

# Minutes of Regular Board Meeting

## The Board of Trustees Kilgore College



A Regular Board Meeting of the Board of Trustees of Kilgore College was held on June 12, 2023, beginning at 6:30 PM on the 2<sup>nd</sup> floor of the McLaurin Administration Building, 1201 S. Henderson Blvd., Kilgore, TX 75662, with the following members present:

Lon Ford, President  
Jon Rowe, Vice President  
Josh Edmonson, Secretary  
Janice Bagley  
David Castles  
Kelvin Darden  
Gina DeHoyos  
Travis Martin  
Jon Keller – Sworn in at 6:35PM and was considered present for remaining of the meeting

### 1. CALL TO ORDER

#### A. Invocation and Pledge of Allegiance

Mr. Lon Ford called the meeting to order at 6:30 pm. Mr. Ford said the Invocation and led the Pledge of Allegiance.

### 2. PRESENTATIONS

A. Oath of Office for new Board of Trustee member, Mr. Jon Keller – *Appendix A/B*

**Presenter:** Mr. Lon Ford/Ms. Karen Scibona

B. Employee Spotlight: Dr. Paul Buchanan

**Presenter:** Mr. Brandon Walker, Associate Dean of Arts & Sciences

C. Student Success Data Spotlight: Spring 2023 Snapshot – *Appendix C*

**Presenter:** Dr. Richard Plott, Dean of Institutional Effectiveness and Research

### 3. PUBLIC COMMENT

**There were no public comments.**

### 4. CONSENT AGENDA

**Presenter:** Mr. Lon Ford

A. To consider approving the minutes from the following meetings:

- Public Hearing on Tax Abatements: April 10, 2023

- Board Meeting: April 10, 2023
  - Election Canvass and Special Board Meeting: May 16, 2023
- B. To consider approval of personnel items submitted as follows: *Appendix D*
- Employee Resignations
  - Employee Retirements
  - Employee Terminations
  - Proposed Change of Employment
  - Offers of Employment
- C. To consider payment of legal fees
- David Castles made the motion to accept the Consent Agenda. Janice Bagley seconded the motion. The motion passed unanimously.**

## 5. BOARD COMMITTEE REPORTS & ACTION ITEMS

- A. Investment/Finance/Audit Committee - Mr. Jon Rowe, Chair
1. ACTION ITEM: To consider a recommendation to engage in a Broker-Dealer Services with FHN Financial Capital Markets and Mischler Financial Group, and authorize the College President to execute the same. – *Appendix E*  
**Presenter:** Mr. Terry Hanson

**Mr. Jon Rowe moved to engage in a Broker-Dealer Services with FHN Financial Capital Markets and Mischler Financial Group, and authorize the College President to execute the same. This recommendation was coming from the committee and did not require a second. The motion passed unanimously.**

2. ACTION ITEM: To consider approval of a Debt Management Plan. - *Appendix F*  
**Presenter:** Mr. Terry Hanson

**Mr. Jon Rowe moved to approve the debt management plan as presented to address the capital maintenance needs of the college. This authorizes the issuance of debt for a maximum of \$5,000,000 up to 12 years with an annual maximum principal and interest payment of \$750,000. This recommendation was coming from the committee and did not require a second. The motion passed unanimously.**

3. ACTION ITEM: To consider adoption of Resolution R-2023-9 authorizing the hiring of Bickerstaff Heath Delgado Acosta LLP as bond counsel on a contingency fee basis. **NOTICE FOR HIRING BOND COUNSEL ATTACHED** – *Appendix G*  
**Presenter:** Mr. Terry Hanson

**Mr. Jon Rowe moved to adopt Resolution R-2023-9 authorizing the hiring of Bickerstaff Heath Delgado Acosta LLP as bond counsel on a contingency fee basis. This recommendation did not come from a committee and required a second. David Castles seconded the motion. The motion passed unanimously.**

4. ACTION ITEM: To consider adoption of Resolution R-2023-8, Interlocal Agreement for Assessment and Collection of Taxes between Upshur County and Kilgore College. *Appendix H*  
**Presenter:** Mr. Terry Hanson

**Jon Rowe moved to adopt Resolution R-2023-8 entering into Interlocal Agreement for Assessment and Collection of Taxes between Upshur County and Kilgore College. This recommendation was coming from the committee and did not require a second. The motion passed unanimously.**

5. INFORMATION ITEM: April FY23 Financial Snapshot and Capital Projections – *Appendix I*

**Presenter:** Mr. Terry Hanson

B. Policy & Personnel Committee - Mr. Josh Edmonson, Chair

1. INFORMATION ITEM: New TASB Policies for Information Only

**Presenter:** Mr. Josh Edmonson

- a. CAAA (LEGAL) - State and Federal Revenue Sources – State – *Appendix J*
- b. CAD (LEGAL) - Appropriations and Revenue Sources - Bond Issues – *Appendix K*
- c. CAE (LEGAL) - Appropriations and Revenue Sources - Time Warrants – *Appendix L*
- d. CAF (LEGAL) - Appropriations and Revenue Sources - Certificates of Indebtedness – *Appendix M*
- e. CAG (LEGAL) - Appropriations and Revenue Sources - Revenue Bonds and Obligations - *Appendix N*
- f. CAH (LEGAL) - Appropriations and Revenue Sources - Loans and Notes - *Appendix O*
- g. CAI (LEGAL) - Appropriations and Revenue Sources - Ad Valorem Taxes – *Appendix P*
- h. DECB (LEGAL, Administrative Rule) - Leaves and Absences - Military Leave - *Appendix Q*
- i. DLC (LEGAL) - Employee Performance - Promotion and Demotion - *Appendix R*

C. Student Success Committee - Ms. Janice Bagley, Chair

1. ACTION ITEM: To consider approval of the Kilgore College Athletic Handbook – *Appendix S*

**Presenter:** Dr. Staci Martin, Vice President of Student Services

**Janice Bagley moved to approve the 2023-2024 Kilgore College Athletic Handbook including the KC Drug Testing Policy. This recommendation did not come from a committee and required a second. Travis Martin seconded the motion which passed unanimously.**

2. INFORMATION ITEM: Student Success Council Update and Data Summit Recap

**Presenter:** Mr. Jase Graves, Co-Chair Student Success Council

## **6. KILGORE COLLEGE FOUNDATION UPDATE**

**Presenter:** Ms. Merlyn Holmes, Executive Director of KC Foundation

## **7. BOARD OFFICERS' AD HOC NOMINATING COMMITTEE REPORT**

**Presenter:** Ms. Janice Bagley, Chair

Ms. Bagley reported the process by which Trustees were asked to complete a survey on their desire to serve as either an officer or committee chair. She stated that all current officers had indicated a willingness to serve in the same capacity for the upcoming term and no other KC Board members were available to serve in a role as officer at this time.

The Ad Hoc Nominating Committee brought forth the following slate for KC Board Officers:

Mr. Josh Edmonson; Secretary  
Mr. Jon Rowe; Vice President  
Mr. Lon Ford; President

## **8. ELECTION OF OFFICERS: 2023-2025**

- Mr. Josh Edmonson was elected unanimously as Secretary of the KC Board of Trustees
- Mr. Jon Rowe was elected unanimously as Vice President of the KC Board of Trustees
- Mr. Lon Ford was elected unanimously as President of the KC Board of Trustees

**Presenter:** Mr. Lon Ford

## **9. BOARD PRESIDENT'S REPORT**

**Presenter:** Mr. Lon Ford

### **A. UPCOMING BOARD DATES:**

- Monday, July 24: Budget Workshop 6:00 PM
- Monday, August 14, 2023: August Regular Board Meeting 6:30 PM
- Monday, September 11, 2023: Property Tax Hearing 5:45-6:15 PM
- Monday, September 11, 2023: September Board Meeting 6:30 PM
- Monday, December 11, 2023: December Board Meeting 6:30 PM

**Presenter:** Mr. Lon Ford

## **10. EXECUTIVE SESSION**

**The Board of Trustees did not go into Executive Session.**

## **11. ADJOURNMENT**

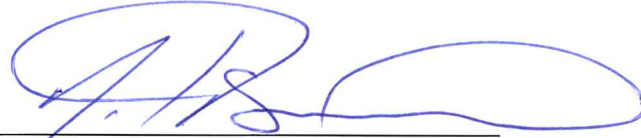
**The meeting was adjourned by Mr. Lon Ford at 7:58 PM.**

*If during the course of the meeting covered by this notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any item included in this notice, then such closed or executive meeting or session as authorized by Section 551.001 et. seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board concerning any subjects and for any and all purposes permitted by Sections 551.01-551.089 of the Open Meetings Act.*

Respectfully submitted,

  
Karen Scibona, Recording Secretary  
Kilgore College Board of Trustees

  
President, Kilgore College Board of Trustees

  
Secretary, Kilgore College Board of Trustees

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Appendix Q	Policy DECB Leave and Absences – Military Leave
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**Form #2204 Rev 9/2017**  
**Submit to:**  
**SECRETARY OF STATE**  
**Government Filings Section**  
**P O Box 12887**  
**Austin, TX 78711-2887**  
**512-463-6334**  
**FAX 512-463-5569**  
**Filing Fee: None**

This space reserved for office use



### OATH OF OFFICE

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,  
 I, Jon Keller, do solemnly swear (or affirm), that I will faithfully  
 execute the duties of the office of Kilgore College Board of Trustees of  
 the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws  
 of the United States and of this State, so help me God.

  
 Signature of Officer

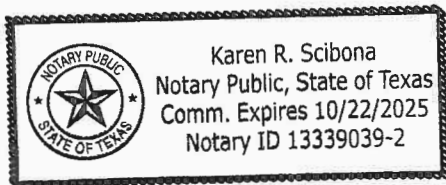
### Certification of Person Authorized to Administer Oath

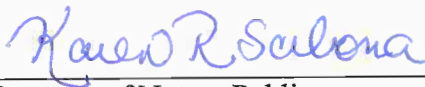
State of Texas

County of Gregg

Sworn to and subscribed before me on this 12<sup>th</sup> day of June, 20 23

(Affix Notary Seal,  
 only if oath  
 administered by a  
 notary.)



  
 Signature of Notary Public or  
 Signature of Other Person Authorized to Administer An  
 Oath

Karen R. Scibona  
 Printed or Typed Name

**Form #2201 Rev. 05/2020**  
**Submit to:**  
**SECRETARY OF STATE**  
**Government Filings**  
**Section P O Box 12887**  
**Austin, TX 78711-2887**  
**512-463-6334**  
**512-463-5569 - Fax**  
**Filing Fee: None**



**STATEMENT OF OFFICER**

**Statement**

I, Jon Keller, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

Title of Position to Which Elected/Appointed: Kilgore College Board of Trustees; North Zone,  
Voting Unit #2, Place 8

**Execution**

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

Date: 6/12/2023

  
\_\_\_\_\_  
Signature of Officer





## Spring 2023 Snapshot

	Spring 2023		Spring 2022		Difference between Spring 2023 and Spring 2022	
<b>Total Headcount</b>	6,471		6,062		409	7%
Credit Students	4,683		4,579		104	2%
Continuing Education Students	1,788		1,483		305	21%
<b>CE Headcount by Program*</b>						
Certified Nurse Aide	19		45		-26	-58%
East Texas Police Academy	254		187		67	36%
Fire Academy	307		357		-50	-14%
Electric Power Technology	76		36		40	111%
Other	1,132		858		274	32%
<b>Total CE Headcount</b>	1,788		1,483		305	21%
<b>Credit Students</b>	4,683		4,579		104	2%
Credit Hours	41,146		41,224		-78	0%
Contact Hours	890,064		890,576		-512	0%
<b>Gender</b>						
Female	2,847	61%	2,730	60%	117	4%
Male	1,836	39%	1,849	40%	-13	-1%
<b>Race/Ethnicity</b>						
Two or More Race	145	3%	154	3%	-9	-6%
White	2,171	46%	2,304	50%	-133	-6%
Black or African American	827	18%	796	17%	31	4%
Hispanics of any race	1,277	27%	1,106	24%	171	15%
Asian	50	1%	61	1%	-11	-18%
American Indian/Alaskan Native	29	1%	20	0%	9	45%
U.S. Nonresident	67	1%	82	2%	-15	-18%
Hawaiian/Pacific Islander	4	0%	2	0%	2	100%
Race and Ethnicity unknown	113	2%	54	1%	59	109%
<b>Age</b>						
Traditional (22 & under)	3,486	74%	3,335	73%	151	5%
Non-Traditional (23 & older)	1,197	26%	1,244	27%	-47	-4%
Average Age	22		22			
<b>Enrollment Status</b>						
Part-Time	2,978	64%	2,852	62%	126	4%
Full-Time	1,705	36%	1,727	38%	-22	-1%
<b>Major</b>						
Workforce Majors	993	21%	1,013	22%	-20	-2%
Transfer Majors	3,690	79%	3,566	78%	124	3%
<b>First-Time Students</b>						
First-Time-in-College	123	3%	114	2%	9	8%
First-Time Transfer	130	3%	118	3%	12	10%
Dual Credit/HS Students <sup>A</sup>	1,878	40%	1,684	37%	194	12%
Returning Students	2,552	54%	2,663	58%	-111	-4%
<b>Tuition Status</b>						
In-District	1,175	25%	1,214	27%	-39	-3%
Out-of-District	3,401	73%	3,246	71%	155	5%
Out-of-State/Country	107	2%	119	3%	-12	-10%
<b>Area Counties</b>						
Gregg	2,363	50%	2,347	51%	16	1%
Rusk	680	15%	679	15%	1	0%
Upshur	322	7%	311	7%	11	4%
Harrison	435	9%	431	9%	4	1%
Smith	188	4%	184	4%	4	2%
<b>Economically Disadvantaged</b>	1,619	35%	1,590	35%	29	2%
<b>Enrollment by Location<sup>1</sup></b>						
Kilgore Campus	1,737	28%	1,863	30%	-126	-7%
Longview Campus	275	4%	465	7%	-190	-41%
UT Tyler Longview Univ. Center	108	2%	125	2%	-17	-14%
Distance Learning	2,568	41%	2,419	39%	149	6%
High Schools	1,559	25%	1,381	22%	178	13%
Students Taking Courses at Multiple Locations	1,518	32%	1,590	35%	-72	-5%
<b>FTE</b>						
<b>SACSCOC<sup>#</sup></b>	3,144		3,151			
<b>IPEDS<sup>o</sup></b>	2,704		2,684			

\* Estimated distinct students enrolled Q2 and Q3 as of 4/13/2023

<sup>A</sup> Does not include Continuing Education students

<sup>1</sup> Some students are enrolled at more than one location. Category totals will sum to more than the total number of unduplicated students enrolled. Percentages are based on duplicated totals.

<sup>#</sup> Total Spring FT Students plus Spring PT Students' credit hours divided by 12

<sup>o</sup> Total Spring FT Students plus Spring PT Students Multiplied by 0.335737

2023 Data Source for Credit Students: Snapshot taken from Jenzabar on 4/14/2023 (does not match THECB reporting periods)

2022 Data Source for Credit Students: Snapshot taken from Jenzabar on 4/11/2022 (does not match THECB reporting periods)

## **Addendum to Spring 2023 Snapshot**

A Patient Care Technician (PCT) program was introduced in the 2022-23 academic year. Students who would have normally enrolled in the Certified Nurse Aide Continuing Education program enrolled in the PCT program instead. A total of 71 students were enrolled in the PCT program in the Spring of 2023. The PCT courses are offered under credit education rather than CE, so these students are counted as part of the 4,683 Credit Students in the Spring 2023 Snapshot.

**Kilgore Junior College District  
Personnel Agenda  
June 12, 2023**

**1. Recommendation to accept employee resignations as follows:**

- a. Ms. Delicia Moccio, Instructor Nursing, effective February 24, 2023, after 8 months of full time service. *(moving to Alaska to work for Southeastern Alaska Regional Health Consortium)*
- b. Ms. Kaylee Pierce, Advisor – Health Sciences, effective 4/7/2023, after 1 year and 5 months of service. *(accepted position for professional growth closer to home)*
- c. Ms. Jennifer Menges, PSA Health Sciences, effective March 31, 2023, after 2 months of service. *(accepted position with higher pay)*
- d. Ms. Melanie Sullivan, Instructor – Music, Effective August 31, 2023 after 13 years and 9 months of service. *(resigning to stay home)*
- e. Ms. Sarah Booker, Instructor – Math, Effective August 31, 2023 after 10 years of service. *(moving closer to family)*
- f. Ms. Jennifer Rich, Instructor – Assistant Department Chair & Instructor - Math, Effective August 31, 2023 after 3 years and 8 months of service. *(moving for spouse's job; will rehire as remote faculty Fall 2023)*
- g. Caleb Dorsey, Learning Specialist Upward Bound, effective May 12, 2023 after 3 years and 8 months of service *(accepted position in ministry)*
- h. Cassidi Jacobs, Instructor – Mathematics, effective May 31, 2023 after two years of service *(accepted position in ISD closer to home)*
- i. Melissa Dobbs, Coordinator of Counseling and Accommodations, effective May 1, 2023 after 12 years and 11 months of service. *(personal reasons)*

**Other Separations:**

- a. Brian Stover, Campus Security Officer, effective April 20, 2023.
- b. Monika Kajstura, Adult Education Teacher, effective May 1, 2023.
- c. Shanitha Glover, Director Surgical Tech, effective May 2, 2023.

**2. Recommendation to accept employee retirement as follows:**

- a. Tina Rushing, Lead Instructor Substance Abuse Counseling, effective June 30, 2023 after 22 years and 10 months of service.
- b. Michael Ferguson, Department Chair PSIT, effective May 31, 2023 after 24 years and 9 months of service.
- c. David Fonteno, Instructor – Psychology, effective August 31, 2023 after 6 years of service.
- d. Dawn Wilson, Testing Center Manager – Longview, effective May 31, 2023 after 21 years and 10 months of service.

**3. Recommendation to change employment as follows:**

NAME	PREVIOUS POSITION	NEW POSITION	NEW SALARY/RATE OF PAY	EFFECTIVE DATE
Ms. Rebekah Metcalf	Assistant Director Financial Aid	Manager, Upward Bound	12 month \$60,000 annually	2/16/2023
Ms. Erika Hardy	Coordinator of Student Records and Reporting	Assistant Registrar	12 month \$45,000 annually	2/16/2023
Ms. Sonya Olvera	Coordinator Scholarships	Assistant Director Financial Aid	12 month \$50,000 annually	2/16/2023
Mr. Mike Smith	EMT Instructor	Program Director EMT	12 month (no chg) Stipend \$6,500	4/1/2023
Ms. Bridget Hunt	Student Accounts Coordinator	Accounts Receivable Manager	12 month \$40,000 (no chg)	4/16/2023
Ms. Delinda Spencer	Accounts Receivable Manager	Student Accounts Coordinator	12 month \$41,425 (no chg)	4/16/2023
Ms. Tammy Jackson	PSA Testing	Testing Center Coordinator	12 month \$46,599 annually	4/17/2023
Ms. Rubi Martinez	Advisor – Edu Opp Center – TRIO	Project Advisor – Upward Bound	12 month \$38,400 (no chg)	5/1/2023

**4. Recommendation of employment as follows:**

NAME	POSITION	LOCATION	SALARY/RATE OF PAY	HIRE DATE
Ms. Jennifer Menges	PSA Health Sciences/Rad Tech	Rad Tech	12 month \$26,602 annually	1/30/2023
Ms. Shanitha Glover	Director of Surgical Technology	Surgical Tech	12 month \$75,000 annually	2/16/2023
Ms. Nicci Cox	Accountant II	Business Office	12 month \$46,087 annually	2/27/2023
Ms. Yoon Lee	Community Education & International Student Support	Registrar	12 month \$36,000 annually	4/17/2023
Mr. Freddie Chaline	Police Officer	KCPD	12 month \$44,500 annually	3/27/2023
Ms. Jaquelyn Rambo	Student Success Librarian	Library	12 month \$53,000 annually	4/24/2023

Mr. George Martinez	Campus Safety Officer	KCPD	12 month \$31,600 annually	5/8/2023
Ms. Jimmeka Mack	Clinical Coordinator – Nursing	Nursing	12 month \$55,000 annually	5/1/2023
Ms. Judy Gumm	Admin Assistant I	Nursing	12 month \$30,160 annually	5/1/2023
Ms. Haley Doss	Admin Assistant I	Library	12 month \$30,160 annually	5/1/2023
Ms. Jennifer Williams	Instructor – EMT & Infection Control Officer	EMT	12 month \$58,112 annually	4/17/2023
Ms. Taylor Hamlet	Specialist – Financial Aid	Financial Aid	12 month \$36,725 annually	4/24/2023
Ms. Odyssa McLean	Director of Surgical Technology	Surgical Tech	12 month \$70,000 annually	5/15/2023

*Final Publish Date 5/12/2023*

## **Recommendation for the selection of FHN Financial Capital Markets and Mischler Financial Group as authorized Investment Broker-Dealers for Kilgore College.**

### **Background**

Kilgore College's (KC) Office of Procurement Services issued a request for proposals (RFQ) for investment broker-dealer services. Two investment firms responded to the request. Those proposers included: FHN Financial Capital Markets and Mischler Financial Group.

The selection of the investment broker-dealers is not exclusive and common practice is to have multiple firms available to ensure KC will receive the best valued instrument when investing.

### **RFP Review**

The review was primarily focused on qualifications and references from other Texas community colleges.

The Procurement Services Manager reviewed the proposals for completeness and the proposers met the minimum qualifications.

The Vice President of Administrative Services/Chief Financial Officer reviewed the submissions for overall qualifications and to conduct reference checks.

The reference checks came back with very positive remarks for both firms. There were no negative comments for either firm.

The recommendation is to utilize both firms to allow multiple options when investing.



# DEBT MANAGEMENT PLAN

KILGORE COLLEGE BOARD MEETING

JUNE 12, 2023



# CURRENT SITUATION

**Property Appraised Values**

County	2019	2020	2021	2022	2023	Change	
	Certified	Certified	Certified	Certified	Preliminary	Amount	%
Gregg	2,638,644,133	2,567,652,923	2,446,353,869	2,761,349,016	3,166,341,120	404,992,104	16.55%
Rusk	1,045,520,013	1,019,890,455	1,031,589,321	1,266,251,657	1,475,000,000	208,748,343	20.24%
Upshur	169,846,019	199,618,954	188,863,239	226,519,546	311,822,344	85,302,798	45.17%
Smith	137,981,860	140,900,964	147,501,265	169,487,632	195,297,748	25,810,116	17.50%
<b>Total</b>	<b>3,991,992,025</b>	<b>3,928,063,296</b>	<b>3,814,307,694</b>	<b>4,423,607,851</b>	<b>5,148,461,212</b>	<b>724,853,361</b>	<b>18.45%</b>

- Property Values rebounding after 2 years of losses
- Capped at ~9% increase - even after lost value
- Introduced I&S (Principal & Interest) Tax Rate



# CURRENT SITUATION

- Making progress on Facilities Condition Assessment, but more work is needed
- Reserves have been used heavily for multiple projects
  - Stark - Bridge - CDL - more+
- Another funding source for capital maintenance is needed to accelerate timeline



# DEBT MANAGEMENT PLAN

- Stabilize KC's total tax rate
- Issue debt to address capital maintenance needs
- Structure debt payments to meet goals
- Review annually based on property values, tax rate analysis, and capital maintenance needs
- Similar process used at other community colleges - structured after Alamo College



# DEBT MANAGEMENT PLAN

## FISCAL YEAR 2023–2024

- Targeted Tax Rate is the **same as last year** 17.5 cents per \$100 of valuation
- Additional I&S up to **\$750,000**
- Maximum amount of debt is **\$5 million**
- Maximum time period of debt is **12 years**
- Used for **capital maintenance projects**
- Final debt issuance will be structured to the objectives





June 6, 2023

Dr. Brenda S. Kays, President  
Kilgore College  
McLaurin Admin. Bldg.  
1100 Broadway Blvd.  
Kilgore, TX 75662

RE: Bond Counsel Agreement

Dear Dr. Kays:

This letter is submitted to state our fees and describe the legal services of the undersigned law firm in performing the duties of bond counsel for Kilgore College (the “College”) in connection with the issuance of public securities by the College (the “Obligations”) or other financing, as may be assigned to the firm by the College from time to time during the term of this agreement.

#### SERVICES

Generally, we will perform all usual and necessary legal services as bond counsel in connection with the authorization, issuance, and delivery of the Obligations. Specifically, we will prepare and direct the legal proceedings and perform the other necessary legal services with reference to the authorization, issuance, and delivery of the Obligations, including the following:

1. Prepare all resolutions, orders, notices and other instruments pursuant to which the Obligations will be authorized, issued, delivered and secured, including election proceedings, if necessary, in cooperation and upon consultation with the Board of Trustees, their consultants, and other legal and financial advisors and consultants of the College.
2. If the Obligations are a refunding issue, prepare documents establishing the escrow agreement with the escrow agent.
3. If an election is required, prepare documents for calling bond election.
4. Attend meetings of the Board of Trustees with reference to the authorization and issuance of the Obligations to the extent required or requested.
5. Cooperate with the Board of Trustees and all other interested parties in the sale of the Obligations to the purchasers.

6. Submit bond transcript to the Attorney General for approval and obtain the registration of the Obligations by the Comptroller of Public Accounts of the State of Texas as required by law.
7. Supervise the execution of the Obligations and the delivery thereof to the purchasers.
8. Prepare documents for closings, provide instructions and advice for closings, and attend closings.
9. When the Obligations are issued, we will give our approving opinion covering the validity of the Obligations, the status of the refunded obligations, if any, and the exemption of interest from federal income taxes, it being understood that the approving opinion will be fully acceptable nationally in regular commercial investment banking bond marketing channels.

#### COMPENSATION

The fee covering the legal services of this firm, as bond counsel, for the issuance of the Obligations, is as follows:

##### *New Money Obligations*

\$12,000 for the first million dollars of Obligations; and  
\$1.00 per \$1,000 of Obligations over \$1 million.

\$12,000 minimum fee.

##### *Refunding Obligations*

\$13,000 for the first million dollars of Obligations; and  
\$1.00 per \$1,000 of Obligations over \$1 million.

\$13,000 minimum fee.

Also, we would expect to be reimbursed for our actual out-of-pocket expenses reasonably and necessarily incurred in connection with the authorization, issuance, and delivery of such Obligations, *i.e.*, travel, overnight delivery service, photocopies, outgoing facsimile transmissions, courier, Form 8038-G preparation, and the Attorney General's filing fee. Our standard terms of engagement and a list of client costs advanced are enclosed.

Our fees and expenses in connection with the issuance of the Obligations will be payable at the time of the delivery of and payment for the Obligations, but our fees for these services are wholly contingent upon actual issuance of the Obligations. Should the Obligations not be issued, the College would be responsible only for payment of the costs of any newspaper publications or translation services incurred.

Dr. Kays  
Kilgore College  
June 6, 2023

#### LIMITATION OF REPRESENTATION

The foregoing legal services as bond counsel do not include any direct responsibility for the “disclosure obligations” owed to the investing public under the federal securities laws and the various state securities laws, and this is to state that our engagement is not that broad. We will, however, provide assistance to the College in identifying what the College's responsibility is in meeting its continuing disclosure responsibilities.

Your financial advisor will be responsible for the preparation of an Official Statement or any other disclosure document with respect to the Obligations. While we are not responsible for performing an independent investigation to determine the accuracy, completeness, or sufficiency of any such document, our responsibility will include the preparation or review of any description within the Official Statement of: (i) federal law pertinent to the validity of the Obligations and the tax treatment of interest paid on the Obligations, (ii) the terms of the Obligations, and (iii) our opinion.

The fees discussed herein do not apply in litigation work in reference to the Obligations or matters separate from the actual issuance of debt. The scope of any litigation representation or other work assigned by the College and the rates and fees in respect to these services shall be agreed upon between the College and the undersigned prior to the initiation of services and will be billed monthly.

#### CANCELLATION OF AGREEMENT

The agreement may be terminated by either the firm or the College at any time on 30 days written notice to the other party.

*[The remainder of this page intentionally left blank.]*

Dr. Kays  
Kilgore College  
June 6, 2023

ACCEPTANCE

If the arrangement proposed herein is satisfactory, please indicate the College's acceptance by signing the acceptance clause below and return one copy of this letter to the undersigned.

Respectfully submitted,

BICKERSTAFF HEATH DELGADO ACOSTA LLP

Gregory D. Miller

**ACCEPTED** this the \_\_\_\_ day of \_\_\_\_\_ 2023:

KILGORE COLLEGE, TEXAS

By: \_\_\_\_\_

Name: Dr. Brenda S. Kays

Title: President, Kilgore College

## **STANDARD TERMS OF ENGAGEMENT**

This statement sets forth the standard terms of our engagement as your attorneys. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions. We suggest that you retain this statement in your file.

### **1. The Scope of Our Work**

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly. We will provide services related only to matters as to which we have been specifically engaged.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed. We cannot guarantee the success of any given matter, but we will strive to represent your interests professionally and efficiently.

### **2. Fees For Legal Services**

Our charges for professional services are customarily based on the time devoted to the matter, the novelty and difficulty of the questions presented, the requisite experience, reputation and skill requested to deal with those questions, time limitations imposed by the circumstances, the amount involved, and the results obtained. Unless otherwise indicated in writing, our fees for legal services are determined on the basis of the hourly rates of the respective lawyers and paralegals who perform the services. These rates vary depending on the expertise and experience of the individual. We adjust these rates annually, increasing them to reflect experience, expertise, and current economic conditions. We will notify you in writing if this fee structure is modified.

### **3. Other Charges**

All out-of-pocket expenses (such as copying charges, travel expenses, messenger expenses and the like) incurred by us in connection with our representation of you will be billed to you as a separate item on your monthly statement. We have enclosed a description of the most common expenses.

### **4. Billing Procedures and Terms of Payment**

Our fee is contingent upon the closing and delivery of the obligations.

If you have any question or disagreement about any statement that we submit to you for payment, please contact me at your earliest convenience so that we can resolve any problems without delay. Typically, such question or disagreement can be resolved to the satisfaction of both sides with little inconvenience or formality.



5. Termination of Services

You have the right at any time to terminate our employment upon written notice to us, and if you do, we will immediately cease to render additional services. We reserve the right to discontinue work on pending matters or terminate our attorney-client relationship with you at any time that payment of your account becomes delinquent. Additionally, in the event that you fail to follow our advice and counsel, or otherwise fail to cooperate reasonably with us, we reserve the right to withdraw from representing you upon short notice, regardless of the then status of your matter. No termination shall relieve you of the obligation to pay fees and expenses incurred prior to such termination.

6. Retention of Documents

Although historically we have attempted to retain for a reasonable time copies of most documents generated by this Firm, we are not obligated to do so, and we hereby expressly disclaim any responsibility or liability for failure to do so. You must ultimately retain all originals and copies you desire among your own files for future reference.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, United States of America. Venue of any case or controversy arising under or pursuant to this Agreement shall be in Travis County, Texas, United States of America.

8. Questions

If you have any questions from time to time about any aspect of our arrangements, please feel free to raise those questions. We want to proceed in our work for you with a clear and satisfactory understanding about every aspect of our billing and payment policies; and we encourage an open and frank discussion of any or all of the matters mentioned in this memorandum.

**Client Costs Advanced**  
**Bickerstaff Heath Delgado Acosta LLP**

The firm incurs expenses on behalf of clients only when required by the legal needs of the clients. Some cases or matters require extensive use of outside copy facilities, and other cases may not be so paper-intensive. Standard services handled within the firm are not charged, and client specific expenses are billed to the client needing those services. An explanation of the billing structure is as follows:

Not Charged: Secretarial and word processing time, routine postage, file setup, file storage, local or ordinary long-distance charges, fax charges, and computerized legal research data charges.

Delivery Services: Outside delivery services are used for pickup and delivery of documents to the client as well as to courts, agencies, and opposing parties. Outside delivery fees are charged to the client at the rate charged to the firm. Overnight delivery services are also charged at the rate charged to the firm. Firm Office Services Department personnel may provide delivery service in urgent situations and charges for such in-house service will not exceed the charge that would be made by an outside service in a similar situation.

Postage: Our postal equipment calculates exact U.S. postage for all sizes and weights of posted material. The rate charged for postage is the same as the amount affixed to the material that is mailed. We will not charge clients for postage on routine correspondence; however, the cost of large-volume mail, certified mail, or other additional mail services will be charged to the client.

Copies and Prints: Our standard rate for black and white copies and prints made by firm personnel is \$0.15 per page. Color copies and prints are charged at a standard rate of \$0.55 per page. These charges cover paper, equipment costs, and other supplies. If savings can be realized within the required time frame by sending copy jobs to subcontractors, the firm uses only qualified legal services copiers and the cost charged to the client is the same as the amount billed to the firm.

Phone Charges: Only charges for conference calls or international calls are charged, and charges are billed at the same amount billed to the firm by the outside provider.

Travel: Attorney and other timekeeper time spent traveling on behalf of a client is billed to the client. Hotel, meals, local transportation, and similar expenses are charged based on receipts and travel expense forms submitted by the attorney. Documentation is available to the client if requested.

Maps: Maps produced in conjunction with a project will be billed at \$50 for each 34 x 44 inch map and \$20 for each smaller map, plus cost (time fees) for preparation.

Other Expenses: Expenses incurred with outside providers in connection with the client's legal services will be paid by the client directly to the outside provider unless specifically arranged in advance. If the firm agrees to pay outside providers, the cost charged to the client is the same as the amount billed to the firm. Examples of such charges include court reporter fees, filing fees, newspaper charges for publication notices, expert witness fees, consultants and other similar expenses.

**RESOLUTION NO. R-2023-9**  
**A RESOLUTION OF THE KILGORE COLLEGE**  
**BOARD OF TRUSTEES**  
**AUTHORIZING HIRING OF BOND COUNSEL**  
**ON A CONTINGENCY FEE BASIS**

**WHEREAS**, Kilgore College (“College”), is a duly organized and operating College of the State of Texas, and its governing body is the Board of Trustees of Kilgore College (“Board”); and

**WHEREAS**, the College has a substantial need for legal services in connection with the issuance of public securities or the administration of its affairs that pertain to the issuance of public securities as contemplated by Texas Government Code Section 1201.027 (the “obligations”); and

**WHEREAS**, the legal services cannot be adequately performed by the attorneys and supporting personnel of the College as the issuance of obligations by the College requires specialized skills and experience and the services of a firm that is nationally recognized as bond counsel who can opine on the validity and appropriateness of the obligations, when issued; and

**WHEREAS**, the services required are not typically available and cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because such a contract would require the College to incur costs and expenses which would need to be borne even if the College ultimately determined not to issue obligations. The nature of the bond counsel engagement with Bickerstaff Heath Delgado Acosta LLP of Austin, Texas (“BHDA”), is feasible only because BHDA is agreeing to provide the services on a contingent fee basis and thus bears the risk if the College ultimately determined that it was not practical or feasible to issue the obligations; and

**WHEREAS**, absent the issuance of obligations, the College does not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees; and

**WHEREAS**, the College, by and through its Board and pursuant to all relevant authority, desires to retain and acquire legal counsel and the professional legal services of BHDA regarding the legal matter (“Legal Matter”) of the College’s sale and issuance of public securities as contemplated by the requirements of Subchapter C of Chapter 2254 of the Texas Government Code, which is further described in the attached **Exhibit 1**; and

**WHEREAS**, the Board has duly posted written notice of its consideration of the decision to hire BHDA in accordance with Section 2254.1036 of the Texas Government Code.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the Board, for and on behalf of the College and in the public interest, hereby makes the following findings, which incorporate each of the preceding recitals as if fully stated below, and orders and approves the following:

- (1) It is necessary, proper, and advisable for the College and its Board to be represented by BHDA regarding the Legal Matter due to the legitimate and principal interests of the College and the public as herein described.
- (2) BHDA is hereby retained by the Board on behalf of the College and is formally engaged and hired for the Legal Matter, to provide legal counsel and related professional and personal services pursuant to and described in the contract for legal services ("Engagement Agreement"), said agreement being approved and attached hereto as **Exhibit 1**.
- (3) The College President is authorized and directed to execute the Engagement Agreement on behalf of the College.
- (4) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning in this order.
- (5) This order shall take effect immediately from and after its passage and enactment.
- (6) All preliminary recitals of this order and all attached documents are incorporated by reference.
- (7) This order was considered and approved at a meeting held in compliance with the Open Meetings Act, Chapter 551, Texas Government Code.

*[The remainder of this page intentionally left blank.]*


ORDERED, APPROVED, AND ADOPTED on the 12<sup>th</sup> day of June 2023.

**BOARD OF TRUSTEES OF  
KILGORE COLLEGE**



Board President  
Kilgore College Board of Trustees

**ATTEST:**



Board Secretary  
Kilgore College Board of Trustees



**EXHIBIT 1**

**Engagement Agreement for Legal Services**

## **NOTICE FOR HIRING BOND COUNSEL**

Kilgore College (“College”) will be considering the approval of a contingent fee contract for legal services (“Legal Services Contract”) at the regular meeting of the Board of Trustees to be held on June 12, 2023, at 6:30 p.m. at 1100 Broadway Blvd, Kilgore, Texas. The approval of the Legal Services Contract will be considered in connection with the College’s proposed issuance of public securities (the “Obligations”). The College intends to select the law firm of Bickerstaff Heath Delgado Acosta LLP (“BHDA”) to serve as the College’s bond counsel in connection with the sale and issuance of the Obligations (the “Issuance”) and any other issuances of public securities by the College pursuant to the Legal Services Contract.

BHDA has demonstrated that it has the competence, qualifications, and experience required to serve as the College’s bond counsel in connection with the Issuance. BHDA has successfully represented Texas local governments as bond counsel in connection with the issuance of public securities such as those anticipated to be issued in connection with the Issuance, for over 30 years.

Attorneys that represent local governments in transactions such as the Issuance typically are bond counsel recognized for their work in the specialized area of public finance. The College’s successful sale and issuance of public securities, such as those anticipated to be issued in connection with the Issuance, will require the preparation of numerous transactional documents, the compilation of those documents into a transcript, and obtaining the approval of the Attorney General of the State of Texas for the sale of any public securities, as well as other procedural steps. The College does not have any attorneys on staff that have the specialized experience required for a successful sale of public securities related to the Issuance.

Each sale of public securities by a local government presents a unique set of legal issues and bond counsel traditionally bills for services on a contingent fee basis. Because bond counsel services are based on a fixed contingency rate, the College can know with certainty the precise amount of the fees before the sale of the public securities, and therefore, can more easily budget and plan for the use of the proceeds.

For the preceding reasons, entering into a contingent fee contract for bond counsel services with BHDA is in the best interest of the College.

## CERTIFICATE FOR RESOLUTION

**THE STATE OF TEXAS**  
**KILGORE COLLEGE**

ss ss

I, the undersigned Secretary of said Board of Trustees, hereby certify as follows:

1. The Board of Trustees (“Board”) of Kilgore College (the “College”) convened in a Regular Session on June 12, 2023, at the regular meeting place located at 1100 Broadway Blvd, Kilgore, Texas, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Lon Ford	Board President
Jon Rowe	Board Vice President
Josh Edmonson	Board Secretary
Travis Martin	Trustee
Janice Bagley	Trustee
Kelvin Darden	Trustee
Gina DeHoyos	Trustee
David Castles	Trustee
Jon Keller	Trustee

and all of said persons were present, except for the following:\_\_\_\_\_ thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written Resolution entitled:

## RESOLUTION AUTHORIZING HIRING OF BOND COUNSEL ON A CONTINGENCY FEE BASIS

(the "Resolution") was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES:

NOES:


ABSTENTIONS:

2. A true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been fully recorded in the official minutes of said Board; the above and foregoing paragraph is a true, full and correct excerpt from the agenda of said meeting pertaining to the passage of said Resolution; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Resolution, were the duly chosen, qualified and acting officers and members of said Board as indicated therein; each of said officers and members was



duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented in advance to the holding of said meeting for such purpose; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 12<sup>th</sup> of June 2023.

  
\_\_\_\_\_  
Board Secretary  
Kilgore College Board of Trustees



**RESOLUTION NO. R-2023-8**  
**A RESOLUTION OF THE KILGORE COLLEGE**  
**BOARD OF TRUSTEES**  
**AUTHORIZING AN INTERLOCAL AGREEMENT FOR**  
**ASSESSMENT AND COLLECITON OF TAXES BETWEEN**  
**UPSHUR COUNTY AND KILGORE COLLEGE**

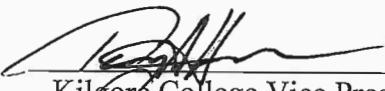
**WHEREAS**, it would be economically advantageous to both Kilgore and Upshur County to consolidate the tax assessment and collection functions; and

**WHEREAS**, in entering into this contract and agreement, it is the intention of Kilgore College and Upshur County that upon commencement of the term of this contract as herein stated, Upshur County shall for the said term of this contract provide such necessary tax assessment and collection services;


**NOW, THEREFORE**, Kilgore College authorizes the Vice President of Administrative Services and CFO to execute the interlocal agreement with Upshur County for Assessment and Collection of Taxes services.

**ORDERED, APPROVED, AND ADOPTED** on the 12<sup>th</sup> day of June 2023.

  
\_\_\_\_\_  
President, Kilgore College Board of Trustees

  
\_\_\_\_\_  
Kilgore College Vice President of  
Administrative Services, CFO

**ATTEST:**

  
\_\_\_\_\_  
Secretary, Kilgore College Board of Trustees



Kilgore College  
April Financial Snapshot  
Fiscal Year 2023 (September 1, 2022 to August 31, 2023)  
Revenues and Expenses from Operations - Excludes Auxillary

	FY 2022 Actual	April 30, 2023	Budget Variance	FY 2023 Budget	% of Annual Budget
<b>Credit Tuition</b>					
In-District Tuition	\$1,236,829.95	\$945,943.25	(\$454,057)	\$1,400,000	68%
Out of District Tuition	\$3,387,793.40	\$2,054,548.70	(\$1,155,451)	\$3,210,000	64%
Out of State Tuition (Texas Non-Resident)	\$407,467.85	\$253,879.70	(\$131,120)	\$385,000	66%
Early Admission/Dual Credit	\$1,860,145.65	\$1,704,931.85	(\$300,568)	\$2,005,500	85%
<b>Total Credit Tuition:</b>	<b>\$6,892,236.85</b>	<b>\$4,959,303.50</b>	<b>(\$2,041,197)</b>	<b>\$7,000,500</b>	<b>71%</b>
<b>Course and Special Fees</b>					
General Education Fee	\$2,942,638.10	\$2,701,672.85	(\$638,327)	\$3,340,000	81%
Out of District Fee	\$4,528,560.45	\$4,086,480.40	(\$1,018,520)	\$5,105,000	80%
Course Fees	\$2,234,456.85	\$1,710,184.05	\$510,184	\$1,200,000	143%
All Other Fees	\$157,872.36	\$755,331.79	(\$1,671,408)	\$2,426,740	31%
<b>Total Course and Special Fees:</b>	<b>\$9,863,527.76</b>	<b>\$9,253,669.09</b>	<b>(\$2,818,071)</b>	<b>\$12,071,740</b>	<b>77%</b>
<b>State Appropriations</b>					
State Appropriations - Formula Funding	\$9,654,902.00	\$5,986,038.00	(\$3,668,865)	\$9,654,903	62%
State Appropriations - Teacher Retirement System TRS/ORP	\$112,978.88	\$70,300.09	(\$19,700)	\$90,000	78%
<b>Total State Appropriations:</b>	<b>\$9,767,880.88</b>	<b>\$6,056,338.09</b>	<b>(\$3,688,565)</b>	<b>\$9,744,903</b>	<b>62%</b>
<b>District Ad-Valorem Property Taxes</b>					
Property Tax Revenues M&O	\$6,619,702.90	\$6,429,801.09	(\$68,258)	\$6,498,059	99%
Property Tax Revenues I&S		\$974,510.39	(\$75,212)	\$1,049,722	93%
Delinquent Tax Collections	\$189,701.61	\$97,244.27	(\$57,756)	\$155,000	63%
<b>Total Ad-Valorem Tax Collections:</b>	<b>\$6,809,404.51</b>	<b>\$7,501,555.75</b>	<b>(\$201,225)</b>	<b>\$7,702,781</b>	<b>97%</b>
<b>Other Revenue from Operations</b>					
Indirect Cost Recovery (from grants/contracts)	\$61,337.33	\$41,177.02	(\$1,323)	\$42,500	97%
Interest/Investment Income	\$230,676.28	\$869,178.50	\$644,179	\$225,000	386%
Continuing Education	\$2,550,424.52	\$1,822,245.22	(\$677,755)	\$2,500,000	73%
Other Revenue from Operations	\$2,519,951.72	1,255,607.91	\$996,558	\$259,050	485%
KC Plant Fund Reserves for Capital Improvements	\$0.00	\$11,367,450.00	\$0	\$11,367,450	100%
<b>Total Other Revenue from Operations:</b>	<b>\$5,362,389.85</b>	<b>\$15,355,658.65</b>	<b>\$961,659</b>	<b>\$14,394,000</b>	<b>107%</b>
<b>Total Revenues</b>	<b>\$38,695,439.85</b>	<b>\$43,126,525.08</b>	<b>(\$7,787,399)</b>	<b>\$50,913,924</b>	<b>85%</b>
<b>Operating Expenses</b>					
Salaries & Wages	\$17,916,030.36	\$12,285,777.45	\$9,166,774	\$21,452,551	57%
Employee Benefits	\$2,423,071.88	\$1,677,202.64	\$1,251,409	\$2,928,612	57%
Other Operating Expenses	\$14,088,566.89	\$11,603,710.51	\$1,521,894	\$13,125,605	88%
Debt Service - SECO Loans		\$524,949.18	\$524,773	\$1,049,722	50%
Capital Budget		\$2,443,887.00	\$9,561,563	\$12,005,450	20%
TASB Salary Study		\$0.00	\$100,000	\$100,000	0%
<b>Total Expenses</b>	<b>\$34,427,669.13</b>	<b>\$28,535,526.78</b>	<b>\$22,126,413</b>	<b>\$50,661,940</b>	<b>56%</b>
<b>Net Income/(Loss)</b>	<b>\$4,267,770.72</b>	<b>\$14,590,998.30</b>	<b>\$14,339,014</b>	<b>\$251,984</b>	



Kilgore College  
April Financial Snapshot  
Fiscal Year 2023 (September 1, 2022 to August 31, 2023)  
Revenues and Expenses from Auxiliary Enterprises (Grouped)

	FY 2022 Actual	April 30, 2023	Budget Variance	FY 2023 Budget	% of Annual Budget
Student Housing Revenues	\$2,170,945	\$2,284,209.77	(\$155,946)	\$2,440,156	93.6%
Student Housing Expenses	\$1,657,514	\$1,195,836.08	\$489,969	\$1,685,805	70.9%
<b>Net Student Housing Activity</b>	<b>\$513,431</b>	<b>\$1,088,373.69</b>	<b>(\$645,915)</b>	<b>\$754,351</b>	
Bookstore Revenues	\$1,514,518	\$1,548,714.48	(\$1,027,786)	\$2,576,500	60.1%
Bookstore Expenses	\$1,692,448	\$1,384,143.40	\$674,259	\$2,058,402	67.2%
<b>Net Bookstore Activity</b>	<b>(\$177,930)</b>	<b>\$164,571.08</b>	<b>(\$1,702,044)</b>	<b>\$518,098</b>	
Rangerette Showcase Revenues	\$88,209	\$52,425.08	(\$35,475)	\$87,900	59.6%
Rangerette Showcase Expenses	\$51,374	\$45,366.36	\$4,487	\$49,853	91.0%
<b>Net Rangerette Showcase Activity</b>	<b>\$36,835</b>	<b>\$7,058.72</b>	<b>(\$39,962)</b>	<b>\$38,047</b>	
Parks Fitness Center Revenues	\$17,164	\$23,105.33	(\$192,295)	\$215,400	10.7%
Parks Fitness Center Expenses	\$113,513	\$120,099.98	\$94,612	\$214,712	55.9%
<b>Net Parks Fitness Center Activity</b>	<b>(\$96,349)</b>	<b>(\$96,994.65)</b>	<b>(\$286,907)</b>	<b>\$688</b>	
East Texas Oil Museum Revenues	\$173,819	\$86,603.59	(\$96,405)	\$183,009	47.3%
East Texas Oil Museum Expenses	\$162,818	\$103,890.36	\$66,805	\$170,695	60.9%
<b>Net East Texas Oil Museum Activity</b>	<b>\$11,001</b>	<b>(\$17,286.77)</b>	<b>(\$163,210)</b>	<b>\$12,314</b>	
Theater Revenues	\$10,989	\$12,909.92	(\$2,090)	\$15,000	86.1%
Theater Expenses	\$22,021	\$22,317.13	(\$7,292)	\$15,025	148.5%
<b>Net Theater Activity</b>	<b>(\$11,032)</b>	<b>(\$9,407.21)</b>	<b>\$5,202</b>	<b>(\$25)</b>	
Printshop Revenues	\$211,795	\$144,054.13	(\$280,946)	\$425,000	33.9%
Printshop Expenses	\$228,943	\$508,471.74	(\$90,038)	\$418,434	121.5%
<b>Net Printshop Activity</b>	<b>(\$17,148)</b>	<b>(\$364,417.61)</b>	<b>(\$190,908)</b>	<b>\$6,566</b>	
Athletics Revenues	\$79,140	\$75,413.44	\$30,369	\$45,044	167.4%
Athletics Expenses	\$1,595,954	\$1,437,421.06	\$189,646	\$1,627,067	88.3%
<b>Net Athletics Activity</b>	<b>(\$1,516,814)</b>	<b>(\$1,362,007.62)</b>	<b>(\$159,277)</b>	<b>(\$1,582,023)</b>	
<b>Total Net Auxiliary Services Activity:</b>	<b>(\$1,258,006)</b>	<b>(\$590,110.37)</b>	<b>(\$3,183,020)</b>	<b>(\$251,984)</b>	



Kilgore College  
April Capital Update  
Fiscal Year 2023 (September 1, 2022 to August 31, 2023)

Project	Posted Balance	Encumbrances	Budget	Total Cost	(Over) Under Budget	% Spent	% Unavailable	% Available	% Completion	Phase
KCPD Squad Vehicle	-	-	46,000	-	46,000	0%	0%	100%	0%	Pending possible grant
KCPD Radio	60,627	-	61,000	60,627	373	99%	99%	1%	100%	Complete
KCPD Bodycam	-	29,400	30,000	29,400	600	0%	98%	2%	100%	Complete
CDL Relocate & Trucks	50,987	-	1,711,375	50,987	1,660,388	3%	3%	97%	0%	Planning and bidding
LV Reno Machining	81,465	1,050	400,000	82,515	317,485	20%	21%	79%	35%	Renovation in process
Rad Tech Table	-	40,000	40,000	40,000	-	0%	100%	0%	100%	Complete - Installation
Fine Arts Roof	108,500	-	125,000	108,500	16,500	87%	87%	13%	100%	Complete
Fine Arts HVAC	-	-	45,000	-	45,000	0%	0%	100%	0%	Planning
Old Main Class Upgrades	346,665	128,101	710,000	474,766	235,234	49%	67%	33%	50%	Renovation in process
Print Shop HVAC/Siding	42,983	42,983	300,000	85,966	214,034	14%	29%	71%	90%	To be complete 5-11-2023
ATC Chiller	-	-	175,000	-	175,000	0%	0%	100%	50%	Equipment ordered
PE Complex Chiller	-	-	150,000	-	150,000	0%	0%	100%	50%	Equipment ordered
Rangerette Gym Canopies	6,752	-	45,000	6,752	38,248	15%	15%	85%	100%	Complete
ATC Roof	307,610	-	323,000	307,610	15,390	95%	95%	5%	100%	Complete
Stark Hall Renovations	1,196,763	-	2,538,625	1,196,763	1,341,862	47%	47%	53%	60%	Renovation in process
Pedestrian Bridge	-	-	5,305,450	-	5,305,450	0%	0%	100%	25%	Renovation in process
<b>Total</b>	<b>\$ 2,202,353</b>	<b>\$ 241,534</b>	<b>\$ 12,005,450</b>	<b>\$ 2,443,887</b>	<b>\$ 9,561,563</b>					

## **KILGORE COLLEGE TASB POLICY CONVERSION**

### **Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees**

LEGAL policies summarize the law on a topic. LEGAL policies are compiled by TASB to provide the legal framework for key areas of college operations and are provided to the Board for foundational and background information only. These are not adopted by the Board.

LOCAL policies outline local Board mandates regarding governance issues. LOCAL policies are developed based on existing TASB model policies and may be customized to meet local needs. LOCAL policies are proposed for adoption by the board.

Procedures will be developed for implementation of policies, as appropriate, and do not require Board adoption. These will be provided for information only.

### **IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section: C BUSINESS AND SUPPORT SERVICES

Policy: CAAA State and Federal Revenue Sources - State

**Summary of *LEGAL* Policy:**

NOTE: CAAA is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.

STATE AND FEDERAL REVENUE SOURCES  
STATE

CAAA  
(LEGAL)

**Appropriations**

There shall be appropriated biennially from money in the state treasury not otherwise appropriated an amount sufficient to supplement local funds for the proper support, maintenance, operation, and improvement of those public junior colleges of Texas that meet the standards prescribed by Education Code Chapter 130. The sum shall be allocated on the basis of contact hours within categories developed, reviewed, and updated by the Coordinating Board. *Education Code 130.003(a)*

To be eligible to receive its proportionate share of the biennial appropriations for support, maintenance, operation, and improvement, each public community college must:

1. Be certified as a public community college as prescribed by Administrative Code 9.29.
2. Offer a minimum of 24 semester credit hours of career technical/workforce education courses.
3. Have complied with all existing laws, rules, and regulations governing the establishment and maintenance of public community colleges.
4. Collect, from each full-time and part-time student enrolled, appropriate matriculation and other fees as required by law.
5. Grant, when properly applied for, the scholarships and tuition exemptions provided for in the Education Code.
6. Levy and collect ad valorem taxes as provided by law for the operation and maintenance of the institution.

*Education Code 130.003(b), (d); 19 TAC 9.28–.29*

**Expenditure of Funds**

All funds allocated under the provisions of the Education Code, with the exception of those necessary for paying the costs of audits as provided, shall be used exclusively for the purpose of paying salaries of the instructional and administrative forces of the several institutions and the purchase of supplies and materials for instructional purposes. *Education Code 130.003(c)*

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**Note:** For more detail regarding appropriated funds and restrictions on the use of the funds, see the current [General Appropriations Act and related appropriations bills](#),<sup>1</sup> available at the Legislative Reference Library of Texas.

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<sup>1</sup> General appropriations acts and major biennial appropriations bills:  
<http://www.lrl.state.tx.us/legis/approBills.cfm>

**KILGORE COLLEGE TASB POLICY CONVERSION**

**Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees**

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**IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section:           C                   BUSINESS AND SUPPORT SERVICES

Policy:            CAD               Appropriations and Revenue Sources – Bond Issues

**Summary of *LEGAL* Policy:**

NOTE: CAD is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.



APPROPRIATIONS AND REVENUE SOURCES  
BOND ISSUESCAD  
(LEGAL)**Tax Bonds and  
Maintenance Tax**

The governing board of each junior college district shall be authorized to issue negotiable coupon bonds for the construction and equipment of school buildings and the purchase of the necessary sites therefor, and levy and pledge annual ad valorem taxes sufficient to pay the principal of and interest on said bonds as they come due, and to levy annual ad valorem taxes for the maintenance of its public junior college or junior colleges; provided that the annual bond tax shall never exceed \$0.50 on the \$100 valuation of taxable property in the district, and the annual bond tax, if any, together with the annual maintenance tax shall never exceed the aggregate of \$1 on the \$100 valuation of taxable property in the district.

Such bonds may be issued in various series or issues, and shall mature serially or otherwise not more than 40 years from their date, and shall bear interest at such rate or rates as shall be determined within the discretion of the board. Said bonds, and the interest coupons appertaining thereto, shall be negotiable instruments, and they may be made redeemable prior to maturity, and may be issued in such form, denominations, and manner, and under such terms, conditions, and details, and shall be signed and executed, as provided by the board in the resolution or order authorizing the issuance of said bonds. All bonds shall be sold to the highest bidder for not less than their par value and accrued interest.

All bonds shall be issued in accordance with the Public Security Procedures Act, Government Code Chapter 1201, and Education Code 130.122.

*Education Code 130.122(a); Gov't Code 1201*

**General Obligation  
Bonds**

Notwithstanding any other provision of law, a political subdivision, including a college district, may not issue general obligation bonds to purchase, improve, or construct one or more improvements to real property, to purchase one or more items of personal property, or to do both, if the weighted average maturity of the issue of bonds exceeds 120 percent of the reasonably expected weighted average economic life of the improvements and personal property financed with the issue of bonds. *Gov't Code 1253.002(b)*

*Investment of  
Bond Proceeds*

For legal requirements regarding investment of bond proceeds, see CAK(LEGAL).

*Use of Unspent  
Proceeds*

A political subdivision other than a school district may use the unspent proceeds of issued general obligation bonds only for the specific purposes for which the bonds were authorized, to retire the bonds, or for a purpose other than the specific purposes for which the bonds were authorized if:

APPROPRIATIONS AND REVENUE SOURCES  
BOND ISSUES

CAD  
(LEGAL)

1. The specific purposes are accomplished or abandoned; and
2. A majority of the votes cast in an election held in the political subdivision approve the use of the proceeds for the proposed purpose.

The election order and the notice of election for an election described by item 2 must state the proposed purpose for which the bond proceeds are to be used. A political subdivision must hold the election in the same manner as an election to issue bonds in the political subdivision.

*Gov't Code 1253.003*

Capital Appreciation  
Bonds

"Capital appreciation bond" means a bond that accrues and compounds interest from its date of delivery, the interest on which by its terms is payable only upon maturity or prior redemption.

A junior college district or other political subdivision may not issue capital appreciation bonds that are secured by ad valorem taxes unless:

1. The bonds have a scheduled maturity date that is not later than 20 years after the date of issuance;
2. The governing body of the political subdivision has received a written estimate of the cost of the issuance, including:
  - a. The amount of principal and interest to be paid until maturity;
  - b. The amount of fees to be paid to outside vendors, including vendors who sell products to be financed by the bond issuance;
  - c. The amount of fees to be paid to each financing team member; and
  - d. The projected tax impact of the bonds and the assumptions on which the calculation of the projected tax impact is based;
3. The governing body of the political subdivision has determined in writing whether any personal or financial relationship exists between the members of the governing body and any financial adviser, bond counsel, bond underwriter, or other professional associated with the bond issuance. The governing body of a political subdivision that makes a determination that a personal or financial relationship exists shall submit the determination to the Texas Ethics Commission; and

APPROPRIATIONS AND REVENUE SOURCES  
BOND ISSUES

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(LEGAL)

4. The governing body of the political subdivision posts prominently on the political subdivision's internet website and enters in the minutes of the governing body:
  - a. The total amount of the proposed bonds;
  - b. The length of maturity of the proposed bonds;
  - c. The projects to be financed with bond proceeds;
  - d. The intended use of bond proceeds not spent after completion of the projects identified in paragraph 4c;
  - e. The total amount of the political subdivision's outstanding bonded indebtedness at the time of the election on the bonds, including the amount of principal and interest to be paid on existing bond indebtedness until maturity;
  - f. The total amount of the political subdivision's outstanding bonded indebtedness, including the amount of principal and interest to be paid until maturity; and
  - g. The information received under item 2 and determined under item 3.

The total amount of capital appreciation bonds may not exceed 25 percent of the political subdivision's total outstanding bonded indebtedness at the time of the issuance, including the amount of principal and interest to be paid on the outstanding bonds until maturity.

The governing body of a political subdivision shall regularly update the debt information posted on the political subdivision's internet website under paragraph 4f to ensure that the information is current and accurate.

*Gov't Code 1201.0245(a)–(d), (g)*

*Exclusions*

Capital appreciation bond proceeds may not be used to purchase the following items, unless an item has an expected useful life, determined based on the depreciable life of the asset under the Internal Revenue Code of 1986, that exceeds the bond's maturity date:

1. Items more regularly considered maintenance items, including replacement HVAC units, upgraded plumbing, or similar items; or
2. Transportation-related items, including buses.

Government Code 1201.0245 does not apply to the issuance of refunding bonds under Government Code Chapter 1207 or capital

APPROPRIATIONS AND REVENUE SOURCES  
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(LEGAL)

appreciation bonds for the purpose of financing transportation projects.

*Gov't Code 1201.0245(e), (j)*

*Unspent  
Proceeds*

Capital appreciation bond proceeds unspent after completion of the project identified as the proceeds' intended use may be used only for a use identified on the political subdivision's website under paragraph 4d, above, unless another use is approved by the voters of the political subdivision at an election held for that purpose. *Gov't Code 1201.0245(f)*

*Extension of  
Maturity Date*

A junior college district may not extend the maturity date of an issued capital appreciation bond, including through the issuance of refunding bonds that extend the maturity date. *Gov't Code 1201.0245(h)*

Exception

A political subdivision, other than a school district, may extend the maturity date of an issued capital appreciation bond only if the extension of the maturity date will decrease the total amount of projected principal and interest to maturity.

*Gov't Code 1201.0245(i)*

**Credit Agreements**

A junior college district that at the time of the issuance of obligations and execution of credit agreements has at least 2,000 full-time students or the equivalent or a combined aggregate principal amount of at least \$50 million of outstanding bonds and voted, but unissued, bonds may, in the issuance of bonds as provided by Education Code 130.122, exercise the powers granted to the governing body of an issuer with regard to the issuance of obligations and execution of credit agreements under Government Code Chapter 1371.

A proposition to issue bonds to which Education Code 130.1221 applies must include the question of whether the board may levy, pledge, assess, and collect annual ad valorem taxes sufficient to pay the principal of and interest on the bonds and the costs of any credit agreements executed in connection with the bonds.

Limits

A district may not issue bonds in an amount greater than the greater of:

1. Twenty-five percent of the sum of:
  - a. The aggregate principal amount of all district debt payable from ad valorem taxes that is outstanding at the time the bonds are issued; and

APPROPRIATIONS AND REVENUE SOURCES  
BOND ISSUES

CAD  
(LEGAL)

- b. The aggregate principal amount of all bonds payable from ad valorem taxes that have been authorized but not issued;
2. Twenty-five million dollars, in a district that has at least 3,500 but not more than 15,000 full-time students or the equivalent; or
3. Fifty million dollars, in a district that has more than 15,000 full-time students or the equivalent.

Government Code 1371.057 and 1371.059 govern approval by the attorney general of obligations issued under the authority of Education Code 130.1221.

*Education Code 130.1221*

**Elections**

No such bonds shall be issued and none of the aforesaid taxes shall be levied unless authorized by a majority of the electors voting at an election held for such purpose in accordance with law, at the expense of the junior college district. Each such election shall be called by resolution or order of the board, which shall set forth the date of the election, the proposition or propositions to be submitted and voted on, the polling place or places, and any other matters deemed necessary or advisable by the board.

The election shall be held on a uniform election date.

*Education Code 130.122(b); Election Code 41.001(a)* [See BBB, BBBA]

Call for Election

For an election to be held on a uniform election date, the election shall be called not later than the 78th day before election day. [See BBBA] *Election Code 3.003, .005, 41.002*

Notice of Election

Notice of said election shall be given by publishing a substantial copy of the election resolution or order one time, at least ten days prior to the date set for the election, in a newspaper of general circulation in the district. The person responsible for giving the notice must retain a copy of the published notice that contains the name of the newspaper and the date of publication. *Education Code 130.122(b); Election Code 4.003(a)(1), (c), .005*

The governing body of a political subdivision, including a college district, that orders an election shall deliver notice of the election, including the location of each polling place, to the county clerk and voter registrar of each county in which the political subdivision is located not later than the 60th day before election day. *Election Code 4.008(a)*

APPROPRIATIONS AND REVENUE SOURCES  
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(LEGAL)

*Posting Notice of  
Election*

In addition, not later than the 21st day before election day, a county shall post a copy of a notice of the election provided to the county under Election Code 4.008(a), which must include the location of each polling place, on the county's internet website, if the county maintains a website. An authority responsible for giving notice of an election may post a copy of the notice on the bulletin board used for posting notices of the meetings of the governing body of the political subdivision that the authority serves. If a county does not maintain a website, the authority responsible for giving notice of the election shall post a copy of a notice of the election on the bulletin board used for posting notices of the meetings of the governing body of the political subdivision that the authority serves. The notice posted under this provision must remain posted continuously through election day.

The person posting the notice shall make a record at the time of posting stating the date and place of posting. The person shall sign the record and deliver it to the authority responsible for giving the election notice after the last posting is made.

*Election Code 4.003(a)(1), (b)–(c), .004–.005*

Election Order

"Debt obligation" means an issued public security, as defined by Government Code 1201.002, that is secured by and payable from ad valorem taxes. The term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.

The document ordering an election to authorize a political subdivision to issue debt obligations must distinctly state:

1. The proposition language that will appear on the ballot;
2. The purpose for which the debt obligations are to be authorized;
3. The principal amount of the debt obligations to be authorized;
4. That taxes sufficient to pay the principal of and interest on the debt obligations may be imposed;
5. A statement of the estimated tax rate if the debt obligations are authorized or of the maximum interest rate of the debt obligations or any series of the debt obligations, based on the market conditions at the time of the election order;
6. The maximum maturity date of the debt obligations to be authorized or that the debt obligations may be issued to mature over a specified number of years not to exceed the maximum number of years authorized by law;

APPROPRIATIONS AND REVENUE SOURCES  
BOND ISSUES

CAD  
(LEGAL)

7. The aggregate amount of the outstanding principal of the political subdivision's debt obligations as of the date the election is ordered;
8. The aggregate amount of the outstanding interest on the debt obligations of the political subdivision as of the date the election is ordered, which may be based on the political subdivision's expectations relative to variable rate debt obligations; and
9. The ad valorem debt service tax rate for the political subdivision at the time the election is ordered, expressed as an amount per \$100 valuation of taxable property.

*Election Code 3.009*

*Posting the  
Election Order*

A debt obligation election order required under Election Code 3.009 shall be posted on election day and during early voting by personal appearance, in a prominent location at each polling place; not later than the 21st day before the election, in three public places in the boundaries of the political subdivision holding the election; and during the 21 days before the election, on the political subdivision's internet website, prominently and together with the notice of the election, the contents of the proposition, and any sample ballot prepared for the election, if the political subdivision maintains an internet website. *Election Code 4.003(f)*

Propositions

The ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision shall specifically state:

1. A general description of the purposes for which the debt obligations are to be authorized;
2. A plain language description of the single specific purposes for which the debt obligations are to be authorized;
3. The total principal amount of the debt obligations to be authorized; and
4. That taxes sufficient to pay the principal of and interest on the debt obligations will be imposed.

Each single specific purpose for which debt obligations requiring voter approval are to be issued must be printed on the ballot as a separate proposition. A proposition may include as a specific purpose one or more structures or improvements serving the substantially same purpose and may include related improvements and equipment necessary to accomplish the specific purpose.

*Gov't Code 1251.052(a)–(a-1); Election Code 52.072(f)*

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(LEGAL)

Voter Information  
Document

A political subdivision with at least 250 registered voters on the date the governing body of the political subdivision adopts the debt obligation election order must prepare a voter information document for each proposition to be voted on at the election. The political subdivision shall post the voter information document in the same manner as a debt obligation election order is required to be posted under Election Code 4.003(f) and may include the voter information document in the debt obligation election order. The voter information document must distinctly state:

1. The language that will appear on the ballot;
2. The following information formatted as a table:
  - a. The principal of the debt obligations to be authorized;
  - b. The estimated interest for the debt obligations to be authorized;
  - c. The estimated combined principal and interest required to pay on time and in full the debt obligations to be authorized; and
  - d. As of the date the political subdivision adopts the debt obligation election order:
    - (1) The principal of all outstanding debt obligations of the political subdivision;
    - (2) The estimated remaining interest on all outstanding debt obligations of the political subdivision, which may be based on the political subdivision's expectations relative to the interest due on any variable rate debt obligations; and
    - (3) The estimated combined principal and interest required to pay on time and in full all outstanding debt obligations of the political subdivision, which may be based on the political subdivision's expectations relative to the interest due on any variable rate debt obligations;
3. The estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the political subdivision with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved, based upon assumptions made by the governing body of the political subdivision; and
4. Any other information that the political subdivision considers relevant or necessary to explain the required information.

*Gov't Code 1251.052(b)*



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The governing body of the political subdivision shall identify in the voter information document the major assumptions made in connection with the statement required by item 3, including:

1. The amortization of the political subdivision's debt obligations, including outstanding debt obligations and the proposed debt obligations;
2. Changes in estimated future appraised values within the political subdivision; and
3. The assumed interest rate on the proposed debt obligations.

A political subdivision that maintains an internet website shall provide the information described by Government Code 1251.052(b) on its website in an easily accessible manner beginning not later than the 21st day before election day and ending on the day after the date of the debt obligation election.

*Gov't Code 1251.052(c)–(d)*

Canvass

The board shall canvass the returns and declare the results of such election. *Education Code 130.122(b)*

**Political Advertising**

An officer or employee of a political subdivision, including a college district, may not knowingly spend or authorize the spending of public funds for political advertising. The restriction does not apply to a communication that factually describes the purposes of a measure if the communication does not advocate passage or defeat of the measure.

An officer or employee of a political subdivision may not spend or authorize the spending of public funds for a communication describing a measure if the communication contains information that:

1. The officer or employee knows is false; and
2. Is sufficiently substantial and important as to be reasonably likely to influence a voter to vote for or against the measure.

It is an affirmative defense for an offense under this section or the imposition of a civil penalty for conduct under this section that an officer or employee of a political subdivision reasonably relied on a court order or an interpretation in a written opinion issued by a court of record, the attorney general, or the Texas Ethics Commission.

On written request of the governing body of a political subdivision that has ordered an election on a measure, the Texas Ethics Commission shall prepare an advance written advisory opinion as to

APPROPRIATIONS AND REVENUE SOURCES  
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whether a particular communication relating to a measure complies with the section.

*Election Code 255.003(a)–(b-1), (d)–(e) [See CHE]*

Newsletters

A newsletter of a public officer of a political subdivision is not political advertising if:

1. It includes no more than two pictures of a public officer per page and if the total amount of area covered by the pictures is no more than 20 percent of the page on which the pictures appear;
2. It includes no more than eight personally phrased references (such as the public officer's name, "I", "me", "the city council member") on a page that is 8 1/2" x 11" or larger, with a reasonable reduction of the number of such personally phrased references in pages smaller than 8 1/2" x 11"; and
3. When viewed as a whole and in the proper context:
  - a. Is informational rather than self-promotional;
  - b. Does not advocate passage or defeat of a measure; and
  - c. Does not support or oppose a candidate for nomination or election to a public office or office of political party, a political party, or a public officer.

*1 TAC 26.2*

**Attorney General  
Review and Approval**

Unless exempt under Government Code 1202.007, before the issuance of a public security, the issuer shall submit the public security and the record of proceedings to the attorney general in accordance with Government Code Chapter 1202 and 1 Administrative Code Chapter 53, Subchapter A. *Gov't Code 1202.003(a); 1 TAC Ch. 53, Subch. A*

**Refunds**

An issuer, including a college district, may issue refunding bonds under Government Code Chapter 1207 to refund all or any part of the issuer's outstanding bonds, notes, or other general or special obligations.

Subject to the provisions of Government Code Chapter 1207 and Education Code 130.122, the governing board of each junior college district is authorized to refund or refinance all or any part of any of its outstanding bonds and matured but unpaid interest coupons payable from ad valorem taxes by the issuance of negotiable coupon refunding bonds payable from ad valorem taxes.

*Gov't Code 1207.002; Education Code 130.122(c)*

APPROPRIATIONS AND REVENUE SOURCES  
BOND ISSUES

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(LEGAL)

**Authorized Unissued Bonds**

All tax bonds voted in any junior college district in accordance with law but unissued by September 1, 1969, may be issued in the manner provided in Education Code 130.122, without an additional election; and all maintenance taxes voted in any district in accordance with law may be levied and collected in the manner provided by law without an additional election. *Education Code 130.122(g)*

**Authority to Contract for Services**

An issuer has exclusive authority to select, contract with, and determine the basis for compensation of a person to provide legal and other services as may be determined by the issuer to be necessary in connection with the issuer's issuance of public securities or administration of its affairs that pertain to the issuance of public securities. The selection of legal counsel shall be made in accordance with the provisions of Government Code Chapter 2254, Subchapter A, applicable to the selection by a governmental entity of a provider of professional engineering services. [See CF(LEGAL) regarding contingent fee contracts for legal services and Government Code 2254.102(e) for additional requirements] *Gov't Code 1201.027(a)*

**Federal Securities Law**

Disclosure  
Obligations for  
Bond and Other  
Debt Offerings

Prior to publicly offering bonds, a college district must prepare and deliver to an underwriter an official statement containing the terms of the bond offering, a description of the college district itself, financial and operating data of the college district, and any other information that may be material to an investor interested in purchasing the college district's bonds or otherwise required by Rule 15c2-12 of the Securities and Exchange Commission (SEC) (SEC Rule 15c2-12(b)). [See Note, below] *17 C.F.R. 240.15c2-12*

Continuing  
Disclosure after  
Issuing Bonds

Except for exempt offerings, SEC Rule 15c2-12(b) requires underwriters to obtain a continuing disclosure agreement (CDA) from the college district when the college district issues bonds. A CDA obligates the college district to prepare and file continuing disclosures of financial information and operating data annually after the bonds are issued. A CDA also requires filing notice regarding the occurrence of events listed under SEC Rule 15c2-12(b)(5)(i)(C) within ten business days following the occurrence of any such event. [See Note, below] *17 C.F.R. 240.15c2-12*

Liability under  
Federal Securities  
Law

College districts, board members, and certain employees of the college district are subject to liability under the antifraud provisions of the federal securities laws contained in Section 17(a) of the Securities Act of 1933 (the "Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), and Rule 10b-5 of the SEC. The antifraud provisions generally prohibit false or misleading statements made in connection with the offer or sale of a college district's bonds (or the omission of material facts from such statements), including the official statement itself and any

other statement reasonably expected to reach bond investors (disclosures). *SEC Exchange Act Release No. 33741 (Mar. 9, 1994)*

The antifraud provisions also apply to a college district's continuing disclosure obligations under SEC Rule 15c2-12(b) after a college district's bonds are issued. [See Continuing Disclosure after Issuing Bonds, above] *SEC Report on the Municipal Securities Market (July 31, 2012) (the "SEC 2012 Report") at pg. 29*

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**Note:** In preparing an official statement, a college district may reasonably rely on the advice of outside professionals who are also subject to the antifraud provisions, but a college district is primarily liable for the content of its official statement and other disclosures. *SEC Exchange Act Release No. 36761 (Jan. 24, 1996)*

A college district may engage qualified consultants, including qualified disclosure or securities counsel and a financial adviser, to assist with preparing an official statement and other primary disclosures relating to a bond offering. Creation of internal procedures may help to insulate a college district against criticism or liability under federal securities laws.

College districts may also engage disclosure counsel and/or other professionals to assist with secondary disclosure, including advice and assistance ensuring that (1) reporting requirements imposed by a CDA are satisfied; and (2) information disclosed in periodic and occasional reports is accurate and complete.

Internal procedures may provide for (1) appointment of, and disclosure training for, college district officials and employees who will be part of the financing team; (2) a procedure of accountability for review of the disclosures; and (3) ensuring that any procedures established are in fact followed.

[See SEC Report on the Municipal Securities Market (July 31, 2012)]

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**KILGORE COLLEGE TASB POLICY CONVERSION**

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**IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section:           C                   BUSINESS AND SUPPORT SERVICES

Policy:            CAE               Appropriations and Revenue Sources – Time Warrants

**Summary of *LEGAL* Policy:**

NOTE: CAE is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.

APPROPRIATIONS AND REVENUE SOURCES  
TIME WARRANTS

CAE  
(LEGAL)

<b>Purposes</b>	<p>Any school district, including a college district, in need of funds to construct, repair, or renovate school buildings, purchase school buildings and school equipment, or equip school property with necessary heating, water, sanitation, lunchroom, or electric facilities or in need of funds with which to employ a person who has special skill and experience to compile taxation data and that is financially unable out of available funds to construct, repair, renovate, or purchase school buildings, purchase school equipment, or equip school properties with necessary heating, water, sanitation, lunchroom, or electric facilities or is unable to pay the person for compiling taxation data, may, subject to Education Code 45.103, issue interest-bearing time warrants, in amounts sufficient to construct, purchase, equip, or improve school buildings and facilities or to pay all or part of the compensation of the person to compile taxation data.</p> <p>The warrants shall mature in serial installments of not more than 15 years from date of issue. The warrants on maturity may be payable out of any available funds of the school district in the order of their maturity dates.</p> <p>A school district may also issue interest-bearing time warrants to refund warrants previously issued under this section if the refunding warrants are coterminous with the refunded obligations.</p> <p>“Interest-bearing time warrant” includes a promissory note or other evidence of indebtedness issued under Education Code 45.103.</p> <p><i>Education Code 45.103(a)–(a-1), (g), 130.084(a)</i></p> <p>The maximum rate of interest for any issue or series of public securities, including an issue or series that is issued in exchange for property, labor, services, materials, or equipment under another law, is a net effective interest rate of 15 percent. <i>Gov’t Code 1204.006</i></p>
<b>Limitations</b>	<p>Any interest-bearing time warrants may be issued and sold by the district for not less than their face value, and the proceeds used to provide funds required for the purpose for which they were issued.</p> <p>A school district may not issue interest-bearing time warrants in excess of five percent of the assessed valuation of the district for the year in which the warrants are issued. The payment of interest-bearing time warrants in any one year may not exceed the anticipated surplus income of the district for the year in which the warrants are issued, based on the budget of the district for that year. The anticipated income is exclusive of all bond taxes. A school district may not have outstanding at any one time warrants totaling in excess of \$1 million under Education Code 45.103.</p> <p><i>Education Code 45.103(a), (c), 130.084(a)</i></p>

APPROPRIATIONS AND REVENUE SOURCES  
TIME WARRANTS

CAE  
(LEGAL)

**Procedures**

Time warrants shall be issued in accordance with the Public Security Procedures Act. *Gov't Code Ch. 1201*

**KILGORE COLLEGE TASB POLICY CONVERSION**

**Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees**

LEGAL policies summarize the law on a topic. LEGAL policies are compiled by TASB to provide the legal framework for key areas of college operations and are provided to the Board for foundational and background information only. These are not adopted by the Board.

LOCAL policies outline local Board mandates regarding governance issues. LOCAL policies are developed based on existing TASB model policies and may be customized to meet local needs. LOCAL policies are proposed for adoption by the board.

Procedures will be developed for implementation of policies, as appropriate, and do not require Board adoption. These will be provided for information only.

**IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section:           C                   BUSINESS AND SUPPORT SERVICES

Policy:           CAF               Appropriations and Revenue Sources – Certificates of  
Indebtedness

**Summary of *LEGAL* Policy:**

NOTE: CAF is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.



APPROPRIATIONS AND REVENUE SOURCES  
CERTIFICATES OF INDEBTEDNESS

CAF  
(LEGAL)

	<p>Any school district, including a junior college district, situated in a county with a population of 200,000 or more may issue interest-bearing certificates of indebtedness to provide funds for erecting or equipping school buildings in the boundaries of the district or refinancing outstanding certificates as provided by Education Code 45.111. "Certificates" includes all obligations authorized to be issued under Education Code 45.111 and the interest on those obligations. <i>Education Code 45.111(a)</i></p>
<b>Payment of Certificates</b>	<p>The governing body of the district shall provide for the payment of the certificates by appropriating and pledging local school funds derived from maintenance taxes levied and assessed under Education Code 45.002 and 130.122, Vernon's Texas Civil Statutes Article 2784g, or other similar law that limits the amount of tax that may be levied for maintenance purposes as distinguished from bond requirements. The appropriation and pledge may be in the nature of a continuing irrevocable pledge to apply the first moneys collected annually from the tax levy to the payment of the obligations or by the irrevocable present levy and appropriation of the amount of the maintenance tax required to meet the annual debt service requirements of the obligations, in which event the governing body shall covenant to annually set aside the amount in the annual tax levy, showing the same is a portion of the maintenance tax. The governing body shall annually budget the amount required to pay the principal and interest of the obligations that may be scheduled to become due in any fiscal year. This section may not be construed as permitting the levy of a maintenance tax in excess of the amount approved by the qualified voters of the district. <i>Education Code 45.111(b)</i></p>
<b>Outstanding Certificates</b>	<p>A district may not at any time have certificates outstanding and unpaid in principal amount in excess of \$250,000, unless the excessive amount becomes the obligation of the district by assumption under Education Code 45.111(k) or the new certificates are being issued to refund or refinance outstanding obligations under Education Code 45.111(i). <i>Education Code 45.111(c)</i></p>
<b>Principal Maturity and Amount</b>	<p>The principal amount of certificates that may be authorized at any one time and the scheduling of their principal maturity are further restricted as follows:</p> <ol style="list-style-type: none"><li>1. If the assessed valuation is more than \$1 million and less than \$15 million, the limiting factor is 25 cents;</li><li>2. If the assessed valuation is \$15 million or more but less than \$35 million, the limiting factor is 15 cents; and</li><li>3. If the assessed valuation is \$35 million or more, the limiting factor is 5 cents.</li></ol>

APPROPRIATIONS AND REVENUE SOURCES  
CERTIFICATES OF INDEBTEDNESS

CAF  
(LEGAL)

Assessed valuation means the valuation for school district purposes on the tax rolls of the district most recently approved before the authorization of the certificates. The limiting factor for a particular district, as prescribed above, is multiplied by the assessed valuation of the district, and the product is the maximum amount of debt service requirements on the certificates that may be scheduled to become due in any fiscal year on a cumulative basis. A district that has an assessed valuation less than \$1 million may not issue certificates under this section.

*Education Code 45.111(d)–(e)*

**Maturity**

Certificates authorized to be issued under this section shall be payable at the times and be in such form and denomination or denominations either in coupon form or registered as to principal, interest, or both. The certificates may contain options for redemption before the scheduled maturity and may be payable at the place and may contain other provisions as the governing body of the district determines. A certificate may not mature over a period exceeding 25 years from date of the certificate. *Education Code 45.111(f)*

**Interest**

A certificate may not bear interest at a rate in excess of seven percent per annum. *Education Code 45.111(f)*

**Procedures**

Certificates of indebtedness shall be issued in accordance with Education Code 45.111.

**KILGORE COLLEGE TASB POLICY CONVERSION**

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**IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section:	C	BUSINESS AND SUPPORT SERVICES
Policy:	CAG	Appropriations and Revenue Sources – Revenue Bonds and Obligations

**Summary of *LEGAL* Policy:**

NOTE: CAG is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.

APPROPRIATIONS AND REVENUE SOURCES  
REVENUE BONDS AND OBLIGATIONS

CAG  
(LEGAL)

Revenue Bonds

The governing board of each junior college district shall be authorized and have the power to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, for and on behalf of its institution or institutions. For the purpose of carrying out any one or more of the aforesaid powers each board shall be authorized to issue its revenue bonds to be payable from and secured by liens on and pledges of all or any part of any of the revenues from any rentals, rates, charges, fees, or other resources of such board in accordance with Education Code 130.123.

Each board shall be authorized to pledge all or any part of any of its revenues from the rentals, rates, charges, and/or fees, including student union fees, from students and others for the occupancy, use and/or availability of all or any of its property, buildings, structures, activities, operations, or facilities, of any nature, to the payment of any bonds issued, including the payment of principal, interest, and any other amounts required or permitted in connection with the bonds in accordance with Education Code 130.123(d).

*Education Code 130.123(a)–(d)*

Payment

Each board further shall be authorized to pledge irrevocably to such payment, out of the tuition charges required or permitted by law to be imposed at its institution or institutions, an amount not exceeding 25 percent of the tuition charges collected from each enrolled student for each semester or term, and each board also shall be authorized to pledge to such payment all or any part of any grant, donation, or income received or to be received from the U.S. government or any other public or private source, whether pursuant to an agreement or otherwise. *Education Code 130.123(e)*

Refunding or  
Refinancing

Any revenue bonds issued by such board under Education Code 130.123, and any revenue bonds or notes issued by any such board under any other Texas statute and payable from tuition fees and charges and/or any part of the use fees from or revenues of any property, buildings, structures, activities, operations, or facilities at the institution or institutions, may be refunded or refinanced by such governing board and in such case all pertinent and appropriate provisions of Education Code 130.123 shall be fully applicable to such refunding bonds.

All bonds permitted to be issued under Education Code 130.123, and the appropriate proceedings authorizing their issuance shall be submitted to the Attorney General of the State of Texas for examination.

*Education Code 130.123(f)–(g)*

APPROPRIATIONS AND REVENUE SOURCES  
REVENUE BONDS AND OBLIGATIONS

CAG  
(LEGAL)

**Revenue Obligations**

The governing body of an issuer is authorized and empowered to issue, sell, and deliver obligations and execute credit agreements in order to finance project costs of an eligible project or to refund obligations issued in connection with an eligible project, subject to the limitations of Education Code 130.125.

The issuance of obligations shall be authorized by resolution or order of the governing body of an issuer, which resolution or order shall fix the maximum amount of obligations to be issued or, if applicable, the maximum principal amount which may be outstanding at any time, the maximum term obligations issued and delivered pursuant to such authorization shall be outstanding, the maximum interest rate to be borne by the obligations, not to exceed a net effective interest rate of 15 percent, the manner of sale (which may be either public or private sale), price, form, terms, conditions, and covenants thereof.

Obligations shall be secured solely by:

1. The proceeds of sale of other obligations.
2. Any revenues that the issuer is authorized by any statute or constitutional provision to pledge to the payment of any obligations.
3. Any one or more of such sources, including credit agreements, all as the governing body of an issuer shall provide in the resolution or order authorizing the issuance of the obligations.

Obligations shall be repaid from the source or sources securing the payment thereof, funds received from a credit agreement, or from any other revenues otherwise legally available for the payment thereof, except funds derived from ad valorem taxation.

*Education Code 130.125(b)–(c); Gov’t Code 1204.006*

**Definitions**

**“Credit  
Agreement”**

“Credit agreement” means a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase obligations, purchase or sale agreement, or commitment or other contract or agreement authorized and approved by the governing body of the issuer in connection with the authorization, issuance, security, exchange, payment, purchase, or redemption of obligations or interest thereon. *Education Code 130.125(a)(1)*

**“Eligible Project”**

“Eligible project” means any project or purpose for which an issuer is authorized to issue revenue bonds pursuant to Education Code 130.123 or any other provision of law. *Education Code 130.125(a)(2)*

APPROPRIATIONS AND REVENUE SOURCES  
REVENUE BONDS AND OBLIGATIONS

CAG  
(LEGAL)

<i>"Obligations"</i>	"Obligations" means notes, warrants, or other special obligations authorized to be issued by an issuer under the provisions of Education Code 130.125 and all "public securities" as defined by Government Code 1201.002, which prior to the delivery thereof, have been rated by a nationally recognized rating agency for municipal securities in either one of the three highest ranking categories for short-term obligations or one of the four highest ranking categories for long-term obligations. It is provided, however, that the term "obligations" does not mean or include any obligations payable from ad valorem taxes. <i>Education Code 130.125(a)(5)</i>
<i>"Project Costs"</i>	"Project costs" means all costs and expenses incurred in relation to an eligible project, including without limitation design, planning, engineering, and legal costs, acquisition costs of land, interest in land, rights-of-way, and easements, construction costs, costs of machinery, equipment, and other capital assets incident and related to the operation, maintenance, and administration of an eligible project, and financing costs, including interest during construction and thereafter, underwriter's discount and fees for legal, financial, and other professional services. Project costs attributable to an eligible project and incurred prior to the issuance of any obligations issued to finance an eligible project may be reimbursed from the proceeds of sale of obligations. <i>Education Code 130.125(a)(6)</i>
Refunding	Obligations, including accrued interest, may from time to time be refinanced, renewed, or refunded by the issuance of other obligations. Credit agreements entered into by an issuer whether pursuant to these provisions or not, may be refinanced, renewed, refunded, or otherwise terminated and a new credit agreement substituted therefor by amendment to the proceedings authorizing such credit agreements and, if required to accomplish the substitution of credit agreements, outstanding bonds may be refunded with obligations. <i>Education Code 130.125(e)</i>
Attorney General Approval	Preliminary to the issuance and delivery of obligations, the resolution or order authorizing the issuance thereof, together with any credit agreements and any contracts providing revenues and security to pay the obligations, shall be submitted to the attorney general for review. Upon approval by the attorney general and initial delivery of any obligations so authorized, any such credit agreements, any such contracts providing revenues or security, such initial obligations, and all other obligations thereafter issued pursuant to the authorizing proceedings shall be incontestable for any cause in any court or other forum and shall be valid and binding obligations enforceable in accordance with their respective terms and provisions. <i>Education Code 130.125(f)</i>

## **KILGORE COLLEGE TASB POLICY CONVERSION**

### **Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees**

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### **IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section: C BUSINESS AND SUPPORT SERVICES

Policy: CAH Appropriations and Revenue Sources – Loans and Notes

**Summary of *LEGAL* Policy:**

NOTE: CAH is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.

APPROPRIATIONS AND REVENUE SOURCES  
LOANS AND NOTES

CAH  
(LEGAL)

**Loans for Current  
Maintenance  
Expenses**

A college district may borrow money for the purpose of paying maintenance expenses and may evidence those loans with negotiable or nonnegotiable notes, except that the loans may not at any time exceed 75 percent of the previous year's income. The notes may be payable from and secured by a lien on and pledge of any available funds of the college district, including proceeds of a maintenance tax.

The term "maintenance expenses" or "maintenance expenditures" as used in this policy means any lawful expenditure of the college district other than payment of principal of and interest on bonds. The term includes expenditures relating to notes issued to refund notes previously issued under this section if the refunding notes are coterminous with the refunded obligation. The term also includes all costs incurred in connection with environmental cleanup and asbestos cleanup and removal programs implemented by the college district or in connection with the maintenance, repair, rehabilitation, or replacement of heating, air conditioning, water, sanitation, roofing, flooring, electric, or other building systems of existing school properties.

Notes issued pursuant to this policy may be issued to mature in not more than 20 years from their date. Notes issued for a term longer than one year shall be treated as "debt" as defined in Section 26.012(7), Tax Code, as amended.

Notes may be issued only after a budget has been adopted for the current school year. Notes must be authorized by resolution adopted by a majority of the board of trustees, signed by the president or vice president and attested to by the secretary of the board.

A note may contain a certification that it is issued pursuant to and in compliance with Education Code 45.108 and pursuant to a resolution adopted by the board of trustees. The certification is sufficient evidence that the note is a valid obligation of the district.

*Education Code 45.108, 130.084(a)*

The maximum rate of interest for any issue or series of public securities, including an issue or series that is issued in exchange for property, labor, services, materials, or equipment under another law, is a net effective interest rate of 15 percent. *Gov't Code 1204.006*

Short-term notes shall be issued in accordance with the Public Security Procedures Act. *Gov't Code Ch. 1201*



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**IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section: C BUSINESS AND SUPPORT SERVICES

Policy: CAI Appropriations and Revenue Sources: Ad Valorem Taxes

**Summary of *LEGAL* Policy:**

NOTE: CAI is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance with the policy.

APPROPRIATIONS AND REVENUE SOURCES  
AD VALOREM TAXES

CAI  
(LEGAL)

<b>Tax Bonds and Maintenance Tax</b>	<p>The governing board of each junior college district shall be authorized to issue negotiable coupon bonds for the construction and equipment of school buildings and the purchase of the necessary sites therefor, and levy and pledge annual ad valorem taxes sufficient to pay the principal of and interest on said bonds as they come due, and levy annual ad valorem taxes for the further maintenance of its public junior college or junior colleges; provided that the annual bond tax shall never exceed \$.50 on the \$100 valuation of taxable property in the district, and the annual bond tax, if any, together with the annual maintenance tax shall never exceed the aggregate of \$1 on the \$100 valuation of taxable property in the district. [See CAD] <i>Education Code 130.122(a)</i></p>
<b>Tax Rate Calculation</b>	<p>After the assessor for the taxing unit, including a college district, submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Tax Code 26.04(b), an officer or employee designated by the governing body shall calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit in accordance with Tax Code 26.04.</p> <p>The designated officer or employee shall use the tax rate calculation forms prescribed by the comptroller under Tax Code 5.07 in calculating the no-new-revenue tax rate and the voter-approval tax rate.</p> <p>As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.</p> <p><i>Tax Code 26.04(c), (d-1), (d-3)</i></p>
<b>Notice</b>	<p>By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the no-new-revenue tax rate and the voter-approval tax rate in accordance with Tax Code 26.04 to the governing body. The designated officer or employee shall post prominently on the home page of the taxing unit's internet website in the form prescribed by the comptroller:</p> <ol style="list-style-type: none"><li>1. The no-new-revenue tax rate, the voter-approval tax rate, and an explanation of how they were calculated;</li><li>2. The estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligations; and</li></ol>

APPROPRIATIONS AND REVENUE SOURCES  
AD VALOREM TAXES

CAI  
(LEGAL)

3. A schedule of the taxing unit's debt obligations as prescribed by Tax Code 26.04(e)(3).

*Tax Code 26.04(e)*

**Tax Rate Adoption**

The governing body of each taxing unit shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approval tax rate not later than the 71st day before the next uniform election date prescribed by Election Code 41.001 that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

1. The rate that, if applied to the total taxable value, will impose the total amount described by Tax Code 26.04(e)(3)(c), less any amount of additional sales and use tax revenue that will be used to pay debt service; and
2. The rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the taxing unit for the next year.

A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate shall be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget.

*Tax Code 26.05(a)–(b)*

**No-New-Revenue  
Tax Rate**

The vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue tax rate) percent increase in the tax rate." *Tax Code 26.05(b)*

APPROPRIATIONS AND REVENUE SOURCES  
AD VALOREM TAXES

CAI  
(LEGAL)

Maintenance and  
Operations Tax  
Rate

If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document the following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."; and if the tax rate exceeds the no-new-revenue maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)." *Tax Code 26.05(b)*

*Internet Posting*

The taxing unit must include on the home page of the internet website of the taxing unit the following statement: "(Insert name of unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and if the tax rate exceeds the no-new-revenue maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)." *Tax Code 26.05(b)*

**Tax Rate Exceeding  
the Voter-Approval  
or No-New-Revenue  
Tax Rate**

The governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate calculated as provided by Tax Code Chapter 26 until the governing body has held a public hearing on the proposed tax rate and has otherwise complied with Tax Code 26.06 and 26.065. The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the voter-approval tax rate or the no-new-revenue tax rate and may not adopt a higher rate unless it first complies with Tax Code 26.06.

The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of each appraisal district in which the taxing unit participates has delivered the notice required by Tax Code 26.04(e-2) and complied with Tax Code 26.17(f).

APPROPRIATIONS AND REVENUE SOURCES  
AD VALOREM TAXES

CAI  
(LEGAL)

Notwithstanding Tax Code 26.05(a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Tax Code 26.05(d-1).

*Tax Code 26.05(d)–(d-2)*

Public Hearing

The public hearing required above may not be held before the fifth day after the notice of the public hearing is given. The hearing must be on a weekday that is not a public holiday. The hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

The notice of a public hearing shall be in the size and form prescribed by Tax Code 26.06(b)–(b-4). In addition, the notice must include at the end of the notice the information prescribed by Tax Code 26.062. The notice of a public hearing may be delivered by mail to each property owner in the taxing unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit publishes the notice in a newspaper, the taxing unit must also post the notice prominently on the home page of the internet website of the taxing unit from the date the notice is first published until the second public hearing is concluded.

The governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, the governing body shall announce at the public hearing the date, time, and place of the meeting at which it will vote on the proposed tax rate.

*Tax Code 26.06(a)–(d), .062*

Adoption of Tax  
Rate After Hearing

A meeting to vote on the tax increase may not be held later than the seventh day after the date of the public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access.  
*Tax Code 26.06(e)*

Supplemental  
Notice

In addition to the notice required under Tax Code 26.06, the governing body of a taxing unit required to hold a public hearing by Tax Code 26.05(d) shall give notice of the hearing in the manner provided by this section.

APPROPRIATIONS AND REVENUE SOURCES  
AD VALOREM TAXES

CAI  
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The taxing unit shall post notice of the public hearing prominently on the home page of the internet website of the taxing unit continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

If the taxing unit has free access to a television channel, the taxing unit shall request that the station carry a 60-second notice of the public hearing at least five times a day between the hours of 7:00 a.m. and 9:00 p.m. for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

The notice of the public hearing required by Tax Code 26.065(b) must contain a statement that is substantially the same as the statement required by Tax Code 26.06(b).

This section does not apply to a taxing unit if the taxing unit:

1. Is unable to comply with the requirements of this section because of the failure of an electronic or mechanical device, including a computer or server; or
2. Is unable to comply with the requirements of this section due to other circumstances beyond its control.

A person who owns taxable property is not entitled to an injunction restraining the collection of taxes by the taxing unit in which the property is taxable if the taxing unit has, in good faith, attempted to comply with the requirements of this section.

*Tax Code 26.065*

**Tax Rate Below the  
Voter-Approval or  
No-New-Revenue  
Tax Rate**

This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the voter-approval tax rate calculated as provided by Tax Code Chapter 26.

The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the form prescribed by Tax Code 26.061(b). In addition to including the information described by Tax Code 26.061(b), the notice must include the information described by Tax Code 26.062.

The notice required under this section must be provided in the manner required under Tax Code 26.06(c).

*Tax Code 26.061*

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**Failure to Timely  
Adopt a Tax Rate**

If the governing body of a taxing unit does not adopt a tax rate before the date required by Tax Code 26.05(a), the tax rate for the taxing unit for that tax year is the lower of the no-new-revenue tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this provision is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this provision, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Tax Code 26.05(b). *Tax Code 26.05(c)*

**Election to Approve  
Increase**

If the governing body of a special taxing unit, including a community college, adopts a tax rate that exceeds the taxing unit's voter-approval tax rate, the registered voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate.

The governing body shall order that the election be held in the taxing unit on the uniform election date prescribed by Election Code 41.001 that occurs in November of the applicable tax year. The order calling the election may not be issued later than the 71st day before the date of the election. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$\_\_\_\_\_ per \$100 valuation in (name of taxing unit) for the current year, a rate that is \$\_\_\_\_\_ higher per \$100 valuation than the voter-approval tax rate of (name of taxing unit), for the purpose of (description of purpose of increase). Last year, the ad valorem tax rate in (name of taxing unit) was \$\_\_\_\_\_ per \$100 valuation." The ballot proposition must include the adopted tax rate, the difference between the adopted tax rate and the voter-approval tax rate, and the taxing unit's tax rate for the preceding tax year in the appropriate places.

If a majority of the votes cast in the election favor the proposition, the tax rate for the current year is the rate that was adopted by the governing body. If the proposition is not approved, the taxing unit's tax rate for the current tax year is the taxing unit's voter-approval tax rate.

*Tax Code 26.07(b)–(e)*

**Exception**

In accordance with Tax Code 26.042, when increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under Tax Code 26.07 to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs. *Tax Code 26.042*

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Call for Election	An election ordered by an authority of a political subdivision shall be ordered not later than the 62nd day before election day. <i>Election Code 3.005(a)</i>
<i>Exception</i>	For an election to be held on a uniform election date, the election shall be ordered not later than the 78th day before election day. [See BBBA] <i>Election Code 3.003, .005(c), 41.002</i>
Notice to County Clerk and Voter Registrar	The governing body of a political subdivision, including a college district, that orders an election shall deliver notice of the election to the county clerk and voter registrar of each county in which the political subdivision is located not later than the 60th day before election day. <i>Election Code 4.008(a)</i>
Proposition	In addition to any other requirement imposed by law for a proposition, including a provision prescribing the proposition language [see BBBA], a proposition submitted to the voters for approval of the reduction of a tax shall specifically state the amount of tax rate reduction or the tax rate for which approval is sought. <i>Election Code 52.072(e)</i>
<b>Dissemination of Tax Information</b>	Each taxing unit shall maintain an internet website or have access to a generally accessible internet website that may be used for the purposes of this section. Each taxing unit shall post or cause to be posted on the internet website the following information in a format prescribed by the comptroller:
Posting of Information Online	<ol style="list-style-type: none"><li>1. The name of each member of the governing body of the taxing unit;</li><li>2. The mailing address, email address, and telephone number of the taxing unit;</li><li>3. The official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by item 2;</li><li>4. The taxing unit's budget for the preceding two years;</li><li>5. The taxing unit's proposed or adopted budget for the current year;</li><li>6. The change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;</li><li>7. In the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for the preceding two years and the current year;</li></ol>



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8. In the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for the preceding two years and the current year;
9. The tax rate for maintenance and operations adopted by the taxing unit for the preceding two years;
10. In the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years;
11. The tax rate for maintenance and operations proposed by the taxing unit for the current year;
12. In the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year; and
13. The most recent financial audit of the taxing unit.

*Tax Code 26.18*

Tax Information to  
County

The county assessor-collector for each county shall post on the internet website maintained by the county the following information for the most recent five tax years for each taxing unit all or part of the territory of which is located in the county: the adopted tax rate, the maintenance and operations rate, the debt rate, the no-new-revenue tax rate, the no-new-revenue maintenance and operations rate, and the voter-approval tax rate.

A taxing unit all or part of the territory of which is located in a county shall provide the information described above pertaining to the taxing unit to the county assessor-collector annually following the adoption of a tax rate by the taxing unit for the current tax year.

*Tax Code 26.16(a)–(b)*

Property Tax  
Database

In accordance with Tax Code 26.17, the chief appraiser of each appraisal district shall create and maintain a property tax database.

The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit must electronically incorporate into the database:

1. The information described by Tax Code 26.17(b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

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2. The tax rate calculation forms prepared under Tax Code 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Tax Code 26.04(e).

*Tax Code 26.17(a), (e)*

**Branch Campus  
Maintenance Tax**

In accordance with Education Code 130.253, the governing body of a school district or a county may levy a junior college district branch campus maintenance tax at a rate not to exceed five cents on each \$100 valuation of all taxable property in its jurisdiction.

The proceeds of the junior college district branch campus maintenance tax may be used only as follows:

1. To operate and maintain a branch campus and support its programs and services in the area of the political subdivision that levied the tax; and
2. Under an agreement by the applicable junior college district and the political subdivision levying the tax, to make lease payments to the political subdivision for facilities used exclusively by the branch campus that are owned by the political subdivision.

*Education Code 130.253(a), (k)*

**Local Steering  
Committee**

A local group of citizens interested in establishing a branch campus maintenance tax jurisdiction shall appoint a steering committee of at least seven citizens to provide leadership on behalf of the tax effort. The steering committee shall be composed of a cross-section of the population of the area, with representation from major civic groups and business and industry. A chair, co-chair, and secretary shall be appointed, along with any other officers who may be of assistance to the committee. Where the proposed branch campus maintenance tax jurisdiction is to be located in an independent school district, the district board of trustees may serve as the steering committee.

The steering committee shall:

1. Serve as liaison between the local community, the college district which would operate the branch campus, and the Coordinating Board;
2. Be responsible for conducting a feasibility study and a survey of the needs and potential of the area for a branch campus;
3. Provide information to the community, which at a minimum, describes the nature and purpose of a branch campus;

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4. Summarize and evaluate the results of the feasibility study and survey and formulate conclusions for submission to the commissioner;
5. Prepare and circulate a petition to obtain not fewer than five percent of the qualified voters of the proposed branch maintenance tax jurisdiction; and
6. Present the appropriately signed petition as set out in 19 Administrative Code 8.30(a) to appropriate authorities for certification in compliance with Education Code 130.087.

*19 TAC 8.93*

Application  
Procedures

The steering committee and the community college district that is planning the branch campus shall jointly file a letter of intent with the commissioner as soon as practical. The staff of the Coordinating Board shall offer advice and technical assistance to the steering committee under the direction of the commissioner on procedures and requirements. *19 TAC 8.94*

Local Feasibility  
Study and Survey

A local feasibility study consisting of a survey of need, potential student clientele, financial ability of the jurisdiction, and other pertinent data must be carried out under the auspices of the steering committee and the college which shall operate the branch campus. This feasibility study may be conducted either by the steering committee or by professionals.

The Coordinating Board staff shall offer advice and technical assistance to the steering committee under the direction of the commissioner. When the feasibility study is conducted by a professional individual or research organization, the steering committee shall fully advise the commissioner prior to initiating the study.

The feasibility study shall be made in consultation with the Coordinating Board staff and, upon completion, be submitted to the commissioner. The commissioner, in consultation with Coordinating Board staff, shall determine if further documentation or clarification is needed to supplement the information presented in the feasibility study.

The feasibility study shall be reviewed by the Coordinating Board, along with other information it deems appropriate, in determining whether the criteria as set out in 19 Administrative Code 8.89 (relating to Standards and Board Procedure for Approval) have been met.

*19 TAC 8.95*

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Petition

In counties with a population of more than 150,000, the steering committee shall be responsible for the circulation of a petition for authorization of an election to levy a public community college branch campus maintenance tax. At a minimum, the petition shall include the maintenance tax limits that shall appear on the ballot in the event an election is authorized. For counties with a population of 150,000 or less or an independent school district within a county with a population of 150,000 or less, no petition to propose an election for a branch campus maintenance tax is required to be submitted to the Coordinating Board.

The petition must incorporate all requirements as set forth in Election Code Chapter 277. After the petition has been circulated among the electorate and has been signed by not less than five percent of the qualified electors of the proposed branch maintenance tax jurisdiction, the petition shall be presented to the appropriate authorities who have the duty of verifying the legality of the petition.

Upon submission of a petition for an election to authorize a branch campus maintenance tax to a governing body of an independent school district or county, the governing body may propose an election and submit to the commissioner a feasibility study and survey. Upon approval by the commissioner, the governing body may enter an order for an election.

The governing body of a county with a population of 150,000 or less or an independent school district within a county with a population of 150,000 or less, on completion and approval of the feasibility study and survey by the commissioner, on its own motion and without presentation and approval of a certified petition to the Coordinating Board may order an election to authorize a branch campus maintenance tax. The governing body of an independent school district or county, notwithstanding 19 Administrative Code 8.98(b), shall present a certified petition to the commissioner who shall then present it to the Coordinating Board for approval or disapproval.

After the petition and any additional documentation or information are presented to the commissioner, a minimum of 45 days must elapse between the date on which the petition and supporting documents are received by the commissioner and the quarterly meeting of the Coordinating Board when the Coordinating Board will consider the petition.

*19 TAC 8.96-.98*

Coordinating Board  
Approval

Education Code 130.253 requires the Coordinating Board to determine that:

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1. The branch campus maintenance tax rate does not exceed five cents on each \$100 valuation of all taxable property;
2. A certified petition has been submitted by the appropriate authorities to the Coordinating Board; and
3. The proposed tax is feasible and desirable.

*Education Code 130.253(c); 19 TAC 8.99(a)*

*Criteria*

The Coordinating Board shall apply the following criteria when considering the appropriateness for the levying of a branch campus maintenance tax:

1. Demographic and economic characteristics of the jurisdiction seeking to establish the maintenance tax, such as:
  - a. Population trends by age group;
  - b. Economic development trends and projection; and
  - c. Employment trends and projection (i.e., supply-demand data).
2. Potential student clientele, including:
  - a. Educational levels by age group; and
  - b. College-bound data (i.e., trends by age group).
3. The financial status of the proposed jurisdiction to be taxed and the state as a whole, including:
  - a. Any projected growth or decline in the tax base; and
  - b. Trends in state appropriations for community/junior colleges and other institutions of higher education.
4. Projected programs and services for the proposed jurisdiction based on economic and population trends.
5. Proximity and impediments to programs and services to existing institutions of higher education such as:
  - a. Identification of institutions that could be affected by a new branch campus;
  - b. Documentation of existing programs and services:
    - (1) On the campuses of nearby institutions of higher education;
    - (2) Available to citizens within a 50-mile radius of the proposed jurisdiction; and

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- (3) Offered in the proposed jurisdiction by existing institutions of higher education.
- c. Financial limitations on existing institutions of higher education inhibiting the offering of programs and services in the proposed jurisdiction;
- d. Availability of facilities, libraries, and equipment for institutions to offer classes in the proposed jurisdiction;
- e. Distance and traffic patterns to existing institutions of higher education;
- f. Effect on enrollments of existing institutions of higher education; and
- g. Effect on financing of existing institutions of higher education.

*Education Code 130.253(c); 19 TAC 8.99(b)*

Public Hearings

A Coordinating Board committee may conduct one or more public hearings in the proposed jurisdiction to:

1. Assess public sentiment regarding the levying of a branch campus maintenance tax;
2. Determine whether programs in the proposed jurisdiction would create unnecessary duplication or seriously harm programs in existing community/junior college districts or other institutions of higher education in the area; and
3. Assess the potential impact of the proposed jurisdiction on existing community/junior colleges or other institutions of higher education in the area and on the state of Texas.

*Education Code 130.253(c); 19 TAC 8.99(c)*

Recommendation

After the self-study has been reviewed and, if applicable, a site visit conducted by a Coordinating Board committee and Coordinating Board staff, a report from the Coordinating Board staff shall be submitted to the commissioner indicating whether the criteria as set out above have been met. The report shall include a recommendation for approval or denial of the request for approval to hold an election to levy a branch campus maintenance tax, but shall not be binding on the commissioner or the Coordinating Board.

Coordinating Board action on the request for approval to hold an election to levy a branch campus maintenance tax shall be taken at the next quarterly Coordinating Board meeting. In making its decision, the Coordinating Board shall consider the needs of the community/junior college, the needs of the community or communities

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served by the branch campus maintenance tax jurisdiction, and the welfare of the state as a whole. A resolution shall be entered in the minutes of the board and conveyed in writing by the commissioner to the governing board of the community/junior college district.

*Education Code 130.253(c); 19 TAC 8.99(d), .100*

Election

If the Coordinating Board approves the establishment of the branch campus maintenance tax, the governing body of the school district or county shall enter an order for an election to be held in the territory under its jurisdiction not less than 20 days nor more than 60 days after the date on which the order is entered to determine whether the branch campus maintenance tax may be levied. In the case of the joint school district or joint county elections, by mutual agreement of the governing bodies, the elections shall be held on the same date throughout the jurisdictions.

The president of the governing board of the school district or the county judge, as applicable, shall give notice of the election in the manner provided by law for notice by the county judge of general elections.

A majority of the electors in the proposed branch campus maintenance tax jurisdiction voting in the election shall determine the question of the creation of the branch campus maintenance tax jurisdiction submitted in the order.

*19 TAC 8.101–.102*

Resubmission of  
Applications

Should an election to create a branch campus maintenance tax jurisdiction fail, a period of 12 months must elapse before resubmission of the proposition to the Coordinating Board. The Coordinating Board shall require a strong showing of need and unusual circumstances before approving resubmission before the 12 months have elapsed. *19 TAC 8.103*

## **KILGORE COLLEGE TASB POLICY CONVERSION**

### **Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees**

LEGAL policies summarize the law on a topic. LEGAL policies are compiled by TASB to provide the legal framework for key areas of college operations and are provided to the Board for foundational and background information only. These are not adopted by the Board.

LOCAL policies outline local Board mandates regarding governance issues. LOCAL policies are developed based on existing TASB model policies and may be customized to meet local needs. LOCAL policies are proposed for adoption by the board.

Procedures will be developed for implementation of policies, as appropriate, and do not require Board adoption. These will be provided for information only.

### **IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section:       D                   PERSONNEL

Policy:        DECB            Leaves and Absences – Military Leave

**Summary of *LEGAL* Policy:**

NOTE: DECB is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC has not formerly had a formal Military Leave of Absence Administrative Rule. This new Administrative Rule will codify KC's practice and will allow paid Military Leave to eligible service members.



**Note:** This policy addresses leave for an employee’s military service. For provisions on leaves in general, see DEC. For provisions regarding the Family and Medical Leave Act (FMLA), including family and medical leave for an employee seeking leave because of a relative’s military service, see DECA.

**Federal Military  
Leave**  
Reemployment

Any person who is absent from a position of employment by reason of voluntary or involuntary service in the uniformed services shall be entitled to certain reemployment rights and benefits under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), 38 U.S.C. 4301-4335, and its regulations at 20 C.F.R. Part 1002 if:

1. Unless notice is precluded by military necessity or is otherwise unreasonable or impossible, the person, or an appropriate officer of the uniformed service in which such service is performed, has given advance written or verbal notice of such service to such person's employer;
2. The cumulative length of the absence and of all previous absences from a position of employment with that employer by reason of service in the uniformed services does not exceed five years, calculated in accordance with 38 U.S.C. 4312(c); and
3. The person reports to or submits an application for reemployment to such employer in accordance with the provisions of 38 U.S.C. 4312(e) and (f) and 20 C.F.R. Part 1002, Subpart C.

*38 U.S.C. 4312(a)–(c); 20 C.F.R. 1002.5(1)*

For purposes of federal military leave, the term “uniformed services” means the Armed Forces; the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty; the commissioned corps of the Public Health Services; the commissioned officer corps of the National Oceanic and Atmospheric Administration (NOAA); system members of the National Urban Search and Rescue Response System during a period of appointment into federal service under Section 327 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and any other category of persons designated by the president in time of war or emergency.

The term “service in the uniformed services” means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active

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duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, state active duty for a period of 14 days or more, state active duty in response to a national emergency declared by the president under the National Emergencies Act, 50 U.S.C. 1601 et seq., state active duty in response to a major disaster declared by the president under Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5170, a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty, a period for which a system member of the National Urban Search and Rescue Response System is absent from a position of employment due to an appointment into federal service under Section 327 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and a period for which a person is absent from employment for the purpose of performing funeral honors duty.

The term “state active duty” means training or other duty, other than inactive duty, performed by a member of the National Guard of a state not under 32 U.S.C. 502 or under U.S.C. Title 10; in service to the governor of a state; and for which the member is not entitled to pay from the federal government.

A person who is reemployed under USERRA is entitled to the seniority and other rights and benefits determined by seniority that the person had on the date of the commencement of uniformed service, plus the additional seniority rights, and benefits that such person would have attained if the person had remained continuously employed.

*38 U.S.C. 4303(13), (15)–(16), 4316(a)*

Exceptions

An employer, including a college district, is not required to reemploy a person if:

1. The employer’s circumstances have so changed as to make reemployment impossible or unreasonable;
2. The person is entitled to reemployment under 38 U.S.C. 4313(a)(3), 4313(a)(4), or 4313(b)(2)(B), and the reemployment of the person would impose an undue hardship on the employer; or
3. The employment from which the person leaves to serve in the uniformed services is for a brief, nonrecurrent period and there is no reasonable expectation that such employment will continue indefinitely or for a significant period.

*38 U.S.C. 4312(d)*

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A person's entitlement to the benefits of 38 U.S.C. Chapter 43 by reason of the service of such person in one of the uniformed services terminates upon the occurrence of any of the following events:

1. A separation of such person from such uniformed service with a dishonorable or bad conduct discharge.
2. A separation of such person from such uniformed service under other than honorable conditions, as characterized pursuant to regulations prescribed by the U.S. Secretary concerned.
3. A dismissal of such person permitted under or a dropping of such person from the rolls pursuant to 10 U.S.C. 1161(a) (dismissal of commissioned officers).

*38 U.S.C. 4304*

Notice

Each employer shall provide to persons entitled to rights and benefits under 38 U.S.C. Chapter 43 a notice of the rights, benefits, and obligations of such persons and such employers. The requirement for the provision of notice may be met by the posting of the notice where employers customarily place notices for employees. The U.S. Secretary of Labor shall provide to employers the text of the notice. *38 U.S.C. 4334*

**State Protections for  
Member of Military or  
Rescue Team**

Paid Leave of  
Absence

A person who is an officer or employee of the state, a municipality, a county, or another political subdivision of the state, including a college district, and who is a member of the state military forces, a reserve component of the armed forces, or a member of a state or federally authorized urban search and rescue team is entitled to a paid leave of absence from the person's duties on a day on which the person is engaged in authorized training or duty ordered or authorized by proper authority for not more than 15 workdays in a fiscal year. During a leave of absence, the person may not be subjected to loss of time, efficiency rating, personal time, sick leave, or vacation time. *Gov't Code 437.202(a)*

In addition to the leave provided under Government Code 437.202(a), a person described by Section 437.202(a) called to state active duty by the governor or another appropriate authority in response to a disaster is entitled to a paid leave of absence from the person's duties for each day the person is called to active duty during the disaster, not to exceed seven workdays in a fiscal year. During a leave of absence under this provision, the person may not be subjected to loss of time, efficiency rating, personal time, sick leave, or vacation time. For purposes of this provision, "disaster"

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has the meaning assigned by Government Code 418.004. *Gov't Code 437.202(a-1)*

*Notice*

This state, a municipality, a county, or another political subdivision of this state shall provide written notice of the number of workdays of paid leave to which an officer or employee is entitled each fiscal year under Government Code 437.202(a) on employment, in the case of an employee or as soon as practicable after appointment or election, in the case of an officer.

This state, a municipality, a county, or another political subdivision of this state shall, on the request of an officer or employee described by Section 437.202(a), provide to that officer or employee a statement that contains the number of workdays for which the officer or employee claimed paid leave under Section 437.202(a) in that fiscal year.

*Gov't Code 437.202(e)–(f)*

Return to  
Employment

An employee of this state or a municipality, a county, or another political subdivision of this state with at least five full-time employees who is a member of the Texas military forces, a reserve component of the armed forces, or a member of a state or federally authorized urban search and rescue team and who is ordered to duty by proper authority is entitled, when relieved from duty, to be restored to the position that the employee held when ordered to duty. An employer, including a college district, may not terminate the employment of an employee who is a member of the state military forces of this state or any other state because the employee is ordered to authorized training or duty by a proper authority. The employee is entitled to return to the same employment held when ordered to training or duty and may not be subjected to loss of time, efficiency rating, vacation time, or any benefit of employment during or because of the absence. The employee, as soon as practicable after release from duty, must give written or actual notice of intent to return to employment. *Gov't Code 437.202(d), 204(a)*

Reemployment

A public employee, other than a temporary employee, who leaves a state position or a position with a local governmental entity, including a college district, to enter active military service is entitled to be reemployed by the state or the local governmental entity; in the same department, office, commission, or board of this state, a state institution, or local governmental entity in which the employee was employed at the time of the employee's induction or enlistment in, or order to, active military service; and in the same position held at the time of the induction, enlistment, or order or to a position of similar seniority, status, and pay. To be entitled to reemployment, the employee must be discharged, separated, or released from active military service under honorable conditions not later than the

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fifth anniversary after the date of induction, enlistment, or call to active military service and must be physically and mentally qualified to perform the duties of the position.

“Military service” means service as a member of the Armed Forces of the United States, a reserve component of the Armed Forces of the United States, the Texas National Guard, or the Texas State Guard.

*Gov’t Code 613.001(2)–(3), .002*

*Exception*

A public employee who cannot perform the duties of the position because of a disability sustained during military service is entitled to reemployment in the department, office, commission, or board of the state, a state institution, or a local governmental entity in a position that the employee can perform and that has like seniority, status, and pay as the former position or the nearest possible seniority, status, and pay. *Gov’t Code 613.003*

*Application*

To be reemployed, a veteran must apply for reemployment not later than the 90th day after the date the veteran is discharged or released from active military service. The application must be made in writing to the head of the department, office, commission, or board of this state, the state institution, or the local governmental entity and have attached to it evidence of the veteran’s discharge, separation, or release from military service under honorable conditions. *Gov’t Code 613.004*

*Discharge*

A person reemployed under Government Code Chapter 613 shall not be discharged without cause before the first anniversary of the date of the reemployment. *Gov’t Code 613.005*

Application of  
Federal Laws to  
Texas Military  
Members Called to  
Duty

A service member of the Texas military forces who is ordered to state active duty or to state training or other duty by the governor, the adjutant general, or another proper authority under the law of this state is entitled to the same benefits and protections provided to persons:

1. Performing service in the uniformed services as provided by 38 U.S.C. 4301–4313 and 4316–4319 (USERRA); and
2. In the military service of the United States as provided by 50 U.S.C. 3901–3959, 3991, and 4011–4026 (Servicemembers Civil Relief Act).

*Gov’t Code 437.213*

## ***Administrative Rule***

**Subject: Leaves and Absences – Military Leave**

**TASB Policy: DECB**

**Effective Date: June 12, 2023**



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- I. Purpose and Scope  
The purpose of Military Leave Policy is to identify the process for requesting covered Military Leave as defined in TASB DECB Legal.
  - II. Definitions  
“Military service” means service as a member of the Armed Forces of the United States, a reserve component of the Armed Forces of the United States, the Texas National Guard, or the Texas State Guard
  - III. Procedures  
Requests for short-term military leave, up to 15 working days, must be accompanied by a copy of orders signed by the proper authority with reporting and ending dates. Kilgore College will pay an employee's regular compensation for military leave if the leave occurs during the employee's normal workweek or period and during normal working hours, subject to annual provisions.
-

## **KILGORE COLLEGE TASB POLICY CONVERSION**

### **Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees**

LEGAL policies summarize the law on a topic. LEGAL policies are compiled by TASB to provide the legal framework for key areas of college operations and are provided to the Board for foundational and background information only. These are not adopted by the Board.

LOCAL policies outline local Board mandates regarding governance issues. LOCAL policies are developed based on existing TASB model policies and may be customized to meet local needs. LOCAL policies are proposed for adoption by the board.

Procedures will be developed for implementation of policies, as appropriate, and do not require Board adoption. These will be provided for information only.

### **IN CONSIDERATION OF ADOPTION OF TASB *LEGAL* POLICY**

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**Kilgore College Board Policy and Personnel Committee Meeting Date:**

May 22, 2023

**Kilgore College Board of Trustees Meeting Date:**

June 12, 2023

**Proposed *LEGAL* Policy for *INFORMATION ONLY*:**

Section: D PERSONNEL

Policy: DLC Employee Performance – Promotions and Demotions

#### **Summary of *LEGAL* Policy:**

NOTE: DLC is a LEGAL policy only. It does not require Board approval. Trustees are being provided with this document for information purposes only.

This LEGAL policy was reviewed by Administration to ascertain compliance. KC is in compliance and will continue to follow procedures allowing contracted employees who may be demoted during the course of the contract the right to a hearing if requested.

EMPLOYEE PERFORMANCE  
PROMOTION AND DEMOTION

DLC  
(LEGAL)

Contractual employees who are demoted during the term of the contract shall be afforded notice and a hearing. Kelleher v. Flawn, 761 F.2d 1079 (1985)



# Minutes of Regular Board Meeting

## The Board of Trustees Kilgore College



A Regular Board Meeting of the Board of Trustees of Kilgore College was held on June 12, 2023, beginning at 6:30 PM on the 2<sup>nd</sup> floor of the McLaurin Administration Building, 1201 S. Henderson Blvd., Kilgore, TX 75662, with the following members present:

Lon Ford, President  
Jon Rowe, Vice President  
Josh Edmonson, Secretary  
Janice Bagley  
David Castles  
Kelvin Darden  
Gina DeHoyos  
Travis Martin  
Jon Keller – Sworn in at 6:35PM and was considered present for remaining of the meeting

### 1. CALL TO ORDER

#### A. Invocation and Pledge of Allegiance

Mr. Lon Ford called the meeting to order at 6:30 pm. Mr. Ford said the Invocation and led the Pledge of Allegiance.

### 2. PRESENTATIONS

A. Oath of Office for new Board of Trustee member, Mr. Jon Keller – *Appendix A/B*

**Presenter:** Mr. Lon Ford/Ms. Karen Scibona

B. Employee Spotlight: Dr. Paul Buchanan

**Presenter:** Mr. Brandon Walker, Associate Dean of Arts & Sciences

C. Student Success Data Spotlight: Spring 2023 Snapshot – *Appendix C*

**Presenter:** Dr. Richard Plott, Dean of Institutional Effectiveness and Research

### 3. PUBLIC COMMENT

**There were no public comments.**

### 4. CONSENT AGENDA

**Presenter:** Mr. Lon Ford

A. To consider approving the minutes from the following meetings:

- Public Hearing on Tax Abatements: April 10, 2023

- Board Meeting: April 10, 2023
  - Election Canvass and Special Board Meeting: May 16, 2023
- B. To consider approval of personnel items submitted as follows: *Appendix D*
- Employee Resignations
  - Employee Retirements
  - Employee Terminations
  - Proposed Change of Employment
  - Offers of Employment
- C. To consider payment of legal fees
- David Castles made the motion to accept the Consent Agenda. Janice Bagley seconded the motion. The motion passed unanimously.**

## 5. BOARD COMMITTEE REPORTS & ACTION ITEMS

- A. Investment/Finance/Audit Committee - Mr. Jon Rowe, Chair
1. ACTION ITEM: To consider a recommendation to engage in a Broker-Dealer Services with FHN Financial Capital Markets and Mischler Financial Group, and authorize the College President to execute the same. – *Appendix E*  
**Presenter:** Mr. Terry Hanson

**Mr. Jon Rowe moved to engage in a Broker-Dealer Services with FHN Financial Capital Markets and Mischler Financial Group, and authorize the College President to execute the same. This recommendation was coming from the committee and did not require a second. The motion passed unanimously.**

2. ACTION ITEM: To consider approval of a Debt Management Plan. - *Appendix F*  
**Presenter:** Mr. Terry Hanson

**Mr. Jon Rowe moved to approve the debt management plan as presented to address the capital maintenance needs of the college. This authorizes the issuance of debt for a maximum of \$5,000,000 up to 12 years with an annual maximum principal and interest payment of \$750,000. This recommendation was coming from the committee and did not require a second. The motion passed unanimously.**

3. ACTION ITEM: To consider adoption of Resolution R-2023-9 authorizing the hiring of Bickerstaff Heath Delgado Acosta LLP as bond counsel on a contingency fee basis. **NOTICE FOR HIRING BOND COUNSEL ATTACHED** – *Appendix G*  
**Presenter:** Mr. Terry Hanson

**Mr. Jon Rowe moved to adopt Resolution R-2023-9 authorizing the hiring of Bickerstaff Heath Delgado Acosta LLP as bond counsel on a contingency fee basis. This recommendation did not come from a committee and required a second. David Castles seconded the motion. The motion passed unanimously.**

4. ACTION ITEM: To consider adoption of Resolution R-2023-8, Interlocal Agreement for Assessment and Collection of Taxes between Upshur County and Kilgore College. *Appendix H*  
**Presenter:** Mr. Terry Hanson

**Jon Rowe moved to adopt Resolution R-2023-8 entering into Interlocal Agreement for Assessment and Collection of Taxes between Upshur County and Kilgore College. This recommendation was coming from the committee and did not require a second. The motion passed unanimously.**

5. INFORMATION ITEM: April FY23 Financial Snapshot and Capital Projections – *Appendix I*

**Presenter:** Mr. Terry Hanson

B. Policy & Personnel Committee - Mr. Josh Edmonson, Chair

1. INFORMATION ITEM: New TASB Policies for Information Only

**Presenter:** Mr. Josh Edmonson

- a. CAAA (LEGAL) - State and Federal Revenue Sources – State – *Appendix J*
- b. CAD (LEGAL) - Appropriations and Revenue Sources - Bond Issues – *Appendix K*
- c. CAE (LEGAL) - Appropriations and Revenue Sources - Time Warrants – *Appendix L*
- d. CAF (LEGAL) - Appropriations and Revenue Sources - Certificates of Indebtedness – *Appendix M*
- e. CAG (LEGAL) - Appropriations and Revenue Sources - Revenue Bonds and Obligations - *Appendix N*
- f. CAH (LEGAL) - Appropriations and Revenue Sources - Loans and Notes - *Appendix O*
- g. CAI (LEGAL) - Appropriations and Revenue Sources - Ad Valorem Taxes – *Appendix P*
- h. DECB (LEGAL, Administrative Rule) - Leaves and Absences - Military Leave - *Appendix Q*
- i. DLC (LEGAL) - Employee Performance - Promotion and Demotion - *Appendix R*

C. Student Success Committee - Ms. Janice Bagley, Chair

1. ACTION ITEM: To consider approval of the Kilgore College Athletic Handbook – *Appendix S*

**Presenter:** Dr. Staci Martin, Vice President of Student Services

**Janice Bagley moved to approve the 2023-2024 Kilgore College Athletic Handbook including the KC Drug Testing Policy. This recommendation did not come from a committee and required a second. Travis Martin seconded the motion which passed unanimously.**

2. INFORMATION ITEM: Student Success Council Update and Data Summit Recap

**Presenter:** Mr. Jase Graves, Co-Chair Student Success Council

## **6. KILGORE COLLEGE FOUNDATION UPDATE**

**Presenter:** Ms. Merlyn Holmes, Executive Director of KC Foundation

## **7. BOARD OFFICERS' AD HOC NOMINATING COMMITTEE REPORT**

**Presenter:** Ms. Janice Bagley, Chair

Ms. Bagley reported the process by which Trustees were asked to complete a survey on their desire to serve as either an officer or committee chair. She stated that all current officers had indicated a willingness to serve in the same capacity for the upcoming term and no other KC Board members were available to serve in a role as officer at this time.

The Ad Hoc Nominating Committee brought forth the following slate for KC Board Officers:

Mr. Josh Edmonson; Secretary  
Mr. Jon Rowe; Vice President  
Mr. Lon Ford; President

## **8. ELECTION OF OFFICERS: 2023-2025**

- Mr. Josh Edmonson was elected unanimously as Secretary of the KC Board of Trustees
- Mr. Jon Rowe was elected unanimously as Vice President of the KC Board of Trustees
- Mr. Lon Ford was elected unanimously as President of the KC Board of Trustees

**Presenter:** Mr. Lon Ford

## **9. BOARD PRESIDENT'S REPORT**

**Presenter:** Mr. Lon Ford

### **A. UPCOMING BOARD DATES:**

- Monday, July 24: Budget Workshop 6:00 PM
- Monday, August 14, 2023: August Regular Board Meeting 6:30 PM
- Monday, September 11, 2023: Property Tax Hearing 5:45-6:15 PM
- Monday, September 11, 2023: September Board Meeting 6:30 PM
- Monday, December 11, 2023: December Board Meeting 6:30 PM

**Presenter:** Mr. Lon Ford

## **10. EXECUTIVE SESSION**


**The Board of Trustees did not go into Executive Session.**

## **11. ADJOURNMENT**

**The meeting was adjourned by Mr. Lon Ford at 7:58 PM.**

*If during the course of the meeting covered by this notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any item included in this notice, then such closed or executive meeting or session as authorized by Section 551.001 et. seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board concerning any subjects and for any and all purposes permitted by Sections 551.01-551.089 of the Open Meetings Act.*

Respectfully submitted,

  
Karen Scibona, Recording Secretary  
Kilgore College Board of Trustees

  
President, Kilgore College Board of Trustees

  
Secretary, Kilgore College Board of Trustees

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Appendix S	Presentation - 2023-24 KC Athletic Handbook