

[Captioner standing by for realtime captions] >> Thank you and welcome back to the afternoon session of our board meeting. We are currently in the building and grounds committee meeting and if you would like to pick up with agenda item number two. I believe the basketball facility project and [Indiscernible] to give some update there

Thank you Mr. general. We have been working on the basketball poll -- was just under 25.2 million and the sign of work has continued. And we have to buy SSA policy 1.4 come to the board at the appropriate time to ask you to approve the project budget. Into the design and construction of the project we have attempted to incorporate everything in this project that the director and the basketball group wanted. We would cut back on some things and added some things. Long story short we need to increase the budget by \$2.5 million in excess of the processes of \$26 million to be able to complete the project. Having said that what I believe that will occur by the time we complete the project will have some contingency savings. We're asking at this point to approve 2.5 million additional using donated funds. At the end of the project how we use the savings and best of burning to offset any of the donated products that we would need. The donations came in. It supports the severalty as the basketball program needs a so I believe it is appropriate to request 20,000,000.5 million however our goal is to come in under budget. At this point. >> And we have some donations that a company and so they would have ostracized it. We would prevent earnings from that project. That would be the goal to offset any use of donations to the extent of savings in [Indiscernible].

Any other board members have some questions on that. All right. Hearing none our committee will move to increase the budget project tomorrow. At our full board meeting. Let's move on to agenda item 11. Let's go to the building grounds policy revisions, item 11. >> [Indiscernible]. [Feedback]. To simply place priority on the athletic team. >> On page one or two there. If you look at the new language under six there you see that the Stadium and the Coliseum committed approval, public use services is strictly prohibited. [Background noise]. SE general public use regularly and the case are opening so obviously the access to them are being policed. Is this a major change in policy.

I will ask Ron to address that. We also need to be able to protect our competition assess with the shark competition [Indiscernible] moving forward. So the individuals that still utilize that on a regular basis they will have to contact us to gain permission or have the appropriate [Indiscernible] and other postings will create some agreement and individuals to be able to utilize that when appropriate and available. But just showing up at 90 of an eye to walk onto the football field and have them pick up soccer games or whatever it may be those things were trying to curtail on and provide reasons but more trying to make sure that we are protecting assets that we have and also responding to the ethics violations appropriately.

Yes.

I think there are some safety concerns we have edger competition once with the proposition on these practices.

Quite frankly in line of what happened to the recent softball facility we have seen an increase vandalism related to our facilities. In some areas we have seen people walk out onto the competition surface as well teams are practices. Things of that nature and it is really become something that is more of a nuisance for us to navigate approaches. We certainly understand the relationship that we have with Donnie down and we will allow the state of video to be open and use the stairs and walk around to all of those things where asking folks to be mindful that these are the assets that we have and this is what we have to practice on and this is what we play on. You don't see a lot of them doing on the cow field and getting on the football field. From their fill the stamp point where asking feels to be mindful .

With a be restricted from field-goal taking.

They just need to contact us of we have an idea of what is going on. We need to be able to manage that. If we are allowing a high school student to come on a college football field to practice field-goal kicking now we have team see a NTA issues and things of that nature that we haven't been mindful of in the past. Those are things that we had to be aware of. We need to battle handle how we handle the facility.

One local family numbered approximately football team site played football on the field on Thanksgiving day. I --

[Laughter].

I plead the fifth. Everyplace I have been we have had some facility use agreements and some facility use policies and again if it is a nonprofit and they want to come out and use the facility for Turkey goal we have done that before. We just need the process of managing this and making sure that we are protecting assets and protecting the safety of our student athletes and coaches as well.

Any questions about that. I don't know but you're exactly right. Access to not just the Coliseum but [Indiscernible]. That is a community park almost. I am not saying it should be but that is kind of what it is. I think Robert Hill that contributed to the decay duration of the competition surface on the track. Right now we cannot host track meets. We can't host conference because of the track services so bad. I've got a quote right now that we're trying to look at what it would take to replace that plus the football field. It is about 2 1/2 years is about its life expectancy right now.

Trying to manage that and there are some financial anywhere between 1 million to \$1.5 million to replace both of those and quite frankly we don't have that right now. I think there's something that we can do to hopefully expand the life expectancy in the facilities.

It is important that we have some type of messaging initiative to cut the community for appropriate signage. I fully agree that we need something and I am very concerned about who is on the surface because it is an asset. If someone says that on Friday that it might be a Saturday and something happens.

To follow up on that obviously the soft ball truck incident, did you ever come to a conclusion, is it secure now?

It is as secure as it can be. That is an open city park and people are allowed to go out there. There is no real security out there beyond the lots of that we have on and things of that nature. So it is as secure as it is going to be. As I've told people [Indiscernible] for an honest man. Those that want to damage is going to figure out a way to do damage.

Any other questions from either of those policies? None. [Indiscernible]. The situation is has matured.

I think internally we were [Indiscernible] the one direction the board gave us. We would try to put a ramp when this was actually start because we will need to get with you PD to manage security aspects overnight. There is a lot of work that needs to be done so I think it would mean the whole operation business as usual and have a communication strategy to help promote what is going on until people when it will start.

Right.

Hearing no other questions we will plan to move for committee approval for these two policy changes to market.

I believe we have a plan management report and a construction report. Can we preview both of those reports.

Can you put that up for me please. It is your diligent board, this is [Indiscernible] just to give you a perspective about the levels of some call it deferred maintenance but we called it plan maintenance because we plan for it. It is project specific but it is more of an overview to give you a sense of where we're headed. The important thing about this is the talk about a [Indiscernible] and planned maintenance addresses M review. This gives the board a sense of where we are and where we have been and where we're headed. The overview at the top is a plan project maintenance [Indiscernible] 6.5 total. The new projects down below and close [Indiscernible] parking lots, Castries, basketball and sports complex, [Indiscernible] initiative which is part of the library, Boulevard sign and beach volleyball. We break this out by funded type. ENG is education buildings. Those are our state buildings or classes are taught or initiatives that support the delivery of classes. [Indiscernible] is a state building. The recreation center is not. That is a distinction. We [Indiscernible] by administrative, architectural, other or all-encompassing. Electrical safety technology. We project this year through 25 [Background noise] in each building. We use the same methodologies for auxiliary

services. We have classified the architectural, HVAC and other electrical and plumbing technology. Toll projections going forward is a period of 20 through 25 166 million 885,000. Obviously were not going to do this one year. Or -- this is the shows you there is a plan and a process that goes on. The process is we develop capital plans that we will bring every year in July. The next page, page 3 shows you the different buildings and the NG, art building [Indiscernible] etc. All through NG funds. Liberal arts North, Science, we're taking a hard look at North. The use of building etc. etc. This goes through all of the education in general buildings that build up to the toll. You can see athletics, campus wreck, students, health services parking instructor, etc. These are residence halls. This gives the board a sense of the assessment that takes place and the planning that will bring back the capital plans. I will be glad to answer any questions about this. For the specific kinds of additions focused on or actions that may be needed.

Any questions?

[Captioner Cannot Hear Speaker - Volume Too Low].

We're on page --

What page number?

160. >> In the construction report there is not a lot of changes. A couple of things that were [Indiscernible]. We're still completing that. We have the last of the initiatives. We have completed the outside work. You may have noticed a roundabout in the classroom and building safety upgrades. That is still going on. What I want to point out to you is , let me see. Beach volleyball court. Project number six. Beach volleyball course, the budget was \$750,000. Expenditure 698,006 41. Encompasses of 53,002 28. Told to date is 751,008 69. It is currently in the ledger, deficit causes some of the encompasses have not lapsed and translated into expenditures. Overall it is not budget for some encompasses. What we do and all of these reporters pull exactly what is in our accounting system. I can explain the difference between [Indiscernible] using that. Okay? >> The next one I want to mention to you, unless you have any questions. Project number nine, arch expansion. Were transferred those funds per board authority back in October. The project is ongoing. What I want to point out to you is a bad stickball practice facility. If you can take a look at the project. Project number 10. Project budget as it currently is 26 million. Expenditures we have advance on 1,000,059 121 negative but with your consideration and approval tomorrow will be \$20.5 million budget for take care of that. Those are the two items I wanted to point out. The projects are ongoing and going along well.

That doesn't allow us to --

[Captioner Cannot Hear Speaker - Volume Too Low].

Do we have to do that?

[Indiscernible - overlapping speakers].

Any questions for Danny on construction of days?

Is looking at budget nine, [Indiscernible] about \$4 million I believe so we took this 13 million from the one-stop shop so it is highly possible we won't need the entire amount.

Hopefully not.

That would be great.

The other thing Mr. Chairman, promotion. The thing the mentioned there is you approved last year \$4 million for us to use for our space along. We took 1.5 million out of that for the café. So we still have some money there. We're looking at coddling money together to continue the stone one-stop initiative. In the library. Back to Mr. Chairman.

If there are no questions then no action is required on either report. I think that concludes the building grounds committee.

Thank you.

Next we will move into finance and audit committee. And Regent [Indiscernible]. If you can take over.

I will do so. [Captioner Cannot Hear Speaker - Volume Too Low]. First matter of business will be agenda, I'm sorry investment report and then if you asked me to take the four.

Thank you Mr. Chairman. For the review members I don't know if y'all have this [Indiscernible] but a number of years ago the institution had the opportunity to place is an investment [Indiscernible] that included operating funds and endowment funds. Our challenge was before that we were limited to the Texas [Indiscernible] for operating funds. So non-endowments had to be invested, savings, money market funds that were allowed by the Texas [Indiscernible] and climb significantly. Since 2013 the legislature approved an institution that had an endowment less than 25 million could investor funds with state institutions that have endowments in excess of 25 million. So it has been a great asset for us as an independent institution. It was an opportunity for us to reach out to assist your organization and we are not part part of the system is still engaged with staggers services. It has been a tremendous thing for us and it has been great to work with them. Devon responsive and always, were when we present this kind of information and have appeared before the board. This afternoon we have a colleague from Texas a and M, Dave help me out from Texas a and M. And we have the presentation. If it will bring them up. In the past you effort from Kevin Guinness and will Robinson. They have worked in the investment agreement at Texas A&M.

It is a pleasure to be here and inform all of you on investment. Moving on quickly to the first slide which is a summary of our operating program. Which is a cast constant pool or CCP that he was the mentioned

in the presentation. What we focus on here are two things. One is the objective with this since these are operating funds we balance growth and safety visible. You will see that going on throughout the presentation but what we focus our inception returns. Since inception in this regard since we set up this [Indiscernible] in 1995. We have a long track record there. Return of 6.7 % versus an index return of 6.1 %. You are looking at even longer term 15 year return of about five and half percent and since inception of return of seven %. For the long haul returns have been positive. We don't focus as much on the store term because that is up and down. It was a very good year. In terms of asset allocation where do we invest the funds is a very diversified portfolio. You can see in terms of fixed income which is really we get that safety portfolio in fixed income. The rest of the portfolio is balance between domestic equity, international equity and absolute return. Domestic equity being American equity, international equity anything non-US including Canada and absolute return is a market strategy that tend to protect on the downside. In terms of the specific pools of assets that you have entrusted with us there are two that I wanted to highlight specifically. This one is the operating fund portfolio. At the year and we had 56 million and it has 7 million was unrealized appreciation. During the course of the year we had 2.2 million come through Taurus interest dividends. [Indiscernible] as of year and the snapshot is 56 million. We also managed the quasi-endowment portfolio. At the end of the year was 7 million. Similar story as they were invested very similarly. Unrealized appreciation is just under \$1 million and you can see that throughout the course of the year. 282,000 plus. In terms of the endowment assess this is shifting from the investment assets -- where generating income and PL quarterly. As you can see the goal here is a little bit different. The goal is since this essentially and into generation asset [Indiscernible] to provide a payout you can see here that the tenure returns in this case are 7.8 %, little bit higher and then on a longer-term basis about a percent is what we have received since 1995. Moving onto the asset allocation on the endowment side you will notice that we have two additional asset classes here. Real assets with the target allocation of 50 % and private equity with the target asset allocation of 25 %. The prime actual is 80 %. We do not have a private allocation to money market but we will have a small amount of cash that is generated through dividends and [Indiscernible] investments. So in terms of zeroing in on the endowment assess that we manage for you. The full value that has left us a quarter with 13.4 million within [Indiscernible] 14 million. Actual payouts was 645,000. With the projected current fiscal year payout of 659,000. So as a refresher the way we calculate the payout in this portfolio is a five-year or quarter average and then we take five % of that and distribute it on a quarterly basis. In terms of the payout for the coming year you can see that it runs into a little bit of detail about how it is calculated. The average for the last 20 quarters that I mentioned was 6.29 and it is essentially the basis for each of the quarters. That is the way we do the calculation. We did it as of the end of November and created a payout from December during Christmas break the trend in the quarterly endowment spending rate is also positive. Generally speaking as long as markets are flat and stable we have had increasing markets and therefore the payout is also gradually increased. Our goal is using a five-year average to make it

predictable and sustainable and well within the payout possibility of the portfolio is self. The last line compares the two goals. This is operating pool and this is the endowment pools that I just referenced. The biggest differences here is on the operating side were not investing the real assess of private equity. These are less liquid and therefore less appropriate for make pool. The other point I would make is between the two pools you see broad diversification of [Indiscernible]. Being a larger pools the biggest benefit is diversity across managers and allocations. If you look at our operating pool, domestic equity we have about 21.7 % U.S. equity and the operating pool and about 15 % U.S. equity exposure in the endowment poll. So the rest of it provides a quite a bit of diversification where the markets are really [Indiscernible]. The summary from my perspective on the investment pools are that they are performing well. Marcus have been positive but obviously we have a cautious outlook at our focus on the [Indiscernible]. We manage these assess just like you manage her own so if you have any questions I will be happy to take them. Happy to be here and happy to provide the updates.

On a fixed income portion of both investment accounts what is the average duration?

In terms of duration on the operating site it tends to be shorter. In terms of the 35 % that we have invested on the operating side a good 50 % of that is short-term in nature and by short-term I mean two years or less. Overall on the endowment side we tend to go longer term. We have managers that in some cases manage accounts for both pools and the way we control for that is essentially we say on the endowment side you can take additional duration that is typical duration would be five years or longer and on the operating side it is [Indiscernible].

Can you talk about your investment managers and evaluate them manually.

Were looking at them monthly . We try not to penalize the managers just because they haven't performed on the six-month or one-year basis. But if they start to underperform for whatever reason over a three-year to five-year basis then we will evaluate and look at the landscape and change the manager as appropriate.

Any other questions from the board? Thank you very much for your report. We appreciate the relationship with Texas A&M. [Indiscernible].

This is just a report.

[Captioner Cannot Hear Speaker - Volume Too Low]. [Laughter].

Moving right along. Item number 12 is audit services. Are we ready?

If it is okay we will hold on agenda item 12. We will move on to 13. Which is the annual financial report. Dr. Galante? >> Mr. Chairman each year on November 20th we have to submit our annual financial report which include [Background noise] for the fiscal year just ended August 31st. In this case August 31st 2019. We wanted the report

to the office of governor and also to public accounts, legislative board, Texas coordinated board, Texas State Library and Texas state auditors office to report the reflex of the financial activities for the period of September 1 2017 through August, I'm sorry that is distracting. Should be September 1 2018 through August 31 2019. So you have copies of the report. If you would if you were turn over with me to page, the report begins on page 281. Unless we have a change from what is uploaded. If you return with meat to page 289. Will talk about the operating and nonoperating revenues and on page 290, actually, patient 91 we will talk to the discount, and allowances. Their tuition and fees in 2019 increased \$4.8 million over 2018. The office of revenue was slightly under. We have some things to point out to you. This report I will ask you to turn to another page in just one second. For the year ended on August 31st 2019 [Indiscernible]. Mandatory tuition fees increased 174,000 before application exception and labors. After application the labors an exemption increases about 37,000. The university services fees increased \$8.7 million. In 648 [Indiscernible]. Overall designated tuition fees increased 8.43 million before application exemptions and 6.1 million after application. The total assets increased significantly.

Webpage are you want?

This is not a specific page in the report. This is a summary.

Okay.

Okay.

We were chasing you. We were running around trying to find what page you're on.

What I did is took the information from the report and summarized it in the category so I found that appropriate. If you turn to page , I apologize, now it comes back. Page [Pause] , if you turn to page 299. This is a statement of net position. That essentially it takes a revenue, it takes our assets or liabilities, and incorporates that into a net position. It is built in the bottom to 90 name. In fiscal year 18 are net position one 101 million 44,077 925 and during fiscal 19 it was 79 million to 84 to 67. And if you look in the non-liability section of the ERSD liability increased from 48 million 508 965 two 124 127 601. These are liabilities that are associated with Gatsby 75. Gatsby 75 prescribes the accounting for our benefits liabilities. It is an acronym for post employment benefits. We are instructed by the Texas state controls office to record liabilities for post employment benefits. It is entirely at their discretion. To have an actual process that they use. We have not no control over that so we record the liabilities that they specify. Gatsby 68 is associated with a non-current liability section with the TRS pension liability. That increased 26,000,005 21 to 64,000,005 65 433. That is associated with the employees and SFA who were on the retirement system benefits for TRS. That liability is also calculated by the state and will required according to the governmental accounting standards award to report in this fashion. There is a component of the [Indiscernible] and the TRS

liability. In the next section above in the liability section which takes our total [Indiscernible] to over 127 million and are TRS liability to 64,700,000. These are entries on a statement that are non-cash in nature. They don't affect cash, they don't affect our operating process. It is a non-cash liability. Madam chair this is fun operating. I summarized it to give you some perspective. Fiscal year 2016 are in the net position was over 126 million. Fiscal year 17 it was over 146 million. With the implementation of this liability the fiscal year 18 we went to below 101,000. Which is the amount listed at the very bottom. At the end of 19 our net position as you see at the bottom was 70 my million two. This emphasizes the impact of those liabilities. If we take our unrestricted net assets as listed here and add back the stock cash interest if we come back for fiscal 2018 within unrestricted net asset amount of 89 7072 631. Fiscal 19 we come back within unrestricted not asset of 87 million 354. That illustrates the impact of those liabilities [Indiscernible] are. I will be answer to any of those questions. I have some other information that I think you'll find useful but I will be happy to answer any questions about the liability in the positions.

Maybe you could talk to the group a little bit about the fact that that pension liability lowering our net position and impacts, if any, our bond rating.

Yes. Good point. Up until two weeks ago we have not had any conversation about any impact on our bond rating whatsoever. We got an email from Fitch, about two weeks ago and they asked for some information which essentially is information I just shared with you. We provided to them. They were asking what are [Background noise] would be and for those interest and had been included what the interest would be. The jury is still out there we have talked to other institutions. The other institutions do is present to the boards what the impact of a Gatsby liability does and what the impact is without them. I will talk about in just a minute and observe the ratio that I will bring back to board. At this point in time the jury is still out on how to scored impact is upon rating. Up until now we have not had any questions or concerns about any of the rating agencies. We are in company. We're not by ourselves. Every public state institution has to report the same topic liabilities. The state comptrollers office [Indiscernible] we pay our proportionate share of each categories liabilities. Not pay, but record the proportionate share. Okay? Let me mention a couple of more things that are important. If you would turn back to page [Pause]

just one second. On page 291. I would like to point out our operating expenditures by category. 2018 hour expenditures were 221,000,006 7680 1149. Fiscal 19, 255,000,008 078 3905. We see on the left column the various categories that are listed. As you look at the categories percentagewise salaries and wages are 42 percent. Payroll which are benefits 35 % and expenditures or percentage of expenditures as appropriate is 63 % for salaries and benefits. The other thing I would like to point out to you is if you turn to page 292 at the bottom of page 292 scholarships and related discounts apply to revenues, tuition discounts are essentially scholarships. Those are through financial aid, grants and those kinds of things. As you notice at the

top we have state and federal student loans, 71.9 thousand in 2019. 71.9 in 2019. 79 million in 2018. Sahr loans decreased \$7.3 million. For fiscal year 2018 to 19. I thought that was significant. The fact that we're concerned about student and animals would decrease that includes student loans, and parent loans. Pretty significant decrease. At the bottom a couple of things to point out. Close scholarships, those are the scholarships that contribute to our billing receivables. The scholarships request tuition fee discounts, scholarship request auxiliary enterprises. Those are the actual scholarships applied to the students. At the bottom scholarships as reported those represent the amounts that go back to students. \$18.9 billion for 2019, \$18.4 million in 2019. I thought that was significant at something for those to be aware. That in clues scholarships, Pell grants that go back to student. Mr. Chairman I believe I have pretty much provided and put everybody to sleep. I thought those were significant points that you should note.

Is there anything that prevents you from sleeping at night?

Fund accounting.

Fund accounting.

There is no pun in that accounting fund.

Unless there any questions or approvals will be approving [Indiscernible] in 2019.

Moving along. We have the charter school.

That is also included in the village platform. I have also summarized that so what I have for you total assets of \$2.2 million dollars. Net position made in [Indiscernible] which was an increase of 90,000. Revenue increase from 231 to 91, -- expenses increased 333,006 30. And 2,000,011.thousand and [Indiscernible] net position increased from 1,000,008 69 569 to 1,000,967 68 teen. And [Indiscernible] increase. Thought it was very successful. [Background noise]. It was a good audit and [Indiscernible]. I recommend approval of that report.

Any question on that? Will be recommending approval of the charter school report. We will go to agenda item number 14. Approval of environmental service fees.

Mr. Chairman. This was a fee that was approved by the legislature about [Indiscernible] ago. It gave permission to charge five dollars per student and environmental service fee. It required a referendum by the students. The students brought this initiative forward. Student government president wanted to work from this. She worked with Dr. packs office and the student affairs to bring this forward. The students held a referendum on October 29th and 30th and the results were 1002 64 and 372 against. With this referendum approval by the students and their willingness to establish this fee administration recommendation is to create environmental services fee of five dollars

per semester and five dollars for the entire summer semester effective 2020.

With that be included in the mandatory fees.

Yes. It is built into that. This fee would be vetted within that amount.

To have any direction on utilization of this [Indiscernible].

The statute prescribes some things that can be used for. I think the students have some initiatives that they would like to bring forward. There is a committee working on that. [Indiscernible] is working that committee and the student affairs group. They will comport with some initiatives but it has to be environment are in nature. And sustainable. It would focus on the use of this fee.

The best that we came up with as far as the total amount, total estimate amount. 110,000 or about 100,000 per year. >> Are we going to direct that as a board or will students put direct that. Now you have \$100,000 of who is doing what?

It would be like other budgeted initiatives which y'all approved. The particular group is responsible for implementing to determine what it is being used for. That is the student association, campus committees. Were not looking for board direction in this. Only simply the approval of the fee. What would do if you look at paragraph two it would be used for environmental [Indiscernible] regarding to recycling, energy efficiency, transportation, employment product purchasing, their items that are environmental and [Indiscernible] in nature.

I wonder if what you are asking is who determines what is that priority.

My thought about that is obviously is not to be used to replace any money that we have already allocated in order to accomplish that. So \$9000 the students will give or paid for somebody to do something that is environmental in nature. We don't know who that is or what we would do with it or who is going to direct it or what responsibility we have for the hundred thousand dollars that we will collect from the students.

Ron Watson will be directing that committee in association with student groups. They would come up with initiatives. They think that is important to deliver.

We have been working on that for period of time. And they have a lot of ideas on how to do this. You might ask those that have been working directly with them to share some of what they are thinking.

We just read the statutory language that permits the creation of the fee. We want him ourselves after Texas A&M and into a certain, lesser extent UT Austin. They both have committees that form around us. Tales are appointed both by the director of the fiscal plan and by the

student body president. It consists of both student, effectively a step. Individuals can bring recommendations to that committee and the committee would then put a vote on the initiatives that they thought would have the greatest benefit.

Give me some wild ideas of what you're talking about initiative points.

I would love to because that sounds like a lot of fun. I will tell you none have come for jet because the committee structure does not yet exist. I expect that in the next policy related to this the board is similar to the weight that we have a policy on your agenda to approve agenda related service fee. That what layout and structure that committee and if this were to be, new fee would be established we would begin implementing the fee for the fall semester.

Is a true that we have several faculty so it is not just a popular political campaign but is directed toward science to some degree.

We have some involvement at this point.

Having taught environmental science for many years. It is hard for me to speak against this. But a word of caution, one of the things that we could come up against is a project that is desired and costing 1.5 million will have 100,000. That is something we need to be cognizant of and how much money we have. What is the true cost of the projects.

I can tell you that is one of the reasons why it is very important that it is being nested in Ron's area. A lot of the initiatives would already be funded. It is really important that we set some limits to this so that folks who make the source of budgets for living could monitor the cost of this. We don't anticipate funding multitier projects because that committee will change from year to year. These will likely be smaller more targeted initiatives.

To the point a number of years ago a group of students had come forth with the recycling initiative of plastics. It turns out [Indiscernible] when we really vetted that it would've been so expensive to have done it it just didn't make sense. C we would have the same lens to look through as we analyze these kinds of projects as to what [Indiscernible] the students. This was as student led initiative. It is not a staff --

That is what I would like to say. This student's approach, students started this initiative environmental movement, SGA three or four different organizations with all involved. Students approaching me. We worked with Dr. Peck who helped the students come up with how to do the referendum. It was totally student led an student initiative. It is not in any way us taking funds to enhance our own operations and to answer your question when this committee is formed it will be a group of students that will be, I think Dr. Forbes and somebody is interested in well, Dr. Forbes teaches sustainability on campus. He teaches a class on sustainability. Those are the folks that we would have represented on there and as I understand it the initiative, the proposals will come from students to the committee who will benefit the

student initiatives, student ideas. I will not bring something to the committee. Students will bring student ideas and we will that those and say this is about what it costs. Is that what you want to allocate your resources to and move forward. I think that is, is that the way it is working?

One of the things that was suggested to students and structure that would take form or time is that they use private funds that will be allowable in the statute to create an environmental service towards [Indiscernible] that could be responsible for updating the initiatives that they want to create. We don't want to be in a situation where we have all of the great ideas and able to fund them but there is no one to carry them out.

If it is a full-time position [Indiscernible].

You might actually be surprised. [Indiscernible - overlapping speakers]. A graduate assistant we have double whammy right there. But with other things I know the book cares about or it could be very entry-level position somewhere around mid 30s with French and everything.

I guess the question I have is during the campaign were there some assurances made for the purpose and use of these funds? That we want to do it for these reasons.

They typically use the same language from the statute. These are things that could be used for the funds. They didn't get into specific initiatives because the committee was formed.

They have some ideas of what they want to do down the line. It is not what they promise. [Indiscernible].

[Laughter].

Here is my concern. I commend the students for what they have done and some great ideas. I wonder are we getting a cart in front of the horse and do we need to have, before we can approve this do we need to have more information and may be a committee in place and the first round of ideas presented just to make sure we're all on the same page?

The timing is something to consider because it is not approved at this meeting it won't take affect until next year. Will be another year down the road. It will be something that we want to discuss with the students and certainly have some input on that tomorrow because they believe they followed down the line. The other advantage is this was created on the 81st legislative. This is a decade-old. We're one of the last institutions in the state to implement this. Because we have always had the concern, Dr. Gord mentioned before, that the amount of revenue that is being generated is relatively modest relative to the cost of some of the things that you might want to do with it. So the concern has been what can you really do for this amount. Again students brought this forward and we can go to [Indiscernible] on what the other institutions are doing and have done with this over the past decade. How they manage it and that is what we pretty much have done is

look at how other schools are doing that, what are the things they are doing with that. I think the timing will be a key to implement it for the coming year it would be, unless I'm getting it wrong, as far as when registration presses is already built into the flat-rate tuition.

It is built into the flat-rate tuition but, sometime in April,

--

Perhaps CMR to come after a vote. The vote would have already taken place by the time we presents her remarks.

I do have a problem. My concern long-term is governance, governing that resource for the students to make sure that the governing pieces are in place. That is all I'm trying to get to. What they end up doing is if they decide that we want to buy \$100,000 worth of dog poop bags that is fine. But I want to make sure that we have our ducks in a row going forward with that so it is lined out and all of a sudden there's \$100,000. Was go some trim some trees. I want to make sure it is managed properly.

We have already drafted a policy to come to the board in April. Were holding the apostle policy pending the approval. In April for the fee is assessed or any deterrence is made how to it would be spent the board was the policy to layout the structure.

That is my only question. They vote on it and went through the process that is fine. My concern is now that it is there were representing the state and both sides of the coin. I want to make sure we're not going to drop the ball or go to a place where we cannot recover. We don't really know yet. I agree with Richard, are we putting the cart before the horse. If you have something in mind but have not presented it yet

--

The only hesitation is that it hasn't run the internal governance traps with the cabinet. I will defer to --

If that hasn't happened that is where I think we're getting the cart before the horse. Is those infantile things have not happened you are requesting an approval for an event or information that we don't have to make that decision .

Will have it tomorrow.

Okay.

Will have something for you to consider tomorrow in more detail. It will be very similar to the way we do the start and see where there is a committee of students but now it is millions of dollars to make some decisions on how to allocate this \$100,000.

That is fine.

I remember. Is very different in the city. It has to be preauthorized by the students every five years. That is a very different, because the

legislature envisioned as seed money or something is to get started or they envision the sunset. I don't think any institution that I know of has sunset. But it does have to be student approved every five years.

Any further discussion for now quacks?

We are recommending that for acceptance tomorrow. At this time we might jump back to ovals before I the presentation. We will go to agenda item number 12.

All right. As the discussion was happening will wait for someone to get here. Would you like to give everybody a page number that we will jump back to. 193 is what we're jumping.

Every one of my audit reports is tabbed separate. That is probably the easiest way. I will start with our [Indiscernible] audit that we started this year. The interesting thing about our job is we get to meet everybody all over campus and seek unique operations. That department as part of the division of fine arts and [Indiscernible name] has been serving as chair since 2018. We've had that agreement with the U.S. department of Army since 1967 and if you would call in the last meeting we approved the agreement to continue. As per the agreement the Army perverse provides the military personnel necessary for the ROTC program and [Indiscernible] compensation instead of pay. Just for the University side budget expenditures are \$150,000, 144,000 property inventory and they accredited [Indiscernible]. They do have 11 military personnel that are paid for by the army. We have the same audit objectives and stuff as we do on all of our department audits and we found that they have control that are generally On. We have authorizations for improvement in some areas such as documented policies and procedures, training, recording and going back and looking at some of account receivables that are on the books from the contract and the fact that they are considered third-party personnel and making sure that the process is that allow them to take some of the trainings and complete some of the conflict of interest disclosures and how the use of earthy procurement cars and some of the process is sure to account for them being nonuniversity employees. Most of us are said to be implemented this spring and does anybody have any questions about the military side?

Will move to the next departmental audit which is communication and legal studies in the college of business. Dr. Marge is the chair. They have a budget of about 1.5 million and a small \$20,000 property inventory and they generate around 9000 credit hours for the University during the fiscal year. We have the same objectives and procedures and we found that they have controls in place to generally conform with a couple of opportunities for appointment. One being documented policy and procedures with a of already done. And then our favorite response and receives so they'd get away with part of the receipts and went back to the business office if anything comes in. They do some improvements in travel and training and then to have [Indiscernible] which they have already done too. A few things related to the payroll in the department. Those are also set for this spring to be implemented. So that is business communications and legal studies. The

next audit we have is our family educational rights and privacy act appliance audit. Those of you that are been here a while and we did this a while ago, eight or nine years ago. At that time it was just in the infancy of the whole program on campus so the Department of Education and U.S. government the requirements they put in for all of our education is set to administer and protect student records and information. So at the university, the registrars office is the one generally responsible for administrating student records all University department employees with records have a role in ensuring the FERPA compliance. Our policy is 2.1 student records and it requires annual [Indiscernible] for employees with access to those student records. Human resources administers the training system before that for the training and we have student records in major university system such as the bearer system, management system, image now system and various other systems within university departments. Our objective was to gain assurance that we work in compliance with the family educational rights and privacy act and we had controls to facilitate that compliance. We looked at the policies, procedures systems and activities in place as of a over 31st. We looked at the University demonstrated commitment to competency in an appropriate administration. Do we disown design our control activities and activities of the information system and implement those appropriately and looked at the compliance not only for FDR PA estate policy and procedures and we taking the insurance that we were generally compliant and had controls in place to facilitate the compliance. We did have a couple of opportunities for improvement. Our University policy 2.1 student records Defense and education record as in record maintained by the University or University directly related to a student and it goes into the defined records and financial records and health and counseling areas. In review we were in conjunction with the registrar that the actual student work products or artifacts are not just the grade a student receives on an English paper but actually the English paper is read protected by FERPA. We want to make sure that they match up that we are actually defining FERPA protected documents across campus. So the University is going to review the policy under Irma direct with an implementation date of July 31st so we can bring it to the board Regency in April or July. Along that the same lines we looked at the FERPA training that is required and we know that 70 % of the employees had not completed training as required. 83 % had. The main [Indiscernible] that some of the employees were assigned training because of the universities process that actually assigns training to the employees automatically and including a group of some of the employees and also the university no longer includes your new employee orientation or faculty orientation of basic FERPA awareness that used to occur in past years. And as a higher education institution all employees have FERPA exposure to student education records. So we have recommended that all employees should have a general awareness of FERPA which could be obtained by including that in the orientation or requiring FERPA training for all employees as part of the require University training. The University is going to review that. [Indiscernible] has taken responsibility for that I August 31st. A couple of the other system that has student records such as the management system which is administered by the Center for teaching and learning and some other opportunities to look at security assessment in the area to make sure that access is appropriate and the same thing

with the lab text information in the college of education reviewing access to that system in compliance with the universities [Indiscernible] policies and procedures. Both procedures will take place in the normal process of the security assessments on campus. The last one recommendation relates nonuniversity electronic devices with the increase in the use of electronic personal or other electronic devices on campus the University is exposed to the risk that staff and faculty with access to student records can download that information to electronic devices thus the University no longer has control over protecting the FERPA information. The University should investigate secure access to large amounts of data and limit the exposure of records. The IGS security operative will investigate those options and propose them through the budget process if feasible on July 31st. That is our FERPA audit. Are there any questions?

The next one is our medical billing audit. Which we are been working on for a couple of months. Or longer than that. The University provides medical service through the health clinic and the sports medicine department which is under intercollegiate athletics which resulted in the medical billing of insurance providers. The health clinic has an outpatient medical facility offering those services [Indiscernible] that treats the students under University affairs and sports medicine department. The sports medicine back in 2011 contracted with the medical system and a March 2013 the health clinic was added to a contract addendum. An additional ad addendum has been added to through the years so the University insurance collections for medical billing for fiscal year 2017 and 18 combined to almost \$1 million. Our audit objective was to look and see are we in compliance with medical bill and compliance and have internal controls and documents to support the medical billings, protect the confidential information and broad risk.

Medical billing for the University overall needs to be further evaluated to increase efficiency for the universities so we have opportunities to internal controls to the sports medicine department we gain assurance that their parsley and compliance with the University policy and procedures and criteria but they like to the internal control in some areas that generally protected the information. For the hell cannot we gave assurance that they were generally compliant and found that they had appropriate internal controls and reporting and protective confidential information. You and all those areas we have an opportunity for improvements. The first one relates to medical services efficiency because we now operate two medical billing systems on campus would require funding over staff expertise and general physician services in the health clinic and contracts for those and sports medicine department that we look at our overall efficiency and provision related to those services. That observation contracts for billing and collection services. Some of those contracts did not follow the University contract and best value procurement procedures that resulted in some equipment to the University. Some of those were not really located at the universities and the University should strengthen those contract procedures and determine the accurate terms of those contracts. For the sports medicine department the original contract on observation 100 sports medicine or the sports medicine billing system will receive a did different collection fee than what was in the contract so we need to look at that and determine the appropriate fee

and seek collection where we can. Also to make sure our observation two that we have documented procedures for the physician's orders and sports medicine department and that the record retention of those is sent to labs throughout the medical billing process and to ensure certain documents are included in our medical record files and sports medicine billing and collection is timely and accurate and observation five, document those accounts receivable on the University [Background noise] observation six that we account for under following the appropriate accounting policies and procedures and make the deposits timely and that we record the equipment received from the contracts on the universities books and that we do and IT assessment of the application that holds those medical records which are considered but protected records and that the employees have the appropriate FERPA training. That is a sports medicine site. On the health clinic side on observation related to the health clinic we reviewed the contract and noted some contract terms that need to be clarified and also that appears the vendor owes the University some funds from under admitted insurance claims and payments. I think there will look at those and try to have a resolution by April 30th. As far as health clinic student eligibility, this came up this morning about the shots, which students are actually eligible for the services. Some places assess all enrolled students and some essays all enrolled and registered students. We need to clarify with students are eligible for the clinic. Related to their billing and collection they had accurate charges and timely claims and there needed to be a few, some strengthening in some of those areas and to record the clinical accounts receivable books and review the information technology security controls and the employees take their FERPA training. I know that was a lot but that was the medical billing audit. Does anyone have any questions on that one? The next report is from our external auditors. It is a policy and procedures of CAA financial statements. This is a standard report. You can receive the different forms and minimum agreed upon procedures prescribed by the NCAA in file [Indiscernible] for the year ending August 31st 2019. Are University controls office provides information and then they look at samples of receipts and expenditures and review for compliance. In those different here is to make sure that we have all of our outside organizations and funds accounted for and prepare a comprehensive financial statement by program. If anybody has any questions on that all that is detailed in that report. The next one is the bursars cash count. We did do a surprise cash count in the bursars office in early December and found everything is as it should be. A couple improvements that have already been done. The next one is a follow-up audit of our external information technology audits. The regions hurt this confidential security audit report yesterday. Executive session but we did find that we need some loss of progress has been made and is still are improvements that need to be made in those audit findings that were related back to the active directory, the IT patching and processes and procedures so those observations are listed and will be tracked in our follow procedures for implementation by September the 30th and we will do another scan of the university systems at that time. We did have one internal project for the quarter related to the [Indiscernible] ticket system in athletics and making sure that we have the appropriate security controls in the system to comply with the University policy and procedures. So security assessment of the system is also underway

and as far as an update on the audit plan the state auditors issued the audit report and the benefit proportionality of [Indiscernible] University in fiscal year 2018 and identified no sick the second issues and included that SFA completed accordance with requirements and appropriately reported [Indiscernible] in the post payment review. We will bring that in April. Other projects we have the Myers and Stauffer select benefit process and controls which we stopped for a little while while the University worked on some of the documentation and a close out agreed close out review for external auditors and upcoming we have and auditor -- for fiscal year 19 and University system training and departmental audit in human resources secondary and educational leadership. Are risk assessment process that is going out and an upcoming firewall audit by Myers and Stauffer. Any questions or comments?

Very well presented. Any questions? Any board members? Thank you very much. Good work. Will move back in order where we left off since we were going to talk about agenda item number 15 and the recreation additional sports.

This was implemented many years ago and admitted to issue bonds for the [Indiscernible] services for the recreation center. The legislation allows us to charge up to \$120 per semester of the summer session longer than six weeks or \$60 per summer session 6 weeks or less. What we did years ago is established a \$60 fee, \$50 fee from semester credit hours one through six. It was done to meet the debt service requirements. We began working on the allocation of the fixed tuition plan which we have brought to you and will present the action item in a few minutes. We needed to increase that fee about \$10 to be able to establish the fees within that structure. Designate tuition change a little bit to accommodate the employees. To accommodate the fixed rate to 12 hours. What we're asking you to do here is give us authority to move from \$50 per hour to 1 to 6 hours to \$60 per hour from 1 to 6 hours for recreation sports.

Okay. Any questions or comments? Will recommend approval of that tomorrow. Agenda item number 16. This will be approval of the undergraduate and designated tuition charged.

This is in association with the report I presented this morning. To recap that the differential charge is designed to eliminate provide them course fees and consolidate all of those and the lab fees and charge \$100. What I did mention this morning is a part of that \$100 fee the average cost fees were \$41 moving to recommended to move to 100. Part of that \$100 charge is about \$22 to incorporate the 15 % designated tuition set aside for financial aid plus our protection for exemptions might be applicable. \$22 of that represents 50 % set aside or seven % would project. I wanted to mention that and mentioned it this morning. This particular action item asked for approval to delete course and lab fees, and covered all of those to \$100 tuition differential for undergraduate students. The same methodology for graduate students with that being \$75 to consolidate the course and lab fees. This is in association with the fiscal eight plant because it will be a part of that total number at the bottom. With your approval

was students we see is the fixed rate plans would be a single charge which would include the base rate plus the tuition differential of \$100 for undergrads and \$75 for graduates. That is our recommendation that you approve that.

Any questions or comments. It is kind of confusing. This would be rolled in together for various course and lab fees that may differ from college to college. There is a flat fee of \$100 per semester for undergrad and \$75 per semester for graduate students. Will recommend approval of that item tomorrow.

Let's go to agenda item number 17 which will also incorporate a lot of what was discussed this morning on the fixed rate tuition.

This next item is to approve fixed rate tuition [Background noise]. I will go through that again because this is very confusing. We have a current base rate of \$5472.50 at a 15 credit hour for base rate. We're recommending a \$5200 plan to replace that fixed tuition at 12 hours. And to that base rate will be the tuition differential. That would be considered in the previous action item. For students who are not fixing their tuition fee for four years to refer to it here and in the presentation as an annual plan with variable plan which means it could go up next year if the board chooses to do so or not necessarily. That is the amount in the report is thousand \$300 which would include 5200 which is comprehensive to the current base of 5473 50. If you add a differential that annual fixed amount would be \$5300. For students entering chose to enter the guaranteed plus program that would be [Indiscernible] that we will consider. Any questions on the annual fixed rate plan? Tuition to be implemented?

I might point out to fall too that with the movement of the fees within the 12 hours there is the change within designated tuition as other fees within that range would increase then designate the tuition would change to the whole idea is to maneuver the fees so we can fix the total at 12 semester credit hours. By statute we are required to asked the board to approve designated tuition changes so that is in their which would comply with the statute.

There is a schedule on 431 that gives you what the fees, third column from the right is a total base per hours in the very first columns, hours one through 11, actually want to 12 hours and so it varies depending on how many hours you are taking up to that point. But from 12 to 18 or 21 hours it is fixed at \$5200 tuition. So the encouragement is to increase credit hours. Will be recommending approval of that tomorrow men and chair. Let's go to item [Indiscernible].

This is the plan we talked about this morning which would allow students and complains with a fixed rate tuition statute. This would comply with the statute at the same time would allow them to fix their fees for the next four years. The designated tuition process would very depending on the particular level because again the fees would change depending on the number of semester credit hours that a student took and the categories until they get to 12 than the total is fixed. The

toll is also fixed before 12 but they will increase their fixed at that level. Let me say that differently. Fixed at that level for students would get a single charge for any level semester hours that they enrolled for. Whether it is six hours over 12 hours. 12 hours at the level is at the level with [Indiscernible]. Students would be able to guarantee a price for four years tuition.

And the schedule a showing on 408. The student that started under the fourth year guarantee plan would have the schedule fixed for him for all four years.

They would have the total amount fix. We would not likely show all of these fees because they are related to budget. The idea was to eliminate the in [Background noise] fees. If a student want to find out we can certainly show them but it would not be a plan to present this. We have presented only the fixed amount at each level.

Okay.

Any questions or comments?

[Captioner Cannot Hear Speaker - Volume Too Low]. It makes things really straightforward.

You are simplifying the parents point of view what the cost is to send the children to the school. Any incentivize or to take more credit hours per semester.

And the flat fee, \$100 .

We uphold a lot of people and we have talked to faculty members, deans, department heads. We have talked to student body president. She really likes it and we had a student hearing just to ensure that we comply designated commission legislation requirements. People we have talked to gave us good feedback. They think it is a simplification.

The ones that we have talked to like that.

Is the thought that this will be able to marketed at times with applications increase for the fall semester.

Absolutely.

My parents would've said you have to take 15 hours and preferably 18 hours.

Bill and I just talked about that. We were talking about how we need to get this out.

[Indiscernible - overlapping speakers]. >> We recommend approval of the schedule for agenda item number 18. Less than two agenda item 19 which is approval of tuition fees for registered nursing program and I believe that is Dr. [Indiscernible name].

Agenda 19 is a wreck making nation recommendation to completing a 31 hour program that is online in the four years. So that we maintain competitiveness on the schools that we are competing with. The recommendation is to, in the agenda item to charge \$3300 for that 30 point our [Background noise] which they would take online. We recommend approval of this. You can see the explanations that would require not charging specific fees.

Any further discussion or comments?

Just a note that the business education fee included Dessie

That is a true discount because normally we charge [Indiscernible - overlapping speakers].

So it is packaged together for competitive edge and everything else is pretty straightforward.

We have the capacity to expand. We have the faculty to expand our capacity.

Does that include the course fees?

There is a \$100 course fee. We find that to be a flat amount of \$8300.

Are we recommending approval of the cost to change the course fee.

Mr. Chairman, that is asking you to ratify. We have the ability to eliminate the course fee. It is asking to ratify, on page 48, not charging those now but [Indiscernible].

So those have been decreased and eliminated. [Indiscernible - overlapping speakers].

That will be an approval item. We moved to a judge and agenda item number 21. Investment policy and [Background noise].

Mr. Chairman. We we're back since we, can we go back to fees. If I can go back to the report that I presented this morning. I have a correction that I want to point out to you. Will have an upload a correction. I didn't want to leave tuition and fees without pointing that out. A week ago to back to my report from this morning on page 39. This has nothing to do with your action or anything else. It has to do, on page 39, the totals under the fall 2019 variable tuition plan for 22 the million and that 22 million 967. Those are accurate tolls. The total should be and will have this updated and we will be able to updated diligent. The total for 19 would be 20 million a \$53.36 and 420 20 159 917. The rightmost column does not change to 306,000 is still the difference. The wrong totals were picked up. There was some type of formula issue there. We had that corrected. Okay.

Thank you. Thank you.

Check and recheck. What is the adage. Measure twice and cut once. Thank you for letting me review that. We're on action item number [Indiscernible]. This is an item that we bring to you each January is to approve qualify financial institutions and investment brokers. Were required by the Texas public funds act chapter 2256 government code to ask you to adopt a resolution approving all the financial institutions that will engage projections with. This complies with that. We have a list of all of them. Even though we are not required to we list Texas A&M because you previously authorized us to do that, all the way through prosperity bank. These institutions that will do business with poor your authority. Again it is compliance with the act. Those particular resolutions is presented in appendix G.

Webpages that.

442. >> [Background noise] that we do business with and any other institutions that we do business with. In association with our operating permits.

[Captioner Cannot Hear Speaker - Volume Too Low].

Will be recommending approval of that. Of that resolution tomorrow. We will go to agenda item number 23. Resolution authorizing tech school.

[Background noise]. Tech school for a Texas public fund authorized investment approval. It has a very competitive rate and we sometimes we had the best money for the -- on a short-term investment. We recommend you get the approval on this to incorporate Dr. Gordon's [Indiscernible] in this particular schedule. It is our update of the tech school resolution.

Were not changing anything?

No. Mr. Chairman . I think we missed agenda item number 21. I think I jumped ahead.

On agenda item number 22 will be recommending that [Indiscernible] so let's go back to agenda item number 21.

It is also on the recommendation of the [Indiscernible] proposed to the board approval of a resolution to acknowledge review and investment policy strategy. In compliance with that act we will offer to ask you to approve a resolution that you have reviewed our investment policy strategy.

Okay. Any comments or questions? Will be recommending approval of agenda item number 21. So we will skip for two agenda item item number 24 regarding the Aramark contract.

I noticed intelligence the appendix jumps ahead of items. It will move to pass that and take a look at the contract. I mentioned this when we met in October when we approved or you approved it contact amendment to fund the renovation of the student centered dining hall. Will be likely be coming to you for some can duration for our Einstein brothers

relocation in the library. And that has come to pass. Will you bring up that beautiful [Indiscernible] page. If you remember that commercial. I wanted show you a little bit about the location of this. Currently the Einstein brothers outlet is in this location. The library being the purple Aero would be pointing to the front entrance of the library to give you some orientation. In the current location the front of the house and the seating area is 1054 ft.² were where really restricted on the back of the house is only 232 ft.² and there. It is our second most highest grossing location. Are in this year has been about \$660,000. It is being, we had to delete move things by card. If we look at reimagining the first floor of the library particularly may be in conjunction with a one-stop shop and had to increase traffic there we took a look at this area here and it will be the location that Einstein brothers were reload Kate to. This actually to the front of house, 1054 ft.² and in the new area would be 1034 ft.². In the old location it is to and 32 square feet and the new location is 2200 ft.². It allows us to do a much better job and have a much more complete menu. One of the advantages of Einstein and one of the reason is a second-highest location even though it is in a speakeasy [Laughter] it has [Indiscernible]. Research breakfast lunch and dinner and is popular with the employees and student. If you can envision walking into the library were now under the little porch as you go in there is a door on the right. Here you will go into the lobby of the library and that is a glass wall to the left. So you will be able to see what is going on there here's the layout. This will change is slightly but this gives you an idea of the layout. This is the lobby out here and this is the entrance here. Here is the very front of the library. This is sort of the [Indiscernible] as you walk in and this would give you some idea of what was the face would like to create

[Indiscernible] space for students and employees and have discussions with Anthony will have some technology available in the space as well. We know that a lot of these things there is a cost to that and so the cost is projected to make this move is right at \$1 million and Aramark has agreed to increase their financial commitment to their contract and buy them out at \$1 million and that is what we are coming to you today to recommend that you approve the amendment to the existing agreement increasing their commitment to renovations by \$1 million. One of the questions that was raised last time is the contract for Aramark between us and Aramark, the current contract yens ends in 2021. Does this give Aramark some kind of advantage going into rebidding the contract. Our answer to that would be no because any group that is coming in if it is not them we will assume the cost of those renovations going forward. They will assume the cost of the student centered dining hall renovation which was \$4 million and the cost of this Einstein brothers with relocation which is \$1 million. As we design the request for proposals that will be going out before this time next year it will have included in there that whomever be it on this will assume that liability through the time of the term of the agreement whatever that turns out to be. This allows us to move faster. If we waited until after a new agreement in place it would be 2022 before we could really kick off. This is the same thought would be students in the dining hall. Our students we need to do these things for students and not wait until a new agreement because those things are going to be part of the new agreement anyway. That is our proposal

For the benefit of everybody we pay back by making [Indiscernible] over some period of time.

They had described this over 10 years. This is a 10 year interest-free loan. To do this. This is something that we want to do anyway. So this is a way that we can finance it and pay it off basically over the years.

You're moving it from a small space to a large space. Are they renting the space from the University.

They pay commission. We gain commission. And the advantage of this project is the existing Einstein remains open until this one is [Indiscernible]. We don't lose that option the whole time.

[Captioners transitioning]

Specs back fall semester will take longer than that but it is not bad because having it coming soon if the students come back in they are there and if they come back in in a couple weeks or something new opens it can grow there and we will take advantage. What Aramark will be able to do is leverage as an mobilize re-mobilize and saves cost and any questions?

And approval than in next item is agenda 25 20 and 21

This is our regular bring to every year the Board rate for upcoming year and based on our agreement we use the percentage increase in food and beverage element of the Bureau labor Department of consumers in the South is a benchmark to use for that this year the increase was 3.3% and that is our recommendation that you approve a 3.3% increase or providing services for FY 20 21 2021 and follows the items would be the Newport for next year.

Okay very good. We recommend that item for approval in the morning and next, policy revisions Damon it is your item

[Indiscernible] might see a trend I think we about got it where we want and now you will start seeing [Indiscernible - Low volume] unless we go back [Indiscernible - Participant too far from mic] >> You have each of those policies -- specific needs to be noted

-- [Indiscernible] [Indiscernible - Participant too far from mic]

We have an action item associated with the policy let me point to 476 and that is the operating policy listed as 3.21 and if you look at paragraph three, that gives us the authority from the Board to invest in institutional like Texas A&M and what this does authorizes us pursuant to Texas education [Indiscernible] you soften the presentation that's in the policy and [Indiscernible] spec any specific watches on these policy revisions? Ill be recommended approval of those tomorrow and awards -- [Indiscernible - Low volume] [

Indiscernible - Muffled audio] have come in since our previous meeting and total for fiscal year 20 is 12 million 680 and this is for fiscal year 20 [Indiscernible] increase of \$280,508 and recommend ratification for fiscal year 2020 total of 280,000 the awards detailed next --

That's on page 514 and grant awards. Questions or comments? Recommend approval of that grant report and contract monitoring --

Required by statute to Board of Regents of the contract amounts exceeds a certain threshold sees are because of a level in the first contract would bring awareness for information it is with Richards and that current fiscal year amount of 790,000 \$792 and total estimated aggregate amount is 7,000,008 88 254 -- the second in the contract is W current fiscal year amount is zero total estimated aggregate amount 41 million \$2315 and the next is KBW limited contract total current fiscal year amount 20 million 818,009 86 total estimated aggregate amount 25 million 118 -- those are the reports. Each of those progress has been previously approved?

[Indiscernible]

Recommending acceptance of those reports and brings us to the end of our committee meeting for finance and audit. And back to you chairman

At this time will go back into the committee aboard group as a whole because we do have an action item because of timing we do need to vote on the SFA charter school 2018, 19 audited financial statements for time could you present that action item please?

So we have action item number one, the SFA charter school 2018 2019 financial report which has been discussed this afternoon. And we will offer a motion to approve those reports.

Any discussion? All in favor say aye, any opposed? The motion will carry. And at this time we will take about a 10 minute break and come back for our academic affairs committee. Thank you,.

[Event is on a 10 minute break.]

>>

Welcome back and thank you all. We are now going to step into the next portion of our meeting which is the committee of academic and student affairs and [Indiscernible]

Meeting of academic and student affairs committee [Indiscernible] alders and Region to agenda items today, the first agenda died him is concerning the College of Education and unit naming in the college

As Chairman of the Board this is action item 7 and it really has been a work underway within [Indiscernible] for quite some time and leaving the faculty in discussions on reorganizing in a way she would go from five Academic Units the 4 and three departments as outlined in the recommendation and one eliminated if you look at recommendation number

three recommending elimination of the department secular education educational leadership as a freestanding department what we will do pending your approval is move the secondary education faculty including co-locating into the Department of Elementary and so if you look at recommendation number one it is recommendation to change the name from Department of elementary education to the Department of Education studies and rationale is to combine both elementary and secondary education with the synergies possible there and result in educated [Indiscernible] the other part educational leadership combined with Department of human services and if you look at recommendation number two, recommended name change is Department of human services and education leadership, there's synergies there so we recommend making these changes.

Thank you Doctor Bolan and as I understand it it's an action already There's no elimination of no losing positions or anything in ways that make sense for the future.

Committee members questions? Discussions? Board members? We will recommend approval. Of these items tomorrow item 7. Agenda item 8 concerns various policy revisions and we have 23 listed and the majority are scheduled [Indiscernible]

It is much like the last committee standard reviews, there was a change to 13.2 -- employees required to [Indiscernible] [Indiscernible - Participant too far from mic] [Indiscernible - Poor Audio] I'm happy to answer questions.

Questions concerning policies in number eight? Without any other -- no further discussion recommending approval of agenda item 8 and policies. And with that Madam Chair -- [Indiscernible] that I can close -- that concludes -- we are now ready to move into [Indiscernible] everyone back on back [Indiscernible - Poor Audio] >> [No Audio] [Silence]

>> [Captioner on stand by waiting for event to begin. If there has been a change, please contact VITAC Captioning at 800-590-4197 or cc@captionedtext.com. Thank you.]

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[Event is in executive session until 6 PM central time.]

>> [Captioners Transitioning]

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[Captioner standing by] >> We are now back into open session of day 2 and with all of our business complete we will adjourn this meeting and resume business tomorrow at 9:00 a a AM . >> [Event concluded]

[Captioner standing by] >> We are now back into open session of day 2 and with all of our business complete we will adjourn this meeting and resume business tomorrow at 9:00 a a AM . >> [Event concluded]