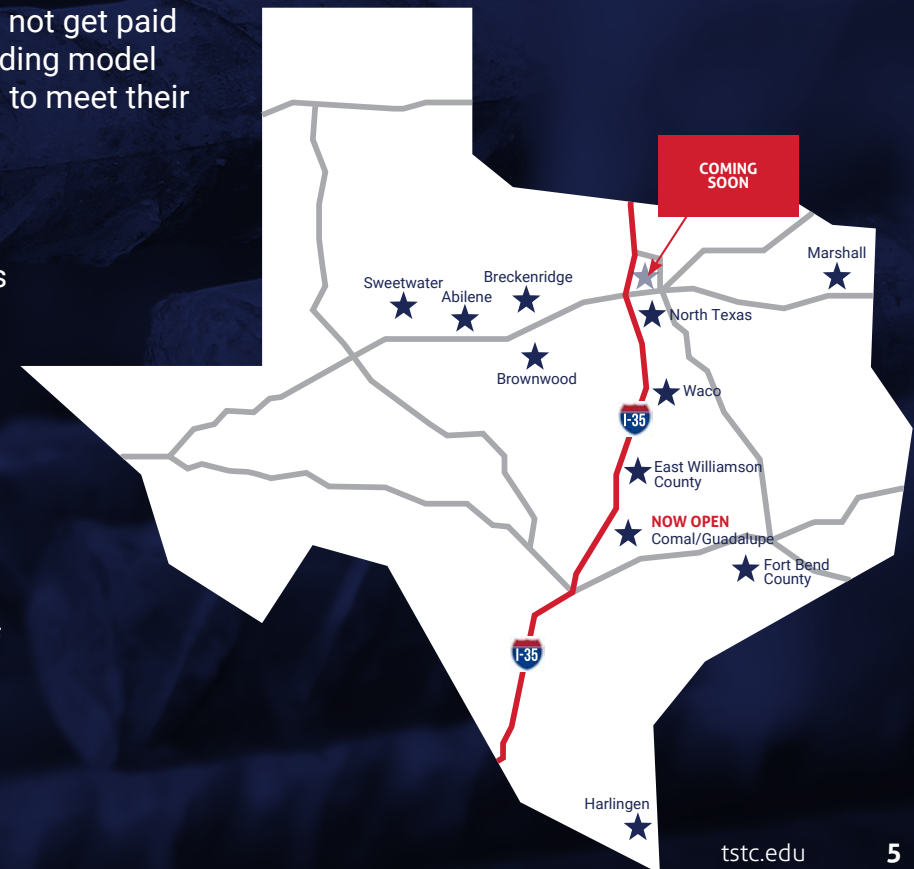
83%

job placement rates for
graduates in 2021-22



7,660+

industry partners



BARRIERS TO THE TSTC MISSION

“The **only** thing wrong with **TSTC** is they are **too small**.”

Tony Bennett
Texas Association of Manufacturers

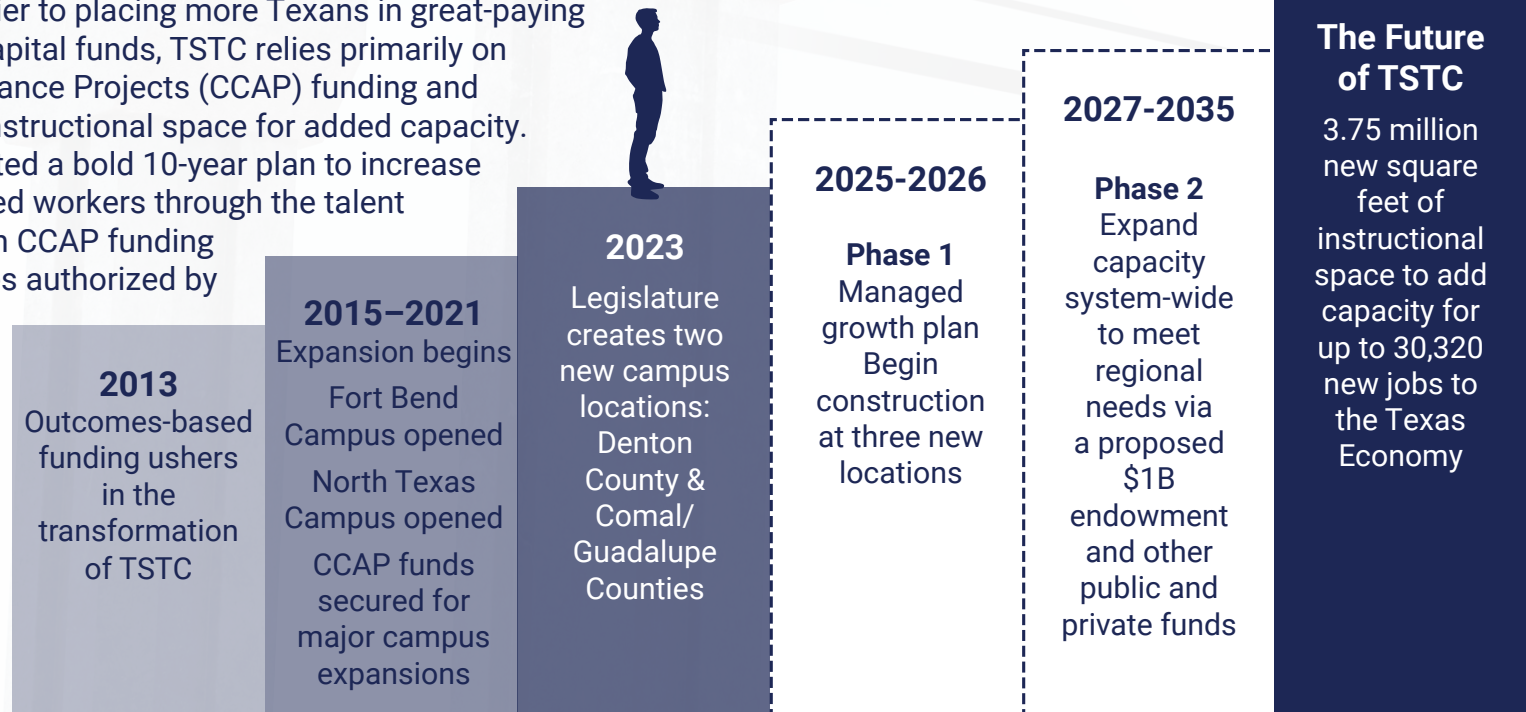
EVER-GROWING WORKFORCE DEMAND

TSTC fuels Texas' economic engine by producing highly skilled workers for today's in-demand jobs. TSTC is the only institution of higher education in Texas with economic development written into the education code as part of its mission. Employers seek out TSTC graduates first. Our commitment to quality in teaching skills employers value is key to their success.

FUNDING TO INCREASE CAPACITY IS AN ISSUE

TSTC is too small because many of our campuses are undersized. Capital construction funding for additional capacity is the primary barrier to placing more Texans in great-paying jobs. Without a source of capital funds, TSTC relies primarily on Capital Construction Assistance Projects (CCAP) funding and private donations to build instructional space for added capacity.

The team at TSTC has created a bold 10-year plan to increase capacity and put more skilled workers through the talent pipeline. Phase 1 will rely on CCAP funding to build three new campuses authorized by the 88th Legislature. Phase 2 will rely on other avenues of funding such as the \$1B proposed permanent endowment before the 89th legislature. TSTC will utilize only investment income from the endowment, leaving the original seed money in the investment fund.



2026–2027

BIENNIUM

PHASE 1

- 900,000 sq. ft. increase capacity to fill 7,200 jobs
- \$450 million (CCAP)
- Comal/Guadalupe Counties, Denton County, and Ellis County

2028–2029

BIENNIUM

PHASE 2

- 720,000 sq. ft. increase capacity to fill 5,760 jobs
- \$450 million
- Added capacity based on regional needs.

10-YEAR PLAN

\$2.25 billion
3.75 million sq. ft.
Increase capacity to fill 30,320 jobs

2030–2031

BIENNIUM

- 540,000 sq. ft. increase capacity to fill 4,320 jobs
- \$450 million
- Added capacity based on regional needs.

2032–2033

BIENNIUM

- 820,000 sq. ft. increase capacity to fill 6,560 jobs
- \$450 million
- Added capacity based on regional needs.

2034–2035

BIENNIUM

- 820,000 sq. ft. increase capacity to fill 6,480 jobs
- \$450 million
- Added capacity based on regional needs.

A black silhouette of a worker wearing a hard hat and safety harness, climbing a utility pole. The worker is positioned on the left side of the page, with their body angled towards the right. The pole and associated equipment are also silhouetted against the white background.

NOTEWORTHY CHANGES & EXCEPTIONAL ITEMS

Notable changes in bill patterns and formula funding.

Funding for Workforce Training

TSTC is the only institution of higher education in Texas that does not receive funding for workforce training programs. Because of this, many employers cannot afford to train their employees on new and emerging technologies. TSTC requests following the recommendation of the THECB's Formula Advisory Committee that TSTC begins including workforce continuing education students in TSTC's Returned-Value formula funding to respond to the growing Texas economy.

East Williamson County Campus (Hutto)

The campus in East Williamson County was designated as a stand-alone campus (previously an extension center) by the 88th legislature. As such, the campus will have its own bill pattern beginning in the 89th legislative session, and needs the standard campus funding strategies added to the new bill pattern.

Resolving the Mid-session Run

In previous years, the calculation of TSTC's formula was incomplete when the base budget was written, and significant fluctuations have been seen when the final calculation is run mid-session. An adjustment to the cohort years included in the calculation will solve this problem. TSTC requests following the recommendation of the THECB's Formula Advisory Committee that cohort years included in the formula be adjusted accordingly.

Returned-Value Formula Refinement

The current formula calculation relies on an outdated federal minimum wage. TSTC is currently working with the THECB to update the base wage used in the formula based on actual wages in Texas for high school graduates from the American Community Survey. Recommendations based on this work will be available in late 2024.

Exceptional Item Requests

EXCEPTIONAL ITEM #1: Start-Up Funding

\$19.4 million in start-up funding for the recently opened campus in Comal/Guadalupe Counties.
\$900K in start-up funding for a new campus in Denton County.

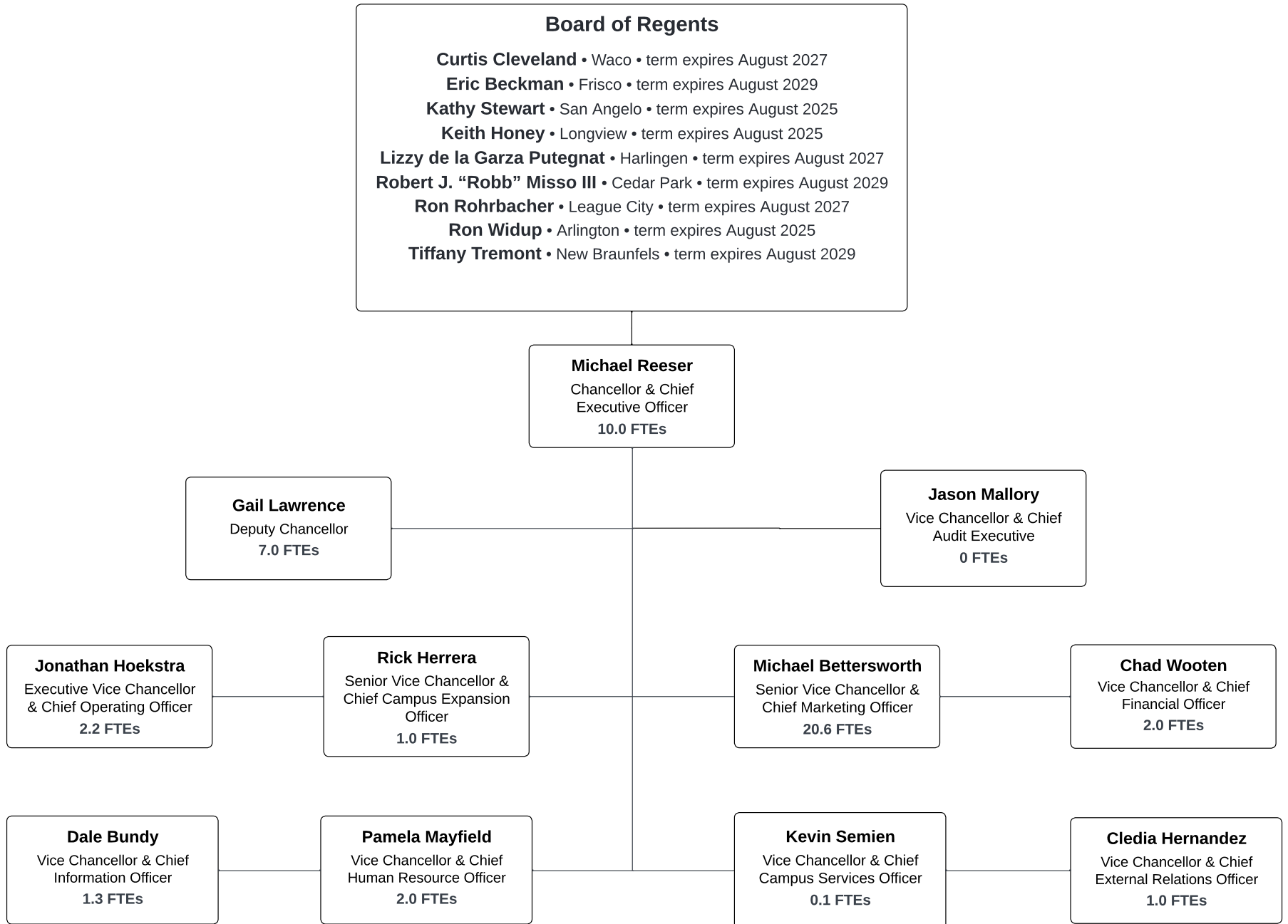
EXCEPTIONAL ITEM #2: CCAP

TSTC is requesting \$450 million in CCAP funds to begin Phase 1 of our 10-year managed growth plan. These funds will build 900,000 sq. ft. of training space and increase our capacity to fill 7,200 additional jobs in Comal/Guadalupe, Denton and Ellis Counties. Phase 2 covers an 8-year period and will depend on additional funding from a proposed permanent endowment and other sources.

EXCEPTIONAL ITEM #3: CDL \$66.2 Million

This one-time investment will have an immediate, significant impact on the Texas economy that will continue well into the future. The American Trucking Association (ATA) reports the current shortage of truck drivers nationwide is around 80,000 and will reach 160,000 by 2030 if current trends continue. This expansion plan will add over 1,100 new drivers to the Texas workforce each year.

LAR - ORGANIZATION CHART - TSTC SYSTEM ADMINISTRATION





CERTIFICATE

Agency Name Texas State Technical College

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, 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 Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Office or Presiding Judge

Board or Commission Chair

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

Chief Financial Officer



Chad Wooten (Oct 17, 2024 10:06 EDT)

Signature

Chad Wooten

Printed Name

Chief Finance Officer

Title

10/17/2024

Date

Budget Overview - Biennial Amounts
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27
Goal: 1. Provide Instructional and Operations Support											
1.1.2. Center For Employability Outcomes	474,778	720,000							474,778	720,000	
1.1.3. Staff Group Insurance Premiums			38,676	43,557					38,676	43,557	
1.1.4. Workers' Compensation Insurance	3,126	3,126							3,126	3,126	
1.1.5. System Office Operations	10,297,479	5,362,876							10,297,479	5,362,876	
Total, Goal	10,775,383	6,086,002	38,676	43,557					10,814,059	6,129,559	
Goal: 2. Provide Infrastructure Support											
2.1.2. Ccap Revenue Bonds	5,114,626								5,114,626		52,533,300
Total, Goal	5,114,626								5,114,626		52,533,300
Goal: 3. Provide Non-formula Support											
3.5.1. Exceptional Item Request											27,981,188
Total, Goal											27,981,188
Total, Agency	15,890,009	6,086,002	38,676	43,557					15,928,685	6,129,559	80,514,488
Total FTEs									36.3	36.3	36.0

2.A. Summary of Base Request by Strategy

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 Provide Instructional and Operations Support					
1 <i>Provide Instructional and Operations Support</i>					
2 CENTER FOR EMPLOYABILITY OUTCOMES	423,868	237,389	237,389	360,000	360,000
3 STAFF GROUP INSURANCE PREMIUMS	22,500	8,973	19,665	21,042	22,515
4 WORKERS' COMPENSATION INSURANCE	4,392	1,563	1,563	1,563	1,563
5 SYSTEM OFFICE OPERATIONS	4,558,950	5,137,916	5,159,563	2,681,438	2,681,438
TOTAL, GOAL 1	\$5,009,710	\$5,385,841	\$5,418,180	\$3,064,043	\$3,065,516
2 Provide Infrastructure Support					
1 <i>Provide Operation And Maintenance of E & G Space</i>					
2 CCAP REVENUE BONDS	3,232,111	2,556,688	2,557,938	0	0
TOTAL, GOAL 2	\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0
3 Provide Non-formula Support					
5 <i>Exceptional Item Request</i>					

2.A. Summary of Base Request by Strategy

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$8,241,821	\$7,942,529	\$7,976,118	\$3,064,043	\$3,065,516
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$8,241,821	\$7,942,529	\$7,976,118	\$3,064,043	\$3,065,516
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	7,758,980	7,933,556	7,956,453	3,043,001	3,043,001
SUBTOTAL	\$7,758,980	\$7,933,556	\$7,956,453	\$3,043,001	\$3,043,001
General Revenue Dedicated Funds:					
770 Est. Other Educational & General	482,841	8,973	19,665	21,042	22,515
SUBTOTAL	\$482,841	\$8,973	\$19,665	\$21,042	\$22,515
TOTAL, METHOD OF FINANCING	\$8,241,821	\$7,942,529	\$7,976,118	\$3,064,043	\$3,065,516

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

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

89th 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**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>					
<u>1</u> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$3,043,001	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$5,873,654	\$5,876,551	\$0	\$0
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$0	\$3,043,001	\$3,043,001
<i>TRANSFERS</i>					
Administrative - from Harlingen	\$1,600,000	\$1,330,000	\$1,250,000	\$0	\$0
Administrative - from West Texas	\$0	\$1,300,000	\$1,400,000	\$0	\$0
Administrative - from Fort Bend	\$180,000	\$0	\$0	\$0	\$0

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

89th 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**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>					
Partnership - to Waco (for EWCHEC)	\$(296,133)	\$(296,133)	\$(296,133)	\$0	\$0
Comments: Partnership - From System Administration to Waco (EWC) - Technical Training Partnership" / "Partnership - From System Administration to EWCHEC (Waco) Technical Training Partnership					
SB8, 87th Leg. Third Called Session, Transfer from the Texas Higher Education Coordinating Board for CCAP debt service	\$20,257,233	\$0	\$0	\$0	\$0
Comments: System Admin then transferred to appropriate TSTC appropriation for CCAP debt service					
CCAP Debt Service - transfer to TSTC Waco	\$(5,207,615)	\$0	\$0	\$0	\$0
CCAP Debt Service - transfer to TSTC Fort Bend County	\$(4,061,162)	\$0	\$0	\$0	\$0
CCAP Debt Service - transfer to TSTC Harlingen	\$(3,672,534)	\$0	\$0	\$0	\$0

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

89th 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**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>					
CCAP Debt Service - transfer to Marshall	\$(1,457,355)	\$0	\$0	\$0	\$0
CCAP Debt Service - transfer to TSTC West Texas	\$(1,311,619)	\$0	\$0	\$0	\$0
CCAP Debt Service - transfer to TSTC North Texas	\$(1,311,619)	\$0	\$0	\$0	\$0
Transfer unused amount of CCAP debt service back to the Texas Higher Education Coordinating Board. The original amount budgeted was an estimate.	\$(3,217)	\$0	\$0	\$0	\$0
Comments: Transfer for FY23, actually done in FY24. Reporting in FY23.					
<i>LAPSED APPROPRIATIONS</i>					
Lapse of excess CCAP debt service appropriations received (System received for EWCHEC)	\$0	\$(273,965)	\$(273,965)	\$0	\$0
TOTAL, General Revenue Fund	\$7,758,980	\$7,933,556	\$7,956,453	\$3,043,001	\$3,043,001

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

89th 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**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
TOTAL, ALL GENERAL REVENUE	\$7,758,980	\$7,933,556	\$7,956,453	\$3,043,001	\$3,043,001

GENERAL REVENUE FUND - DEDICATED

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

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

\$17,372 \$0 \$0 \$0 \$0

Regular Appropriations from MOF Table (2024-25 GAA)

\$0 \$14,536 \$14,536 \$0 \$0

Regular Appropriations from MOF Table (2026-27 GAA)

\$0 \$0 \$0 \$21,042 \$22,515

BASE ADJUSTMENT

Revised Receipts

\$226,794 \$135,049 \$155,094 \$0 \$0

Adjustments to Expended

\$238,675 \$(140,612) \$(149,965) \$0 \$0

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

89th 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**

METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE FUND - DEDICATED</u>						
TOTAL,	GR Dedicated - Estimated Other Educational and General Income Account No. 770	\$482,841	\$8,973	\$19,665	\$21,042	\$22,515
TOTAL GENERAL REVENUE FUND - DEDICATED - 704, 708 & 770						
		\$482,841	\$8,973	\$19,665	\$21,042	\$22,515
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$482,841	\$8,973	\$19,665	\$21,042	\$22,515
TOTAL,	GR & GR-DEDICATED FUNDS	\$8,241,821	\$7,942,529	\$7,976,118	\$3,064,043	\$3,065,516
GRAND TOTAL		\$8,241,821	\$7,942,529	\$7,976,118	\$3,064,043	\$3,065,516

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

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Agency code: 719 Agency name: Texas State Technical College System Administration					
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	28.3	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	28.2	28.2	0.0	0.0
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	0.0	0.0	36.3	36.3
RIDER APPROPRIATION					
Art IX, Sec 6.10(a)(2), Board or Administrator FTE Adjustment (2022-23 GAA)	2.8	0.0	0.0	0.0	0.0
Art IX, Sec 6.10(a)(1), Board or Administrator FTE Adjustment (2024-25 GAA)	0.0	2.8	2.8	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Below) Cap	(1.4)	2.0	5.3	0.0	0.0
TOTAL, ADJUSTED FTES	29.7	33.0	36.3	36.3	36.3

NUMBER OF 100% FEDERALLY FUNDED FTES

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

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

OBJECT OF EXPENSE	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001 SALARIES AND WAGES	\$4,608,969	\$4,791,399	\$4,813,046	\$2,708,943	\$2,708,943
1002 OTHER PERSONNEL COSTS	\$347,727	\$499,570	\$500,224	\$298,369	\$299,842
2006 RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2008 DEBT SERVICE	\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$53,014	\$104,910	\$104,910	\$56,731	\$56,731
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$8,241,821	\$7,952,567	\$7,976,118	\$3,064,043	\$3,065,516
OOE Total (Riders)					
Grand Total	\$8,241,821	\$7,952,567	\$7,976,118	\$3,064,043	\$3,065,516

2.E. Summary of Exceptional Items Request
 89th 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**

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Startup-Funding	\$10,693,964	\$10,693,964	32.0	\$8,693,964	\$8,693,964	32.0	\$19,387,928	\$19,387,928
2	Startup-Funding Denton County	\$450,000	\$450,000	3.0	\$450,000	\$450,000	3.0	\$900,000	\$900,000
3	New Campus Comal/Guadalupe County	\$13,134,250	\$13,134,250		\$13,132,400	\$13,132,400		\$26,266,650	\$26,266,650
4	New Campus Denton County	\$13,134,250	\$13,134,250		\$13,132,400	\$13,132,400		\$26,266,650	\$26,266,650
5	Statewide CDL Program Expansion	\$3,438,030	\$3,438,030	1.0	\$4,255,230	\$4,255,230	1.0	\$7,693,260	\$7,693,260
Total, Exceptional Items Request		\$40,850,494	\$40,850,494	36.0	\$39,663,994	\$39,663,994	36.0	\$80,514,488	\$80,514,488

Method of Financing

General Revenue	\$40,850,494	\$40,850,494		\$39,663,994	\$39,663,994		\$80,514,488	\$80,514,488
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$40,850,494	\$40,850,494		\$39,663,994	\$39,663,994		\$80,514,488	\$80,514,488

Full Time Equivalent Positions

36.0

36.0

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 89th 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 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
2 CENTER FOR EMPLOYABILITY OUTCOMES	\$360,000	\$360,000	\$0	\$0	\$360,000	\$360,000
3 STAFF GROUP INSURANCE PREMIUMS	21,042	22,515	0	0	21,042	22,515
4 WORKERS' COMPENSATION INSURANCE	1,563	1,563	0	0	1,563	1,563
5 SYSTEM OFFICE OPERATIONS	2,681,438	2,681,438	0	0	2,681,438	2,681,438
TOTAL, GOAL 1	\$3,064,043	\$3,065,516	\$0	\$0	\$3,064,043	\$3,065,516
2 Provide Infrastructure Support						
1 <i>Provide Operation And Maintenance of E & G Space</i>						
2 CCAP REVENUE BONDS	0	0	26,268,500	26,264,800	26,268,500	26,264,800
TOTAL, GOAL 2	\$0	\$0	\$26,268,500	\$26,264,800	\$26,268,500	\$26,264,800

2.F. Summary of Total Request by Strategy
89th 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				
<i>Goal/Objective/STRATEGY</i>	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
3 Provide Non-formula Support						
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	\$0	\$0	\$14,581,994	\$13,399,194	\$14,581,994	\$13,399,194
TOTAL, GOAL 3	\$0	\$0	\$14,581,994	\$13,399,194	\$14,581,994	\$13,399,194
TOTAL, AGENCY STRATEGY REQUEST	\$3,064,043	\$3,065,516	\$40,850,494	\$39,663,994	\$43,914,537	\$42,729,510
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$3,064,043	\$3,065,516	\$40,850,494	\$39,663,994	\$43,914,537	\$42,729,510

2.F. Summary of Total Request by Strategy
89th 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					
<i>Goal/Objective/STRATEGY</i>	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
General Revenue Funds:						
1 General Revenue Fund	\$3,043,001	\$3,043,001	\$40,850,494	\$39,663,994	\$43,893,495	\$42,706,995
	\$3,043,001	\$3,043,001	\$40,850,494	\$39,663,994	\$43,893,495	\$42,706,995
General Revenue Dedicated Funds:						
770 Est. Other Educational & General	21,042	22,515	0	0	21,042	22,515
	\$21,042	\$22,515	\$0	\$0	\$21,042	\$22,515
TOTAL, METHOD OF FINANCING	\$3,064,043	\$3,065,516	\$40,850,494	\$39,663,994	\$43,914,537	\$42,729,510
FULL TIME EQUIVALENT POSITIONS	36.3	36.3	36.0	36.0	72.3	72.3

3.A. Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

719 Texas State Technical College System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support
 STRATEGY: 2 The Center for Employability Outcomes

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$391,856	\$181,250	\$181,250	\$310,000	\$310,000
1002	OTHER PERSONNEL COSTS	\$30,167	\$55,859	\$55,859	\$50,000	\$50,000
2009	OTHER OPERATING EXPENSE	\$1,845	\$280	\$280	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$423,868	\$237,389	\$237,389	\$360,000	\$360,000
Method of Financing:						
1	General Revenue Fund	\$423,868	\$237,389	\$237,389	\$360,000	\$360,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$423,868	\$237,389	\$237,389	\$360,000	\$360,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$360,000	\$360,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$423,868	\$237,389	\$237,389	\$360,000	\$360,000
FULL TIME EQUIVALENT POSITIONS:		2.4	2.2	2.4	2.4	2.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

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: 2 The Center for Employability Outcomes Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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TSTC's work in the Center for Employability Outcomes is directly tied to a statutory 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 needs. 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 leads to improved economic returns for students, industry, Texas and its taxpayers. The Center continues to expand outreach to additional colleges with support from the THECB.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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.

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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 The Center for Employability Outcomes Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$474,778	\$720,000	\$245,222	\$245,222	The increase in spending due to growth in activity related to Center of Employability Outcomes (C4EO) - GR MOF. FTE-0.
			\$245,222	Total of Explanation of Biennial Change

3.A. Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1002	OTHER PERSONNEL COSTS	\$22,500	\$8,973	\$19,665	\$21,042	\$22,515
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$22,500	\$8,973	\$19,665	\$21,042	\$22,515
Method of Financing:						
770	Est. Other Educational & General	\$22,500	\$8,973	\$19,665	\$21,042	\$22,515
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$22,500	\$8,973	\$19,665	\$21,042	\$22,515
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$21,042	\$22,515
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$22,500	\$8,973	\$19,665	\$21,042	\$22,515

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

3.A. Strategy Request
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 Automated Budget and Evaluation System of Texas (ABEST)

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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$28,638	\$43,557	\$14,919	\$14,919	Increase in group insurance premiums due to increased salaries. FTEs-0
			\$14,919	Total of Explanation of Biennial Change

3.A. Strategy Request
 89th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$4,392	\$1,563	\$1,563	\$1,563	\$1,563
TOTAL, OBJECT OF EXPENSE		\$4,392	\$1,563	\$1,563	\$1,563	\$1,563
Method of Financing:						
1	General Revenue Fund	\$4,363	\$1,563	\$1,563	\$1,563	\$1,563
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,363	\$1,563	\$1,563	\$1,563	\$1,563
Method of Financing:						
770	Est. Other Educational & General	\$29	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$29	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,563	\$1,563
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,392	\$1,563	\$1,563	\$1,563	\$1,563
FULL TIME EQUIVALENT POSITIONS:						

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: 4 Workers' Compensation Insurance Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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.

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 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$3,126	\$3,126	\$0	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
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Automated Budget and Evaluation System of Texas (ABEST)

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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,217,113	\$4,610,149	\$4,631,796	\$2,398,943	\$2,398,943
1002	OTHER PERSONNEL COSTS	\$295,060	\$424,700	\$424,700	\$227,327	\$227,327
2009	OTHER OPERATING EXPENSE	\$46,777	\$103,067	\$103,067	\$55,168	\$55,168
TOTAL, OBJECT OF EXPENSE		\$4,558,950	\$5,137,916	\$5,159,563	\$2,681,438	\$2,681,438
Method of Financing:						
1	General Revenue Fund	\$4,098,638	\$5,137,916	\$5,159,563	\$2,681,438	\$2,681,438
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,098,638	\$5,137,916	\$5,159,563	\$2,681,438	\$2,681,438
Method of Financing:						
770	Est. Other Educational & General	\$460,312	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$460,312	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,681,438	\$2,681,438
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,558,950	\$5,137,916	\$5,159,563	\$2,681,438	\$2,681,438
FULL TIME EQUIVALENT POSITIONS:		27.3	30.8	33.9	33.9	33.9

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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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. The administrative functions across the ten TSTC campus locations operate under a single, statewide administrative structure, which enhances efficiency and standardization, and also reduces redundancy of administrative functions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Measures are continuously taken to consolidate statewide activities and create efficiencies in administrative functions where possible.

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 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$10,297,479	\$5,362,876	\$(4,934,603)	\$(4,934,603)	Transfers from other TSTC appropriations are not included in the GR Base Request for 2026-27. MOF GR. FTEs-0.
			<u>\$(4,934,603)</u>	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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Output Measures:

1	Fall Term Partnership Headcount Enrollment	0.00	0.00	0.00	0.00	0.00
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TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)

TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)

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.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 (+) Baseline Request (+)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)

\$0 Total of Explanation of Biennial Change

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

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation And Maintenance of E & G Space Service Categories:
 STRATEGY: 2 Capital Construction Assistance Projects Revenue Bonds Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
2008	DEBT SERVICE	\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,232,111	\$2,556,688	\$2,557,938	\$0	\$0

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Capital Construction Assistance Project funding, formerly known as Tuition Revenue Bonds, provides for bond debt service payments of General Revenue. Bond indebtedness payments of Capital Construction Assistance Projects is authorized under Texas Education Section 55.17.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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719 Texas State Technical College System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation And Maintenance of E & G Space Service Categories:
 STRATEGY: 2 Capital Construction Assistance Projects Revenue Bonds Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$5,114,626	\$0	\$(5,114,626)	\$(5,114,626)	TSTC was authorized to extend the East Williamson County (EWC) campus to a full campus. Per approval, EWC will submit a separate LAR & the CCAP debt service for 26-27 will be reported in EWC's LAR.
			<u>\$(5,114,626)</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
 89th 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$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:						

3.A. Strategy Request
 89th 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Rockets, aircraft, heavy machinery, manufacturing facilities, robotics, pipelines, refineries, and roadways are resources critical to the economic production of the state. Preparing a workforce to build and maintain these resources requires an environment where students and instructors assemble around, and work on, large industrial objects. In recent years, TSTC has embraced emerging technologies to simulate this expensive equipment and enhance the learning environment by creating in-field scenarios to prepare students for the work environment. Similar to large industrial teaching facilities and equipment, augmented reality technologies require substantial investment and ongoing refresh commitments. The level of investment required to train these workers is not sufficiently supported under existing funding mechanisms. Therefore, the result is a physical environment that betrays the real value of technical training for Texas.

TSTC’s legislative appropriation request is to correct this severe funding shortfall in the education and general space support (E&G Space Support) infrastructure funding formula and to create a dedicated funding source for specialized instructional equipment that is unique to technical institutions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

On an annual basis TSTC typically spends around \$1.8 million to refresh instructional equipment to maintain lab environments that resemble the workplace. These expenditures are often characterized by heavy equipment purchases (e.g., aircraft, diesel truck and tractors, CNC machines, mechatronics, robotics, centrifugal pumps, mechanical drives, conveyor belts, generators, etc) not common across higher education sectors. Capital constraints and competing priorities (education affordability and other operational expenses) have caused many labs to fall short of a cutting edge, even relevant, workplace environment.

3.A. Strategy Request
 89th 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 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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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 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</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
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$8,241,821	\$7,952,567	\$7,976,118	\$3,064,043	\$3,065,516
METHODS OF FINANCE (INCLUDING RIDERS):				\$3,064,043	\$3,065,516
METHODS OF FINANCE (EXCLUDING RIDERS):	\$8,241,821	\$7,952,567	\$7,976,118	\$3,064,043	\$3,065,516
FULL TIME EQUIVALENT POSITIONS:	29.7	33.0	36.3	36.3	36.3

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
	Item Name: Startup-Funding Comal/Guadalupe County Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,333,964	2,333,964
2006	RENT - BUILDING	200,000	200,000
2009	OTHER OPERATING EXPENSE	1,160,000	1,160,000
5000	CAPITAL EXPENDITURES	7,000,000	5,000,000
TOTAL, OBJECT OF EXPENSE		\$10,693,964	\$8,693,964
METHOD OF FINANCING:			
1	General Revenue Fund	10,693,964	8,693,964
TOTAL, METHOD OF FINANCING		\$10,693,964	\$8,693,964
FULL-TIME EQUIVALENT POSITIONS (FTE):		32.00	32.00

DESCRIPTION / JUSTIFICATION:

TSTC receives Returned-Value formula funding after former students participate in the workforce for five years, causing a delay in funding to TSTC of seven to nine years. Until then, the System lacks a revenue stream to operate and maintain these new campuses. Start-up, or bridge funding, from the legislature is necessary to resolve the timing difference between when the funding is earned and paid. TSTC is requesting \$19.4 million to continue expanding the new campus in Comal/Guadalupe.

EXTERNAL/INTERNAL FACTORS:

The “return value” funding model does not provide funding for start-up operations because of the inherent lag between the operation ramp-up, teaching event and the actual funding.

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continuing Operational Costs

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2028	2029	2030
	\$3,693,964	\$3,693,964	\$3,693,964

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 0.00%

CONTRACT DESCRIPTION :

None

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
	Item Name: Startup-Funding Denton County		
	Item Priority: 2		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: Yes		
	Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	250,000	250,000
2009	OTHER OPERATING EXPENSE	200,000	200,000
	TOTAL, OBJECT OF EXPENSE	\$450,000	\$450,000
METHOD OF FINANCING:			
1	General Revenue Fund	450,000	450,000
	TOTAL, METHOD OF FINANCING	\$450,000	\$450,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		3.00	3.00

DESCRIPTION / JUSTIFICATION:

TSTC receives Returned-Value formula funding after former students participate in the workforce for five years, causing a delay in funding to TSTC of seven to nine years. Until then, the System lacks a revenue stream to operate and maintain these new campuses. Start-up, or bridge funding, from the legislature is necessary to resolve the timing difference between when the funding is earned and paid. TSTC is requesting \$900 thousand to establish the campus in Denton County.

EXTERNAL/INTERNAL FACTORS:

The “return value” funding model does not provide funding for start-up operations because of the inherent lag between the operation ramp-up, teaching event and the actual funding.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued Operations to establish Campus

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
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ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$450,000	\$450,000	\$450,000

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 0.00%

CONTRACT DESCRIPTION :

None

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
	Item Name: New Campus Comal/Guadalupe County - CCAP Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 02-01-02 Capital Construction Assistance Projects Revenue Bonds		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	13,134,250	13,132,400
TOTAL, OBJECT OF EXPENSE		\$13,134,250	\$13,132,400
METHOD OF FINANCING:			
1	General Revenue Fund	13,134,250	13,132,400
TOTAL, METHOD OF FINANCING		\$13,134,250	\$13,132,400

DESCRIPTION / JUSTIFICATION:

The 88th legislature authorized TSTC to operate in the new location of Comal/Guadalupe County. However, funding for campus buildings and equipment is still needed. TSTC requests the funding for two additional buildings (estimated 300,000 square feet) and equipment. Located in a fast-growing area of Texas, this new locations will place skilled graduates in open positions employers are desperately trying to fill. Unlike other two-year institutions in Texas, TSTC has constrained access to capital funds for new construction and infrastructure improvements. TSTC does not receive property tax support and relies heavily on public and private funds along with state Capital Construction Assistance Projects (CCAP) and limited HEF funding. This limits TSTC's ability to expand instructional space. Currently, there is a misalignment between current campus capacities and the increasing industry workforce needs. Without the necessary funds to build new instructional spaces, TSTC cannot fully meet the demand for skilled workers.

EXTERNAL/INTERNAL FACTORS:

Consequences of not Funding: TSTC cannot fully meet the demand for skilled workers.

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Debt service based on 6% for 20 years

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2028	2029	2030
	\$13,132,000	\$13,131,000	\$13,133,500

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 0.00%

CONTRACT DESCRIPTION :

None

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
	Item Name: New Campus Denton County - CCAP Item Priority: 4 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 02-01-02 Capital Construction Assistance Projects Revenue Bonds		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	13,134,250	13,132,400
TOTAL, OBJECT OF EXPENSE		\$13,134,250	\$13,132,400
METHOD OF FINANCING:			
1	General Revenue Fund	13,134,250	13,132,400
TOTAL, METHOD OF FINANCING		\$13,134,250	\$13,132,400

DESCRIPTION / JUSTIFICATION:

The 88th legislature authorized TSTC to operate in the new location of Denton County. However, funding for campus buildings and equipment is still needed. TSTC requests the funding for two additional buildings (estimated 300,000 square feet) and equipment. Located in a fast-growing area of Texas, this new locations will place skilled graduates in open positions employers are desperately trying to fill. Unlike other two-year institutions in Texas, TSTC has constrained access to capital funds for new construction and infrastructure improvements. TSTC does not receive property tax support and relies heavily on public and private funds along with state Capital Construction Assistance Projects (CCAP) and limited HEF funding. This limits TSTC's ability to expand instructional space. Currently, there is a misalignment between current campus capacities and the increasing industry workforce needs. Without the necessary funds to build new instructional spaces, TSTC cannot fully meet the demand for skilled workers.

EXTERNAL/INTERNAL FACTORS:

Consequences of not Funding: TSTC cannot fully meet the demand for skilled workers.

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
 89th 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 2026

Excp 2027

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Debt service based on 6% for 20 years

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2028	2029	2030
	\$13,132,000	\$13,131,000	\$13,133,500

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 0.00%

CONTRACT DESCRIPTION :

None

4.A. Exceptional Item Request Schedule
 89th 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 2026	Excp 2027
	Item Name: Statewide CDL Program Expansion		
	Item Priority: 5		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > \$50,000: Yes		
	Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	123,480	123,480
2009	OTHER OPERATING EXPENSE	2,691,750	4,131,750
5000	CAPITAL EXPENDITURES	622,800	0
TOTAL, OBJECT OF EXPENSE		\$3,438,030	\$4,255,230
 METHOD OF FINANCING:			
1	General Revenue Fund	3,438,030	4,255,230
TOTAL, METHOD OF FINANCING		\$3,438,030	\$4,255,230
 FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

The American Trucking Association (ATA) reports that nearly 72% of all freight tonnage moved in the U.S. travels by commercial truck. In order to meet America’s freight needs, the industry requires nearly three million heavy-duty Class 8 trucks and over three million truck drivers. ATA reports the current shortage of truck drivers nationwide is around 80,000 and will reach 160,000 by 2030 if current trends continue. Data indicate that the median pay for a standard Class A commercial driver's license (CDL) is \$60,158, and Class A CDL truck driving jobs that require endorsements (Tanker, HAZMAT, or both) have higher pay. According to the Texas Trucking Association (TXTA), the shortage of CDL drivers continues to negatively impact the supply chain, as 82 percent of Texas communities depend exclusively on trucks for needed products. TXTA also advises that 15 of every 1,000 jobs in Texas belong to truckers and projects approximately 62,000 new job openings due to growth over the next 10 years. In response to the ever-growing supply chain issues in Texas, we request that the Legislature invest in the expansion of TSTC’s Statewide Commercial Driver License training program. As the only statewide workforce training college in Texas, TSTC streamlines training programs to ensure consistency, quality, and agility, in order to rapidly respond to industry and state needs. We have partnered with external parties to ensure more Texans will be placed in the workforce in a timely manner.

EXTERNAL/INTERNAL FACTORS:

Our execution strategy incorporates proven methodologies, highly qualified personnel, and an exceptionally responsive approach to managing deliverables. The following is a description of our project methods, including how the project will be developed, a proposed timeline of events, and our rationale for developing the project as described. Each site will be a regional transportation ecosystem that will provide individuals with a one-stop shop for training and licensing, as well as opportunities for career progression. TSTC’s primary focus will be on technical training activities while collaborating with local partners, such as chambers of commerce and economic development corporations, to give trainees access to valuable resources that will aid in their careers.

4.A. Exceptional Item Request Schedule
 89th 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	Exp 2026	Exp 2027
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In an effort to help drivers see the opportunities for career development, partners will be able to provide workshops on business plan development, financial planning, funding opportunities, and bidding on government contracts, among other subjects. These workshops will help drivers grow and advance within the industry, building a more sustainable skilled labor pool.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continuing Operating Costs

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
<hr/>	<hr/>	<hr/>
\$3,535,230	\$3,535,230	\$3,535,230

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 0.00%

CONTRACT DESCRIPTION :

None

4.B. Exceptional Items Strategy Allocation Schedule

89th 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 2026	Excp 2027
Item Name:			
	Startup-Funding Comal/Guadalupe County		
Allocation to Strategy:			
	3-5-1 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,333,964	2,333,964
2006	RENT - BUILDING	200,000	200,000
2009	OTHER OPERATING EXPENSE	1,160,000	1,160,000
5000	CAPITAL EXPENDITURES	7,000,000	5,000,000
TOTAL, OBJECT OF EXPENSE		\$10,693,964	\$8,693,964
METHOD OF FINANCING:			
1	General Revenue Fund	10,693,964	8,693,964
TOTAL, METHOD OF FINANCING		\$10,693,964	\$8,693,964
FULL-TIME EQUIVALENT POSITIONS (FTE):		32.0	32.0

4.B. Exceptional Items Strategy Allocation Schedule
 89th 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 2026	Excp 2027
Item Name: Startup-Funding Denton County			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	250,000	250,000
2009	OTHER OPERATING EXPENSE	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$450,000	\$450,000
 METHOD OF FINANCING:			
1	General Revenue Fund	450,000	450,000
TOTAL, METHOD OF FINANCING		\$450,000	\$450,000
 FULL-TIME EQUIVALENT POSITIONS (FTE):		 3.0	 3.0

4.B. Exceptional Items Strategy Allocation Schedule

89th 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 2026	Excp 2027
Item Name:	New Campus Comal/Guadalupe County - CCAP		
Allocation to Strategy:	2-1-2 Capital Construction Assistance Projects Revenue Bonds		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	13,134,250	13,132,400
TOTAL, OBJECT OF EXPENSE		\$13,134,250	\$13,132,400
METHOD OF FINANCING:			
1	General Revenue Fund	13,134,250	13,132,400
TOTAL, METHOD OF FINANCING		\$13,134,250	\$13,132,400

4.B. Exceptional Items Strategy Allocation Schedule
 89th 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 2026	Excp 2027
Item Name: New Campus Denton County - CCAP			
Allocation to Strategy: 2-1-2 Capital Construction Assistance Projects Revenue Bonds			
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	13,134,250	13,132,400
TOTAL, OBJECT OF EXPENSE		\$13,134,250	\$13,132,400
METHOD OF FINANCING:			
1	General Revenue Fund	13,134,250	13,132,400
TOTAL, METHOD OF FINANCING		\$13,134,250	\$13,132,400

4.B. Exceptional Items Strategy Allocation Schedule

89th 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 2026	Excp 2027
Item Name: Statewide CDL Program Expansion			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	123,480	123,480
2009	OTHER OPERATING EXPENSE	2,691,750	4,131,750
5000	CAPITAL EXPENDITURES	622,800	0
TOTAL, OBJECT OF EXPENSE		\$3,438,030	\$4,255,230
METHOD OF FINANCING:			
1	General Revenue Fund	3,438,030	4,255,230
TOTAL, METHOD OF FINANCING		\$3,438,030	\$4,255,230
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

4.C. Exceptional Items Strategy Request
 89th 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: 2 Provide Infrastructure Support

OBJECTIVE: 1 Provide Operation And Maintenance of E & G Space

STRATEGY: 2 Capital Construction Assistance Projects Revenue Bonds

Service Categories:

Service: 10 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2026	Excp 2027
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OBJECTS OF EXPENSE:

2008 DEBT SERVICE	26,268,500	26,264,800
Total, Objects of Expense	\$26,268,500	\$26,264,800

METHOD OF FINANCING:

1 General Revenue Fund	26,268,500	26,264,800
Total, Method of Finance	\$26,268,500	\$26,264,800

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

New Campus Comal/Guadalupe County - CCAP

New Campus Denton County - CCAP

4.C. Exceptional Items Strategy Request
 89th 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	Excp 2026	Excp 2027
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	2,707,444	2,707,444
2006 RENT - BUILDING	200,000	200,000
2009 OTHER OPERATING EXPENSE	4,051,750	5,491,750
5000 CAPITAL EXPENDITURES	7,622,800	5,000,000
Total, Objects of Expense	\$14,581,994	\$13,399,194

METHOD OF FINANCING:

1 General Revenue Fund	14,581,994	13,399,194
Total, Method of Finance	\$14,581,994	\$13,399,194

FULL-TIME EQUIVALENT POSITIONS (FTE):

36.0	36.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Startup-Funding Comal/Guadalupe County

Startup-Funding Denton County

Statewide CDL Program Expansion

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

89th 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

GR Baseline Request Limit = \$6,086,002

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider				2026 Funds				2027 Funds				Biennial Cumulative GR	Biennial Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded							
Strategy: 1 - 1 - 2	The Center for Employability Outcomes													
2.4	360,000	360,000	0	2.4	360,000	360,000	0	720,000	0					
2.4				2.4				*****GR-D Baseline Request Limit=\$0*****						
Strategy: 1 - 1 - 3	Staff Group Insurance Premiums													
0.0	21,042	0	21,042	0.0	22,515	0	22,515	720,000	43,557					
Strategy: 1 - 1 - 4	Workers' Compensation Insurance													
0.0	1,563	1,563	0	0.0	1,563	1,563	0	723,126	43,557					
Strategy: 1 - 1 - 5	System Office Operations													
33.9	2,681,438	2,681,438	0	33.9	2,681,438	2,681,438	0	6,086,002	43,557					
36.3				36.3				*****GR Baseline Request Limit=\$6,086,002*****						
Excp Item: 1	Startup-Funding Comal/Guadalupe County													
32.0	10,693,964	10,693,964	0	32.0	8,693,964	8,693,964	0	25,473,930	43,557					
Strategy Detail for Excp Item: 1														
Strategy: 3 - 5 - 1	Exceptional Item Request													
32.0	10,693,964	10,693,964	0	32.0	8,693,964	8,693,964	0							
Excp Item: 2	Startup-Funding Denton County													
3.0	450,000	450,000	0	3.0	450,000	450,000	0	26,373,930	43,557					
Strategy Detail for Excp Item: 2														
Strategy: 3 - 5 - 1	Exceptional Item Request													
3.0	450,000	450,000	0	3.0	450,000	450,000	0							
Excp Item: 3	New Campus Comal/Guadalupe County - CCAP													
0.0	13,134,250	13,134,250	0	0.0	13,132,400	13,132,400	0	52,640,580	43,557					

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

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GR Baseline Request Limit = \$6,086,002

GR-D Baseline Request Limit = \$0

Strategy/Strategy Option/Rider								Biennial	Biennial	
2026 Funds				2027 Funds				Cumulative GR	Cumulative Ded	Page #
FTEs	Total	GR	Ded	FTEs	Total	GR	Ded			
Strategy Detail for Excp Item: 3										
Strategy: 2 - 1 - 2 Capital Construction Assistance Projects Revenue Bonds										
0.0	13,134,250	13,134,250	0	0.0	13,132,400	13,132,400	0			
Excp Item: 4 New Campus Denton County - CCAP										
0.0	13,134,250	13,134,250	0	0.0	13,132,400	13,132,400	0	78,907,230	43,557	_____
Strategy Detail for Excp Item: 4										
Strategy: 2 - 1 - 2 Capital Construction Assistance Projects Revenue Bonds										
0.0	13,134,250	13,134,250	0	0.0	13,132,400	13,132,400	0			
Excp Item: 5 Statewide CDL Program Expansion										
1.0	3,438,030	3,438,030	0	1.0	4,255,230	4,255,230	0	86,600,490	43,557	_____
Strategy Detail for Excp Item: 5										
Strategy: 3 - 5 - 1 Exceptional Item Request										
1.0	3,438,030	3,438,030	0	1.0	4,255,230	4,255,230	0			
72.3	\$43,914,537	\$43,893,495	\$21,042	72.3	\$42,729,510	\$42,706,995	22,515			

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2022			Total Expenditures FY 2022	% Goal	HUB Expenditures FY 2023			Total Expenditures FY 2023
			% Actual	Diff	Actual \$	Actual \$		% Actual	Diff	Actual \$	Actual \$
11.2%	Heavy Construction	11.2 %	22.4%	11.2%	\$22,944	\$102,204	11.2 %	4.1%	-7.1%	\$1,750	\$42,892
21.1%	Building Construction	21.1 %	6.8%	-14.3%	\$705,562	\$10,307,595	21.1 %	2.9%	-18.2%	\$639,205	\$21,951,892
32.9%	Special Trade	32.9 %	17.3%	-15.6%	\$595,184	\$3,433,582	32.9 %	15.1%	-17.8%	\$1,361,870	\$9,014,848
23.7%	Professional Services	23.7 %	0.0%	-23.7%	\$0	\$71,771	23.7 %	0.0%	-23.7%	\$0	\$2,091,457
26.0%	Other Services	26.0 %	24.9%	-1.1%	\$3,566,345	\$14,347,612	26.0 %	17.9%	-8.1%	\$3,412,081	\$19,017,846
21.1%	Commodities	21.1 %	11.6%	-9.5%	\$2,540,507	\$21,901,442	21.1 %	8.3%	-12.8%	\$1,898,066	\$22,736,594
	Total Expenditures		14.8%		\$7,430,542	\$50,164,206		9.8%		\$7,312,972	\$74,855,529

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

In FY 23, Texas State Technical College (TSTC) significantly increased its total spend from \$50,164,207 in FY 22 to \$74,855,528. Despite this growth, HUB spend slightly decreased from \$7,430,542 to \$7,312,972, reducing the HUB spend percentage from 14.81% to 9.77%. While the HUB spend percentage dropped, TSTC remains committed to supporting HUB suppliers and will continue to enhance engagement and utilization in future fiscal years.

Applicability:

All procurement categories apply to TSTC's operations.

Factors Affecting Attainment:

TSTC purchases technical equipment, supplies, and services throughout the fiscal year. However, HUB vendors often do not respond to solicitations such as RFPs, ITBs, and RFQs. Additionally, many professional services require unique expertise, resulting in a limited number of qualified HUB vendors. This scarcity makes it challenging to find HUB vendors capable of completing such projects. Furthermore, the limited availability of HUB vendors in specific geographic regions or industry sectors can also impact procurement goals. These factors collectively influence the ability to meet HUB procurement targets.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

FY22 Events:

- 3/4/22: Houston Business Matchmaker (Virtual)
- 3/11/22: TSTC Procurement Round Table (Virtual)

6.A. Historically Underutilized Business Supporting Schedule
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- 5/2-5/3/22: 15th Annual Spot Bid Fair (Irving, TX)
 - 6/7/22: TRS HUB Event (Austin, TX)
 - 6/8/22: University of Houston HUB Event (Virtual)
 - 6/16/22: SMSDC “New Chapters in Supplier Diversity” (Virtual)
- FY23 Events:
- 9/14/22: UTSSCA 1st Annual Affiliate Conference (Virtual)
 - 9/28/22: USTA Matchmaker Event (Virtual)
 - 11/3/22: 7th Annual Tarrant County (Fort Worth)
 - 12/7/22: 22nd Annual SMWVBO Conference (San Antonio, TX)
 - 3/3/23: Houston Business Matchmaker (Virtual)
 - 5/23-5/24/23: Annual Spot Bid Fair (Irving, TX)
 - 6/6/23: University of Houston HUB Expo (Virtual)
 - 6/15/23: Build Your Dream HUB Expo (Beaumont, TX)
 - 7/12/23: State of Texas HUB + DBE Expo (Austin, TX)

TSTC did not have an active mentor-protégé partnership in the 2022-23 biennium.

HUB Program Staffing:

TSTC has maintained the same staffing levels for the HUB Program as in FY2023. The Supplier Diversity Specialist continues to lead outreach initiatives aimed at increasing HUB supplier utilization.

Current and Future Good-Faith Efforts:

TSTC has implemented several initiatives to comply with statewide HUB goals.

1. HUB Participation: Attend vendor fairs, demonstrations, and other events to learn more about HUB vendors.
2. Supplier Education: Educate and encourage potential HUB suppliers to obtain HUB certification and participate actively.
3. Internal Training: Develop and deliver training for internal departments on HUB program policies and procedures.
4. Promotion: Advocate for the use of HUBs within internal departments by utilizing strategic marketing.
5. Subcontracting Plans: Mandate HUB subcontracting plans for contracts exceeding \$100,000 when subcontracting opportunities are likely.
6. Utilize Directories: Use CMBL/HUB directories for bid solicitations.
7. Active Seeking: Proactively seek certified HUB suppliers through events and outreach initiatives.
8. Strategic Inclusion: Integrate HUB suppliers into strategic sourcing and procurement processes.
9. Communication: Communicate the importance of supplier diversity to all stakeholders, both internally and externally.
10. Supplier Diversity Committee: Establish and operate an official Supplier Diversity Committee within TS to oversee these efforts.

6.H Estimated Funds Outside the Institution's Bill Pattern
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TSTC System Administration (719)
Estimated Funds Outside the Institution's Bill Pattern
2024-25 and 2026-27 Biennia

	2024-25 Biennium				2026-27 Biennium			
	FY 2024 Revenue	FY 2025 Revenue	Biennium Total	Percent of Total	FY 2026 Revenue	FY 2027 Revenue	Biennium Total	Percent of Total
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 5,873,654	\$ 5,876,551	\$ 11,750,205		\$ 3,043,001	\$ 3,043,001	\$ 6,086,002	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	150,000	150,000	300,000		200,000	200,000	400,000	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	6,023,654	6,026,551	12,050,205	64.1%	3,243,001	3,243,001	6,486,002	47.7%
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 1,094,315	\$ 1,181,860	\$ 2,276,175		\$ 1,276,409	\$ 1,378,522	\$ 2,654,931	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	1,094,315	1,181,860	2,276,175	12.1%	1,276,409	1,378,522	2,654,931	19.5%
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Endowment and Interest Income	1,856,747	1,856,747	3,713,494		1,856,747	1,856,747	3,713,494	
Sales and Services of Educational Activities (net)	372,768	372,768	745,536		372,768	372,768	745,536	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	2,229,515	2,229,515	4,459,030	23.7%	2,229,515	2,229,515	4,459,030	32.8%
TOTAL SOURCES	\$ 9,347,484	\$ 9,437,926	\$ 18,785,410	100.0%	\$ 6,748,925	\$ 6,851,038	\$ 13,599,963	100.0%

Higher Education Schedule 1A: Other Educational and General Income

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	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
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. 54.263)	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					
Net Tuition	0	0	0	0	0
Student Teaching Fees	0	0	0	0	0

Higher Education Schedule 1A: Other Educational and General Income

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	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
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	0	0	0	0	0
Funds in Local Depositories, e.g., local amounts	0	0	0	0	0
Other Income (Itemize)					
Interest earned on funds held at State Treasury	269,824	164,552	150,000	150,000	150,000
Subtotal, Other Income	269,824	164,552	150,000	150,000	150,000
Subtotal, Other Educational and General Income	269,824	164,552	150,000	150,000	150,000
Less: O.A.S.I. Applicable to Educational and General Local Funds Payrolls	(11,058)	(7,107)	(8,057)	(8,460)	(8,883)
Less: Teachers Retirement System and ORP Proportionality for Educational and General Funds	(14,043)	(7,860)	(9,381)	(9,850)	(10,342)
Less: Staff Group Insurance Premiums	(22,500)	(8,973)	(19,665)	(21,042)	(22,515)
Total, Other Educational and General Income (Formula Amounts for General Academic Institutions)	222,223	140,612	112,897	110,648	108,260
Reconciliation to Summary of Request for FY 2019-2021:					
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	22,500	8,973	19,665	21,042	22,515
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

Higher Education Schedule 1A: Other Educational and General Income

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	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
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	244,723	149,585	132,562	131,690	130,775

Higher Education Schedule 2: Selected Educational, General and Other Funds

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	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
General Revenue Transfers					
Transfer from Coordinating Board for Texas College Work Study Program (2021, 2022, 2023)	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 (2021, 2022, 2023)	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	0	0	0	0	0
GME Expansion	0	0	0	0	0
Subtotal, General Revenue Transfers	0	0	0	0	0
General Revenue HEF					
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 (2021, 2022, 2023)	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

Higher Education Schedule 3A: Staff Group Insurance Data Elements (ERS)
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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %		96.30%			
GR-D/Other %		3.70%			
Total Percentage		100.00%			
FULL TIME ACTIVES					
1a Employee Only	9	9	0	9	8
2a Employee and Children	10	10	0	10	0
3a Employee and Spouse	1	1	0	1	3
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	1
Total for This Section	26	26	0	26	14
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	26	26	0	26	14

Higher Education Schedule 3A: Staff Group Insurance Data Elements (ERS)

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	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	9	9	0	9	8
2e Employee and Children	10	10	0	10	0
3e Employee and Spouse	1	1	0	1	3
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	1
Total for This Section	26	26	0	26	14

Higher Education Schedule 3A: Staff Group Insurance Data Elements (ERS)

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	9	9	0	9	14
2f Employee and Children	10	10	0	10	0
3f Employee and Spouse	1	1	0	1	3
4f Employee and Family	4	4	0	4	5
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	24	24	0	24	22

Higher Education Schedule 4: Computation of OASI
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Agency 719 Texas State Technical College System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2023		2024		2025		2026		2027	
	% 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)	95.6735	\$244,521	97.5939	\$288,270	97.5428	\$319,854	97.5428	\$335,846	97.5428	\$352,639
Other Educational and General Funds (% to Total)	4.3265	\$11,058	2.4061	\$7,107	2.4572	\$8,057	2.4572	\$8,460	2.4572	\$8,883
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	\$255,579	100.0000	\$295,377	100.0000	\$327,911	100.0000	\$344,306	100.0000	\$361,522

Higher Education Schedule 5: Calculation of Retirement Proportionality and ORP Differential
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Description	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	3,110,838	2,973,261	3,533,512	3,710,188	3,895,697
Employer Contribution to TRS Retirement Programs	248,867	245,294	291,515	306,091	321,395
Gross Educational and General Payroll - Subject To ORP Retirement	1,147,106	1,232,788	1,367,436	1,435,807	1,507,598
Employer Contribution to ORP Retirement Programs	75,709	81,364	90,251	94,763	99,501
Proportionality Percentage					
General Revenue	95.6735 %	97.5939 %	97.5428 %	97.5428 %	97.5428 %
Other Educational and General Income	4.3265 %	2.4061 %	2.4572 %	2.4572 %	2.4572 %
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)	14,043	7,860	9,381	9,850	10,342
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	172,143	89,125	89,128	89,129	89,125
Total Differential	3,271	1,693	1,693	1,693	1,693

Higher Education Schedule 7: Personnel
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Agency code: **719** Agency name: **TSTC System Admin**

	Actual 2023	Actual 2024	Budgeted 2025	Estimated 2026	Estimated 2027
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	0.0	0.2	0.2	0.2	0.2
Educational and General Funds Non-Faculty Employees	29.7	32.8	36.1	36.1	36.1
Subtotal, Directly Appropriated Funds	29.7	33.0	36.3	36.3	36.3
Contract Employees (Correctional Managed Care)	15.5	19.4	21.1	21.1	21.1
Subtotal, Other Funds & Non-Appropriated	15.5	19.4	21.1	21.1	21.1
GRAND TOTAL	45.2	52.4	57.4	57.4	57.4

Higher Education Schedule 8B: Capital Construction Assistance Projects Revenue Bond Issuance History

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Automated Budget and Evaluation System of Texas (ABEST)

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Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2024	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
2002	\$10,880,000					
2005	\$3,125,000					
2016	\$41,740,000					
2021	\$208,500,000	Nov 15 2022	\$195,000,000			
		Subtotal	\$195,000,000	\$13,500,000		
					Oct 31 2024	\$13,500,000

Schedule 8C: Capital Construction Assistance Projects Revenue Bonds Request by Project
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Agency Code: 719

Agency Name: Texas State Technical College - System Administration

Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2026	Requested Amount 2027
Series 2025 CCAP Bond - New Braunfels Campus Expansion	2026	8/1/2045	\$ 13,134,250.00	\$ 13,132,400.00
Series 2025 CCAP Bond - Denton Campus Expansion	2026	8/1/2045	\$ 13,134,250.00	\$ 13,132,400.00
			<u>\$ 26,268,500.00</u>	<u>\$ 26,264,800.00</u>

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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:

Creation of statewide detailed work activity (DWA) skills library and curriculum alignment tool for use by colleges, which has resulted in alignment of hundreds of community college courses. Approval by THECB for use by colleges to validate curriculum learning outcomes. 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:

Research 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/Discontinuu

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.

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New Campus Comal/Guadalupe County - CCAP

(1) Year Non-Formula Support Item First Funded: 2026
Year Non-Formula Support Item Established: 2026
Original Appropriation: \$26,266,650

(2) Mission:

The 88th legislature authorized TSTC to operate in the new location of Comal/Guadalupe County. However, funding for campus buildings and equipment is still needed. TSTC requests the funding for two additional buildings (estimated 300,000 square feet) and equipment. Located in the fastest-growing areas of Texas, these new locations will place skilled graduates in open positions employers are desperately trying to fill. Unlike other two-year institutions in Texas, TSTC has constrained access to capital funds for new construction and infrastructure improvements. TSTC does not receive property tax support and relies heavily on public and private funds along with state Capital Construction Assistance Projects (CCAP) and limited HEF funding. This limits TSTC's ability to expand instructional space. Currently, there is a misalignment between current campus capacities and the increasing industry workforce needs. Without the necessary funds to build new instructional spaces, TSTC cannot fully meet the demand for skilled workers.

(3) (a) Major Accomplishments to Date:

The addition of multidisciplinary teaching space will accommodate a versatile training modality suitable for traditional and performance-based education. This space will increase capacity to meet immediate workforce needs in high-demand technical industries, but will be flexible to accommodate changes in the labor market to meet the needs of employers for decades to come.

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

TSTC is the State of Texas' leading provider of two-year technical education in industries critical to the State's long-term sustainable growth, and TSTC is an essential partner to industry as Texas faces the threat of a long-emerging trade and industrial skills gap.

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

None

(5) Formula Funding:

None

(6) Category:

Instructional Support

(7) Transitional Funding:

N

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(8) 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.

(9) Impact of Not Funding:

TSTC cannot fully meet the demand for skilled workers.

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

N/A

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

N/A

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A

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New Campus Denton County - CCAP

(1) Year Non-Formula Support Item First Funded:	2026
Year Non-Formula Support Item Established:	2026
Original Appropriation:	\$26,266,650

(2) Mission:

The 88th legislature authorized TSTC to operate in the new location of Denton County. However, funding for campus buildings and equipment is still needed. TSTC requests the funding for two additional buildings (estimated 300,000 square feet) and equipment. Located in a fast-growing area of Texas, this new locations will place skilled graduates in open positions employers are desperately trying to fill. Unlike other two-year institutions in Texas, TSTC has constrained access to capital funds for new construction and infrastructure improvements. TSTC does not receive property tax support and relies heavily on public and private funds along with state Capital Construction Assistance Projects (CCAP) and limited HEF funding. This limits TSTC’s ability to expand instructional space. Currently, there is a misalignment between current campus capacities and the increasing industry workforce needs. Without the necessary funds to build new instructional spaces, TSTC cannot fully meet the demand for skilled workers.

(3) (a) Major Accomplishments to Date:

The addition of multidisciplinary teaching space will accommodate a versatile training modality suitable for traditional and performance-based education. This space will increase capacity to meet immediate workforce needs in high-demand technical industries, but will be flexible to accommodate changes in the labor market to meet the needs of employers for decades to come.

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

TSTC is the State of Texas’ leading provider of two-year technical education in industries critical to the State’s long-term sustainable growth, and TSTC is an essential partner to industry as Texas faces the threat of a long-emerging trade and industrial skills gap.

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

None

(5) Formula Funding:

None

(6) Category:

Instructional Support

(7) Transitional Funding:

N

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(8) 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.

(9) Impact of Not Funding:

TSTC cannot fully meet the demand for skilled workers.

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

CCAP Debt Service

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

20 years CCAP Debt Service

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A

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Startup-Funding Comal/Guadalupe County

(1) Year Non-Formula Support Item First Funded: 2026
Year Non-Formula Support Item Established: 2026
Original Appropriation: \$19,387,928

(2) Mission:

TSTC receives Returned-Value formula funding after former students participate in the workforce for five years, causing a delay in funding to TSTC of seven to nine years. Until then, the System lacks a revenue stream to operate and maintain these new campuses. Start-up, or bridge funding, from the legislature is necessary to resolve the timing difference between when the funding is earned and paid. TSTC is requesting \$19,387,928 million to continue expanding the new campus in Comal/Guadalupe.

(3) (a) Major Accomplishments to Date:

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

(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:

Designated tuition and grants.

(9) Impact of Not Funding:

TSTC cannot fully meet the demand for skilled workers.

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

Funding would be discontinued after "return value" starts.

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

N/A

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A

Higher Education Schedule 9: Non-Formula Support

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719 Texas State Technical College System Administration

Startup-Funding Denton County

(1) Year Non-Formula Support Item First Funded: 2026
Year Non-Formula Support Item Established: 2026
Original Appropriation: \$900,000

(2) Mission:

TSTC receives Returned-Value formula funding after former students participate in the workforce for five years, causing a delay in funding to TSTC of seven to nine years. Until then, the System lacks a revenue stream to operate and maintain these new campuses. Start-up, or bridge funding, from the legislature is necessary to resolve the timing difference between when the funding is earned and paid. TSTC is requesting \$900 thousand to establish the campus in Denton County.

(3) (a) Major Accomplishments to Date:

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

(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:

Designated tuition and grants.

(9) Impact of Not Funding:

The “return value” funding model does not provide funding for start-up operations because of the inherent lag between the operation ramp-up, teaching event and the actual funding.

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

Funding would be discontinued after "return value" starts.

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

N/A

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A

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719 Texas State Technical College System Administration

Statewide CDL Program Expansion

(1) Year Non-Formula Support Item First Funded:	2026
Year Non-Formula Support Item Established:	2026
Original Appropriation:	\$7,693,260

(2) Mission:

The American Trucking Association (ATA) reports that nearly 72% of all freight tonnage moved in the U.S. travels by commercial truck. In order to meet America’s freight needs, the industry requires nearly three million heavy-duty Class 8 trucks and over three million truck drivers. ATA reports the current shortage of truck drivers nationwide is around 80,000 and will reach 160,000 by 2030 if current trends continue. Data indicate that the median pay for a standard Class A commercial driver's license (CDL) is \$60,158, and Class A CDL truck driving jobs that require endorsements (Tanker, HAZMAT, or both) have higher pay. According to the Texas Trucking Association (TXTA), the shortage of CDL drivers continues to negatively impact the supply chain, as 82 percent of Texas communities depend exclusively on trucks for needed products. TXTA also advises that 15 of every 1,000 jobs in Texas belong to truckers and projects approximately 62,000 new job openings due to growth over the next 10 years. In response to the ever-growing supply chain issues in Texas, we request that the Legislature invest in the expansion of TSTC’s Statewide Commercial Driver License training program. As the only statewide workforce training college in Texas, TSTC streamlines training programs to ensure consistency, quality, and agility, in order to rapidly respond to industry and state needs. We have partnered with external parties to ensure more Texans will be placed in the workforce in a timely manner.

(3) (a) Major Accomplishments to Date:

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

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

None

(5) Formula Funding:

None

(6) Category:

Economic Development

(7) Transitional Funding:

N

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(8) Non-General Revenue Sources of Funding:

None

(9) Impact of Not Funding:

Continued Driver shortage, prolonged supply chain disruption and negative impact to the Texas Economy.

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

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:

N/A

(13) Performance Reviews:

N/A

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Technical Training Partnership 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 various colleges across the State. Partnerships have proven to be a very efficient, effective, and expedient means of providing high-demand technical education across Texas. Since 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:

These funds will be used at the East Williamson County Higher Education Center. 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

(9) Impact of Not Funding:

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

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

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 of external benchmarks. TSTC is continually monitoring progress toward planned goals, and has achieved early success on several key benchmarks. TSTC is actively working on improving the number and rate of students with a certification, which are the primary 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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Williamson County New Campus Site Phase II

(1) Year Non-Formula Support Item First Funded: 2022
Year Non-Formula Support Item Established: 2022
Original Appropriation: \$2,903,246

(2) Mission:

As Texas emerges from the recession ushered in by the COVID-19 pandemic and the related shut-down, Texas employers will increasingly generate long-term demand for technicians in skilled and heavy industrial trades. However, over recent decades, the supply of skilled labor has historically been insufficient to meet the needs of Texas employers. New social distancing protocols are now exacerbating this supply issue by significantly constraining the facility capacity for these high demand programs. TSTC in Williamson County seeks to add or recapture lost instructional capacity by constructing 113,000 square feet of flexible, industrial technology and skilled trade training facilities. This space will be able to meet immediate demand in the areas of welding, electrical power and controls, and architectural/mechanical drafting, but will be flexible to accommodate changes in the labor market to meet the needs of employers for decades to come.

(3) (a) Major Accomplishments to Date:

TSTC is the State of Texas' leading provider of two-year technical education in industries critical to the State's long-term sustainable growth, and TSTC is an essential partner to industry as Texas faces the threat of a long-emerging trade and industrial skills gap. As the State rebounds from the COVID-19 induced recession, the College will serve at the front lines of the economic recovery. With this in mind, the College is steering all resources of the 10-campus, statewide institution towards building and maintaining a globally competitive workforce for Texas business and industry.

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

The addition of multidisciplinary teaching space will accommodate a versatile training modality suitable for traditional and performance-based education. This space will increase capacity to meet immediate workforce needs in high-demand technical industries, but will be flexible to accommodate changes in the labor market to meet the needs of employers for decades to come.

In this 89th Legislative Appropriation Request, East Williamson County is being separated for the first time. Accordingly, any requests for East Williamson County will be made in a separate LAR for Agency 71H.

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

None

(5) Formula Funding:

None

(6) Category:

Instructional Support

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(7) Transitional Funding:

N

(8) 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.

(9) Impact of Not Funding:

Reduced capacity for reducing Texas' technical skills shortage.

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

TRB Debt Service

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

In this 89th Legislative Appropriation Request, East Williamson County is being separated for the first time. Accordingly, any requests for East Williamson County will be made in a separate LAR for Agency 71H.

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A



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FOR TEXANS**



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