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>> As a result of savings, we identified, I want to incorporate initiatives on the front end of the project and commit to were able to do because of savings. By policy, we report to you the gross maximum price of the project. We have done that in previous instructions. In order to go through this project. We need to increase GMP to be able to engage initiatives. Let me describe those. There are three at this point. Renovation and repair and an expansion looking from the north, we won't -- we want to ask band to provide more room for visitors. The parking lot to the south and then parking to the east. Those with initiatives. First, the GMP for the reconstruction is 7000. For the parking lot and has been is 134,000. This is a very time since the project, the president is developing his plans for the grand opening. We need to move this project quickly. For this reason we are coming back to ratify this project, we have been able to get some things moving my contract so when they are engaged. Recommendation is to increase GMP to 36 million to 39 million. This in the scope of the budget for the contractor to engage these missions.

>> Thank you.

>> Karen. If no one else has any comments, we will recommend approval. We go on to basketball renovation room and a purchase.

>> You've allowed us to conduct a space. We are in that process we've identified some needs including academic affairs. Athletics across campus having better assessment. One assessment what is needed is a strength and conditioning room or the basketball programs which includes the men and women's programs. Would ask you to allow us to go into

-- there's a lot of ROTC usage. It's a good place for us to renovate the range. We have to move graduation equipment out and store it somewhere else. This is a tiered process. The first step is to asked to approve the basketball program. Our architect has identified 1500 square feet allocated to the a room. Storage room as you go in. We have a recommendation and with that, we have added a continuance and to that we added a bit of about 125,000.

>> Anyone have any questions or comments.

>>> We will recommend item 16 and will move on to action and agenda item transport truck and associated equipment.

>> We store a lot of graduation equipment in that area. It's equipment is expensive. We need to be able to transfer that equipment to a holding place in between graduation events. We have graduation in May and our plan is to move that a bit out and work on the rifle range. To see if those drawings are done. Will need a truck to transport that equipment and use it for other initiatives. We use this for various transports out. We have an area out there that contains salvage equipment. This particular truck is for different aspects.

Recommendation is to allow us to purchase a box truck and associated equipment.

This is an institution in the city.

>> I would point out, when this first came up the use of the wagering facility first came up, Danny and his crew did an in-depth analysis of what would be the most economical way to handle the equipment. This was the best way we could transfer or store the equipment. We would continue to have use of that truck for other purposes. Does anyone else have any questions or comments?

>> Where would that equipment be stored? Is that a permanent location? Back as far as I know, --

>> We have a facility called the science and research Center. We purchased it years ago, it's a very good facility out there. It's climate controlled. There are three docs, one is perfect for moving the truck up. With a lot of different types of equipment and use of that facility currently. We have a place identified that we can move that into. It's a good location.

>> Any other questions?

>> If not, chairman will recommend title 17 tomorrow.

>> There are three policies here. Any questions you can direct them to be appropriate.

>> Any comments on this? Everyone okay with that? The chairman will recommend the agenda item, we will have current construction.

>> We use the renovated portion we finished last fall. Now we will be moving at the end of the summer and last phase of that project. We have some previews I will set up there. The goal is to be back in in time. We have to be in by the gala. [Laughter] It still has that new smell. We have been pleased with the look and use of authority been done. This will be a preview. Our architects were Lassiter and strong. We have a strong member of that team.

>> We appreciate the opportunity to be here this morning. We have some proposed designs for the grand ballroom we would like to present this morning. This is an extension of what we have done in the pre-function space with similar design elements so the whole area will be tied together. I'm going to turn it over to Hudson and let them go over the plan with you and also some things that pertain to use.

>> Good to be back. We have today, the pre-function space on the outside and all of that has been updated and renovated. The last things we have is the grand ballroom. This is what we are proposing. We want to enhance the room as it is now. One of the main things we are doing, we are going to lower some of the pieces of the ceiling. Will bring that down, load a new ceiling and then have a permit or wide going

down with a nice glow affect. All our light controls are going to be independent and we can set different moods for different events. On the sidewalls between what's on the one that's what's on the wall now, we are going to do a textured wall panel with a nice neutral paint color that will match the outside. We will bring that in and wrap those in a nice stained wood and add some new lighting, accent lighting, some new screens, wrap the stage with the new curtain. There will be's mother technical, I.T. improvements. What you see here, the walls are purple. The new lighting will be an L.E.D.. When they are holding in events, we can have that white if you would rather or, if it's something like the gala, we could change the environment and have a purple events. If it's a space they will rent out for high school prom, we can make that green. We can adapt that space for whoever will be using it. We can bring that space up. Tanisha will talk to you about finishes. I want to point out a couple of things. There will be a screen on both sides. There will be a new laser projector. Some high tech presentations will be able to be given. There will be upgrades throughout the entire room. We will come in and put a new topcoat on the floor and try to enhance the space you already have. Here is an overview of what's going to happen. You can see here, the lobby where you come up the stairs and the renovation of the ballroom. The stage, some of the backstage area. One of the things as an alternate are the restrooms that are outside. That's not a part of the contractual base but that's something we would highly encourage because there be the only things left enough space not renovated. That's something to consider. We are pleased with what we have so far.

>> We will start with our mockup of the wall panels will be on the perimeter. Also showing you the way the lighting changes being L.E.D., we can change colors anything you want. We can also keep it whites.

>> That is our main feature. Done simply with this composite panel. Is put up in sections. These are of the same wit and same color we've had and tile that together. We have done the same finish around the stage and are adding the logo on either side with backlit L.E.D. light. The floor will remain the same as it is now with a new finish. The curtain is purple and we will go to the finishes. We are illustrating the panel as it is in several pieces. This is the purple curtain and has particularly dark. It's a nice rich purple. We had that in our backstage cards will be black. Is revisiting the stain and the mahogany wood we will repeat and in the restroom for the alternate, we are repeating finishes from pre-function into the granite and behind laboratory scene. The wall tile is a combination to give texture and pattern. These finishes are for the backstage restaurant. It's the paint color that's very neutral and very warm. It's the mahogany stand. We are going to apply a protection product here below the panel. We won't have that aged look. Lining all the colors together. The rear wall opposite the stage will have fabric covered acoustic panels to help that go down. That's all there is. Their different finishes but a nice, elegant, functional space with a lot of character.

>>> They mention the alternate on the restrooms. Will know if it can fit within the prize or not. There is also, we can expand the

restrooms. Finishes is one part of the restaurant. Expansion is in the park. Is heavily used part of the building. That is used about 270 days a year. It's a very active room. That's one reason, they put the protection around the bottom of the wall. We use it not only for very high-end events but also a lot of high school events. Problems, contests and all sorts of things. It's a multifunctional room period that's one reason we also like the ability to customize the room to whichever group is using it. Many of you have seen that in the twilight ballroom.

>> At this will tile those pieces together and we are ready to get started. This is our plan. I want to show it to you and see if you had any questions.

>> What is the quality of the sound system?

>> We have concentrated a lot on the sound system.

>> We have worked with a consultant out of Austin. They appeared acoustical designers and engineers for over 50 years. The man that helped his intergenerational acoustical engineer. He has a great system design, a great projection system. Has retractable screens and is a very high quality sound and projection system.

>> We know there has been a lot of work looking at the acoustics. It's a difficult room because of the way it was put together. Their conditioning has been reviewed, the sound that comes out and there would be changes to try to reduce that. We concentrated on the sound quite a bit. That has been worked on a lot. That and the visual part. That's one thing we struggle with. We didn't have the screens up high enough. We could do the middle of the stage and oftentimes you have people or things in front. This will be a big change.

>> Can you combat -- comment on the compatibility of this room to the newly available area? Will that coordinate?

>> We liked having it open because it takes -- we often get requests and it's available. Once the Freedomia has become available, a lot of community events have been able to move there. We found before the hotel reopened, oftentimes, this was unavailable. Sometimes to university events because it had been hooked by community events. We are happy when the hotel opened and are able to take a lot of those events and make this available. Recruiting events, we liked to have students from off-campus. We hate to say it's not available.

>> I understand, that's the main use. When we had outside events, did we charge a comparable room?

>> I don't know, we don't really look to compete. You may know, I'm not sure.

>> When we moved into the twilight, that's a very nice space. We increased that price considerably. We are up over \$1000 for that room.

We are not trying to drive away business. Our purpose is for students. We don't see it as a competitor, we see them as a partner.

>> We've had the chamber band go back, and a couple other. People are food conscious and cost-conscious. We are not trying to undercut one another, it's small-town stuff.

>> And that sounds like there's plenty of business to go around.

>> When we upped the rental price, we are giving \$1000 for the twilight. If you buy food, their waivers to go that.

>> The primary purpose and community events. The cost is much different.

>> Is that wood product a composite wood product or is that actual wood?

>> It's actual wood.

>> It sounds like at Casa thousand dollars. [Laughter] You looking at the cost, having been in that room a lot, we had the sound quality and their and it's critical. We would really want to look at that carefully and not spare any necessary expenses when it comes to that.

>> I got used to the word echo.

>> I won't even look at Mark Strong. This has been made very clear. The sound is critical. One of the presentations is a diverting faculty member. He presented a research on lighting for this space. New L.E.D. spotlights. I found interesting he wanted to focus on the grand ballroom and was very specific. It will be a credit to his professor and his work if you got a copy and looked at it.

>> We engaged with him early and his work on that.

>> His pallet was wide open.

>> I want to congratulate your work on the preevent space. It's incredible. The transformation that happened over there when we walked in the first time, we were in awe at the situation. We cannot wait to see how this complements what you have already done. We are impressed.

>> On the L.E.D. lighting, make sure there is no Orange. [Laughter] That is a dealbreaker for me.

>> We have heard that before.

>> If the Astros decide they want to use it, we'll make a special provision.

>> At this time we'll talk about current construction maintenance plan going forward. If you turn to page 2, we'll talk about the project. This is improved back to August 13. This is a project by populations. That facility is operational. The question the variance in the project a \$47,000. Goes back to all these others and you should see this particular project. This is coming to fruition in July. This goes back around it was approved by the Regent on July 28, 2015. Project budget, \$46,000,400. I'll point out,

the maximum price is the current guaranteed maximum price. This GMP will change to \$39 million. Project is going quickly. We are scheduled to do the tour. There is still a lot of open space. It's moving well, we've had a lot of rain delays. There been some things we had to do quickly but they're working hard to bring that in. I'll be glad to answer any questions about the project. Will have our architect there who introduce the CMR and the architectural firm so there will be a lot of people there answering very specific questions.

>> Are there any comments or questions?

>> Next project, the grand ballroom renovations. This is to be completed this fall, any questions? I will talk about this a little bit and align it, this is one of the items we assessed on campus. Those include roofs, air conditioning system, plumbing, electrical. This is part of the assessments. This was \$100,000 project. It's scheduled to begin. Project number 5, safety and security upgrades. This is to pull the wire in various classrooms.

>> That is in part to secure classrooms for the event.

>> That's correct.

>> Does that include dormitories or all they already set up.

>> This project is for classrooms and laboratories. It allows the ability if we need to lockdown to close the door. We just found an assessment does not pay for. We didn't have the capability before. This gives us the capability.

>>

>> Project number 6, classroom of days. This is to begin to improve the technological delivery systems in various classrooms on campus. We had \$500,000. At this point, this was improvements to several classrooms.

>> This is a project in association with Shibley project. This is separate from the budget and heat project in association with that, we want to develop a sign on the entrance of Star Avenue because this is one of our main entrances. Once it's completed, this will be a very attractive entrance to campus. School districts, buses, this is the primary entrance for those. Expected this will be part to incorporate. A quick sideline, we are working on as a team is relationship

building. This is a part of relationship building. We expect lot of visitors a lot of relationships overall.

>> We talked about expanding some money to prepare. Is the nature changed in this plan? Sure we talked about this before. In the street parking, how will that be affected?

>> There be no parking along Clark. We will provide additional parking. A lot of the students, the primary emphasis is on Clark Street. Maybe there landscaping features with the primary focus is to get that paid.

>> We have some good landscape with what we have. We will enhance around the new signed.

>> I think he's asking are we going to change that section.

>> By removing the parking, you align that.

>> This would be an entrance, you come down the avenue to the student center. Even if you have buses or vans, they could come all the way to the student center. A lot will come that way.

>> Okay.

>> The next are greenhouse projects. The plan is to construct a greenhouse project.

>> Is next -- next is the Miller science area. This is a project on December 17 and is not complete. That variance of 60,000.

>> A similar project, number 10. Have designated funds, this is a project that allowed us to complete the installation of various agreements. Is near completion. We have one more to complete the project. We will rain is back up again the auxiliary funds on the project. This is to began. Project number 12 is a class or update. Again, they want to modernize classrooms and start delivery. Page 14, project number 13, a call for insulation. Project 14 on page 15 is the grand ballroom project.

>> Any questions or comments?

>> We have an additional report

>> Yes.

>> This is to bring to an annual basis. This is categorized on a very high level. Some of the information is rolled up into various categories. This was reported in the past. Is simply the radiated

plan with infrastructure. If you will pan the sport here. We break this out. If I may take a minute talk about that, the buildings that deliver academic services to students is. The building Cedric's support. Obviously the colleges and academic classrooms. You have those parts of campus that directly support delivery of education. Anything we can use that money. You want to make sure new members get the context. It's a capital renewal fund that can be used to renovate. It can be used to construct a new building if the issue bond. We can't issue it directly. We can use it to renovate. Early childhood research center, it's partly funded and issue bonds to cover part of the construction of that particular facility. If you have a new initiative and conceivably we can issue bonds for that and funds that project. My opinion, way this is designed is for infrastructure. In the past, we've had this used for a plethora of things. Very important and significant. As ISS our facilities, we will have to be careful about how we allocate projects because we have a lot of needs. A couple of years ago, I asked the department to prioritize Sue wouldn't have a lot of initiatives that were unclear or ambiguous because we have to focus on the needs. If you look at the total needs at this point, it's pretty substantial. That's probably not as conservative as it could be. There a lot of needs as to go to the process we have to look at it carefully. The categories are broken out, architectural, HVAC, legal and mandatory. Architectural is a role for categories like roof replacements, other we drop down to that. It would cover things like renovations that are not a part of the category. This is simply to give a sense of what the needs are going forward and the attention. We have to focus on the capital renovation. We drop down to auxiliary, there's also plans and systematic renewal process. This is campuswide interactive process that gives a sense of what you may expect to see in the capital plan. It's an assessment of the needs and we prioritize those projects. Obviously, our needs exceed what we have on an annual basis. We have to go through a very intensive process of prioritizing this. We have seen in the past, with electrical system goes down, the campus goes down. This is just a precursor to the capital budget. I'll show different buildings we assess alphabetically. There's various categories. This got us in the development. I sit down and we take these initiatives by category and look at them and prioritize them. We sit down together and say here are our HVAC needs. We determine what's needed for the next fiscal year and then prioritize that. We can get by one more year, two more possibly. That's a process we gave in developing the capital plan.

Athletics, a lot of people there. There are assessments there. It's a comprehensive long term -- long-term look.

>> Is that all you have?

>> Yes.

>> I appreciate that. That is a good exercise. They're looking forward to the future and what the party needs are. Any of these items could come up at a moments notice. That's a good exercise.

>> I'm fine with taking a break or pressing on.

>> We will begin with 19.

>> There are several reports to bring today. Stir behind tab five. Our audit we just completed and those who have been on the board for several years realize this is an audit we have done for the last three or four years. Is required by the general appropriations and we have to conducted using a methodology approved by the state auditor's office. The purpose is for compliance described at the general operations act. We have to audit the accuracy of the report required and disclose any instances of noncompliance regardless of material.

>>> If you'll recall, we are appropriate funds by the state which is general revenue funds. The purpose is to make sure the benefits are proportional between those two. The funds are appropriated and should be expended for the following, instruction, research, public service, academic support, student services, institutional support, operations and maintenance. Scholarships, staff on offense, organized activities and patient care -- patient care where applicable. If you look on page 2, you see a summary of funding.

Our objective was to ensure a proportion of benefits were accurately calculated and applied according to the standards. We audited fiscal year 2016, 2017. We reviewed progress made toward lamenting previous audit findings from our prior ear audit which included a more documented reconciliation process in the statewide accounting system. There's still some reconciliation work that needs to be done. A new revised target has been given regarding those which is the same time period as the next. Overall, we did find the proportional benefits appear to be accurately calculated and applied according to standards except for small, immaterial amounts we disclosed of being the aggregate total.

These amounts include unreconciled differences we don't believe they would have that effect on proportionality because we give certain amount of insurance from the state treasury.

>> Any questions? Okay, we will move on to tab six. Our student affairs programs, departmental audits. We are auditing the department across campus with a four-year plan to try to cover all the University for the rest left to be audited. The Department of student affairs is within the division. Dr. Holly Smith who is in the room has been the assistant dean since July 2011. They oversee multicultural affairs. They have a budget of \$2.1 million of property for Tori. Our objectives are the same as all of our departmental audits so I will not go into those in detail. Our scope was August 31, 2017 and the current property inventory, we found the programs has a place to generally conform to requirements tested. We noticed opportunities for improvement which start on page 3. These are recommendations you hear at most of our quarterly meetings. I will note the department has already in limited additional controls and we have no further follow-up in that area. There strengthening the process within the department and they have already addressed that. Have already addressed that. On page 5, they collect receipts in five areas, student activity, student

engagement and spear programs. There areas where improvements were needed based on the requirements of university policy. We recommended they strengthen those controls and have already done so. Number 5 relates to department policy and procedure. We verify they strengthen their policies and procedures and six relates to technology. They will strengthen those by May 31, 2018. The last relates to mobile devices and this is for the University community as a whole. We noted mobile devices, we don't have a mobile device management system that pushes down certain security standards. The department will review security of mobile devices and consider implemented or developing a mobile device management system. Any questions? I will move forward to tab seven.

>> The division of academic affairs. The department includes admissions and registrar's office. Budget expenditure of 7.4 million, property inventory, faculty and staff at 38, student workers at 38.

The total of 1000 949 for the same. We found they had controls in place to conform. We had a couple of opportunities for improvements. Should be noted we recently completed it. most of the information have a May 31, 2018 limitation date because they are working and have things in process. Receipts that collect receipts into areas and admissions office and the registrar's office. They will work to strengthen those procedures. Training related to property training. We verified employees missing property training and other information, technology, strengthening logical security procedures. Any questions?

>>> I'll move to the next report which is the biology departments. A department audit which is performed, they are in the College of science and mathematics. They have budget expenditures of 2.1 million a larger property inventory of 1.6 million. Faculty and staff of 26, student workers 34, bachelor students in the fall, 338, graduate students 17. They awarded 52 degrees and generated 15,510 credit hours. The same scope into the 17 we found they generally performed with requirements in areas tested. This will be developed by April 30, 2018. They collect receipts and had one of our favorite management actions. If there are no questions, I'll move forward to physics, engineering and's strategy. There's also a departmental audit. Budget expenditures of 1.4 million, property inventory of 1.5 million. 14 faculty and staff, 26 student workers. They wanted 14 degrees and generated 7000 credit hours. They have the same audit objective. We found they have controls in place to generally conform. Recommendations for improvement start on page 3. Training related to security basics, campus program for minors, we've already verified they have completed those trainings. Under receipts, they collect receipts into places including the office and planetarium. They did procedures based on the audit in those areas. On page 5, observation four, they will examine course fees at the beginning of the academic year. Will propose any changes to be in limited under normal procedures.

Information technology, to strengthen logical security procedures which they have done based on computers and I.T. Any questions?

>> We have our annual risk assessment survey. We had hundred and eight responses received with the hundred percent participation. If you look at the top for, they stay pretty much the same. The number 1 risk still being the risk of budget fluctuation. Number 2 risks stay

the same. The confidential information and never for the compliance risk of not complying with federal and state laws and regulations that would affect the mission of the University. Mission oriented University information is not effective. You can see the rest in that area, Lester, the two that dropped off, top 10 stay the same. The other was risk of noncompliance with University policies and procedures. We take this and formulate our audit plan for next year or tweak any procedures based on this. Also, administration uses it in the areas they oversee related to risk.

>> Compliance risk in the middle, moved from 11-6. What makes that happen?

>> Some of this, the once filling it out are the chairs and the directors. The Dean's. Once we do an audit area, they may be more familiar with compliance risk. You can see we do more departmental audits, you can see some trends based on those risks and the fact we have the compliance committee and pushes out information to the University communities.

>> Okay.

>> I have an overall question. Back to department audits, have we ever had a case where the department didn't have any observations?

>> There has been one or two. I don't remember who Wes. It's been a while.

>> It was more of a unique departments. There was University IGS instead of their own. Has anyone been in the audit? There has been at least one.

>> Let me give you an opportunity to talk about, we see a recurring theme, can you give us an idea of what a department might do to eliminate observations preemptively. And from a cultural standpoint what you recommend they do to have a keener audits?

>> Under all that chair, we started some of this.

>> They have initiatives related to those trainings. They deploy the training University but our department audit would come in and go over common audit findings we see and still recognize much of these over the last two years. We did a training for each division, the University related to those. We also distributed the internal control questionnaire we use and went to the chair along which is receipts, do you keep them for four years? I know Dr. Westbrook's department did a big self-assessment making sure their policies and procedures were consistent among the departments. There has been taking that information and moving forward. One thing we had talked about was, in July, coming back with a history of time period, we have audited 15 departments in 13 out of 15 have issues with receipts. There probably needs to be more proactive receipt training or required more often but just a way to monitor that other thing, auditing it. We have started

about a year ago and slowly move forward with it. Trying to follow the model of internal control which has a level of continuous monitoring and then you have auditing. The departments develop their own continuous monitoring procedure. We started with Danny's area and did a training for all the department directors and brainstormed what would be areas to start with. We started with procurement card. A lot of these the responsible where they could go in and look at patterns in our audits. We worked with them on the Scripps and the programming and how they could pull out certain transactions so they had started their own auditing procedures based on that. Now we have expanded, holding meetings moving into the course deed area looking at core speeds across university. There is a monitoring in place is not necessarily auditing at the end. We have -- we hope to come back as we discussed recently with report of how many of these findings are we finding and ways we could improve compliance across university.

>> There are some in every department, just to verify?

>> Yes. We notify first the Provost or vice president and just make sure there's nothing major going on within the department, if they have somebody we would need to be talking to, we went by them, not to say it's okay to audit but to make sure this no obstacles and then we notify the Dean or the chair and let them know. Most of the University departments that they haven't been audited, halfway through there's a possibility of moving forward if they would be on our audit plan. We are doing a continual risk assessment we should be auditing that quarter.

>> We talked about the need for greater ethics training University wide.

>> We were audited by the state auditors per contract manager. One of the requirements was University wide ethics training which included officers, most have recently completed our ethics training. The University develop that and avoid it unless it, put out a big part of the University community to complete that training. I'm not sure what the deadline has been given. We are required to audit contract management every year so we will have another audit as of April 30. We will be checking overall ethics training for the University. As a publishing, not individually.

>> That will be incorporating our contract management audit, yes.

>> If I recall, that have a component regarding nepotism. We have a small committee and right at the community. That training covers are practices and ethical principles.

>> My recollection is that it's how you disclose nepotism. University employees, it's the possibility of nepotism, relationships. We required to disclose if we have relative working at the University, if the students you're related to. University policies and procedure requires those procedures and we check those on a sample basis, we check to make sure those forms are completed.

>> It's an annual disclosure in place required if there changes they have the update in between.

>> Define the department heads are surprised with your audit findings or certain expectation in the certain areas that there's going to be findings?

>> Probably both. Some are surprised because they're very large departments. They may not realize everyone within the department that's collecting receipts. They may know who is assigned to collect receipts but when you have student workers or employees filling in for others on vacations, everyone, whoever touches a receipt is required to have the training. Smoke that comes up, they may not be aware, they may not know who is over but it may not know every student worker or everyone that bills in at lunchtime and collect receipts. Some of the surprises I didn't know they were collecting. She would necessarily know everyone who's collecting receipts for her department. There's some surprise. Once we point things out, most of the departments, they want to come in compliance. They are not as aware as they would be if they were directly seeing it every day. The procurement cards does a good job of sending out monthly reminders of you need to document your food purchases, you need to make sure and file by certain dates. They are on top of sending out reminders. Some of the particular card requirements that aren't necessarily University, their state requirements.

>>> People are always very open.

>>> What we are doing in our cessation, we are doing a training and the talk about procurement and human resources. We are working on training for administrative positions. Sometimes, the admin's do the work in that particular part. We are working on some things to enhance and it's about awareness.

>> In all the years, since we started to work toward this, every one of them for 10 years, even though there are findings that are still purely common, those have dramatically been reduced since the inception of our departmental audits. I'm not saying they're perfect, but in my view, there's been a huge improvement in the number or depth of severity of the findings we went across. I applaud everyone in the room. That was just an observational comment of what I have seen from scary days to where we are today. Has come along way. My congratulations to all the VPs, it's a lot better today than what we did eight years ago. Second even our audit procedures, we don't expect 100%, if we can get the 90% compliance, they are making that effort and know what procedures they have in place. There's always little things in every department and asked that we shoot for. We feel like it's something they're working on and they can fix it right away.

>> I want them to -- I want to thank them for their participation. There are a lot of things shared across the board. The regions have the oversight to manage the resources they are blessed to have.

>> There are a couple more things to bring. An update on the audit plan, the issued the state of Texas a federal portion of the statewide single audit. We are pegged for an on-site visit on campus last year to audit our student financial aid assistance cluster. They received the report around Fairbury 21st because there on the state auditor's office. In the report, it shows the state of Texas overall received 4,370,000,000 816,000 student financial aid assistance from the federal government. It's an important -- it's important for our students to have that financial assistance. There's discussion of required auditing by department of education.

>> We have always relied on the state auditors to do our testing. There is some discussion of whether each university has to have their own audit when they're not audited and the federal programs. We are investigating that to see what we need to do. If that's the case, I will come back with you for some type of proposal. That ends up being the case. Also, there is a posting review. Received results and they are still in confidential draft form. Have to respond by tomorrow. We have been working on the response to that. They were minor findings, the comptrollers comes in for a review. Expenses we get reimbursed, the review those expenditures much like we do in our departmental audits. And only expenditures that go through the state treasury, we should have a reports in July. There is contracted audit services for I.T. areas including an audit University Police Department and an audit of active directory wherever it's deployed at the University. We will have at least one of those reports and we're hoping to have both. That will be upcoming. Currently we are doing our follow-up audit. It goes into our follow-up process so we will be bringing our follow-up audit to the region at the July meeting. Will audit contract management, audits compliance and department audits in process and also working on investigations the General Counsel and I work on together. Leslie, we are so excited after four months we have hired our position of audit and legal support specialists. Angela Valdes started today and she is here with us. She has been working with the title IX compliance office and canceling services office

>> I would to file a formal complaint. [Laughter]

>> Angela has a Master of arts in English and a bachelor of arts in business. With a minor in management information systems. We talk about all this stuff and we're excited have some in a second excited. She is also teaching classes in Microsoft office and technical writing. We are very happy to find her here on our campus and we welcome her to our offices.

>>

>> [Indiscernible - audio issues] We will take those requests and part of this we submit by academic affairs. This particular budget has two regular events in this some reserve which is institutional budgeted from July. It's used to support some benefits. The other approach we have always used is to rely on salary savings that occur throughout the year. A lot of institutions do this. The benefits, it minimizes the amount of increase to put the summer budget on the front end and its projection. This is a process, if we all commits to salary savings, contingency funds in this case. A savings of \$350,000. That leads us to a summer budget of 3,530,000. Fiscal year 17 summer budget was 3,000,063. There's a decline in the budget.

>> Our recognition to his approve the summer budget at a cost of 3,530,000.

>> Any questions?

>>

>> The housekeeping item, this is to ask you to recognize and approve the grants that have come in. Time goes by so clicky, seems like I just said this. This is from a January meeting until 21,000. I request to ratify that amount.

>> Any questions? I have some background. The Regents approved it in the January 30 meeting. We have a series of items. Called University services. As part of that we can consolidate into that fee. To make it simple, for students and parents, we will continue to budget the same issues. The questions initially we discussed how that would impact application of departments. There is no impact in that regard. It's a matter of trying to supply that. In a subsequent action item, they also approved a \$24 increase in university services. At that point, during that process, we have a \$49 total. Those enrolled in the University services to the -- University services fee per the action by \$24. We have cohorts and this is a multi-action. We also address tuition. Required by legislature to Texas education code 54 to offer students an opportunity to fix designated tuition. Whether they are transfer students, they have the option to fix for four years.

>> Currently, we are fishing the 2004 control and we will have cohorts in place when you register freshman or transfers in the fall.

>> Part of this will be to ask for the cohort. A little bit of background, currently we have 14 to 18, we have 4000 students on the designated tuition fixed rate plan. Fixed-rate legislation allows us, requires us, for designated tuition. The law does not adjust fees except that it says we may not charge a higher fee is charged to variable students. The fixed-rate student has \$300 dollar fee as associated with variable student. We have 4000 students currently were on fixed-rate tuition. These are not required to be fixed by statute. Only the option to fix. As I examine this, I will look through the lens of an advanced and. If a parent student registered for fixed-rate tuition, they would have had an expectation that tuition would not

increase in a period associated. We currently have 4000 students. We did surveys of other schools and only got two responses. Sam Houston has 915 students, it takes -- Texas state has about the same thing. That indicates that's there could be an expectation, suggestion on the part of parents that if tuition encompasses all the education costs. As I prepared this, the recommendation was to fix the fees for the newly created University services fee at \$49 which is the current rate and include cohorts 18 and previous at this fixed rate.

>> That's the first recommendation. The next would be to set at designated tuition rates of \$226 for fixed-rate cohort 19. Entry transfer students would have a fixed rate of \$226 with our renewed emphasis to parents, students that fixed-rate tuition and the fees moving forward would not be subject to a six or recommendations. We've had a lot of conversations about how we inform students about this. I am convinced we have done our best to do that. We will try to do better. We have been emboldened on the website, phone calls from parents who ask about fixed-rate tuitions. We help them understand and designate tuition only at orientation, they have reviewed emphasis on this as well. This is a multi-part action item it addresses fiscal cohorts and the designated tuition cohorts in the second to is establish a fixed rate of \$246 in fiscal year 19.

>> We have had conversations about this item. The big sticking point, to what degree do we feel confident we communicate adequately to parents? We don't want to get into a false advertising issue where they were expecting that included the fees as well. We understand there's tuition and there are fees. There was no promise or we promise a fixed fee along with a fixed tuition. The question I ask, at the board's discretion, you can fix the fee.

>> What is the fiscal impact the University if we forgo the increase in fees on these fixed-rate tuition students? To have that information?

>> Yes.

>> We took a look at spring a 17 compared to spring 18. The possible amounts that would be for going tuition. For fiscal year 19, the amount of tuition with the University services fee would be 2.5 59, 2020, one point 48 3 million, 2021. 120,000, three 24,000 for total of 4,000,093 for the court period. Comparable amount would be under the fixed tuition process.

>>

>> In fixing the fee, that revenue doesn't come into the University? Any other questions?

>> You said you surveyed the Sam Houston and who else?

>> Texas state.

>> How many students do they have?

>> 115, 116, something like that.

>> And we have our thousand.

>> What is the reason for that?

>> I have asked myself that a lot. I can offer possibilities. One could be parents see tuition as educational costs because they don't know the difference between tuition and fee and probably don't care. We hear national discussions and the cost of tuition. That's kind of in the forefront. Second, did we do a good enough job making sure they understood it was only tuition I'm not trying to revamp that make sure we do everything we can. I feel like we did but I can't tell you, I want to make sure to do that. It could be a combination of both. It could be for a parents. It could be we are little bit lower or have been. We have tried to approach it in a way where it wasn't so far out of line. Something is difference.

>> My first question would be, how does our fixed-rate tuition compare to those other schools. Are we somewhat lower? You have that distribution difference, it's not random. They probably have more but they go up 12%. This is \$226. The increase would be for the time period.

>> There is a start date?

>> Every year, the start date for fixed tuition .

>>> The cohorts start in the fall of 18

>> We are close.

>> We race to for 13 years before that and every folks didn't do that.

>> The majority did.

>> Not every year.

>> You should go the.

>> I did.

>> The other portion, when we increase the budget, we increased designated tuition by the level of operations, we increased to 28 as opposed to 24. Increase the fee and it will allow us to save 50%.

>> Did you give the actual dollar figure? The percentage increase

>> The actual increase would be \$226 per semester.

>> What are the other schools, what is the dollar figure?

>> I don't know.

>>

>> We could take their current and escalated to 12%.

>> Do we know their current rate is? I'm trying to figure out that something there.

>> In fixing the fees at a rate previous but not going forward, that's to help everybody feel better. We have locked in one total cost. Is that the general consensus? Does that make that better?

>> It's basically retroactive.

>> We state the fee and the cohorts of 2018 went back.

>> That will cost about four?

>>

>> The only -- the other university you got feedback from, do we know what they did with regard to fees?

>> We can look back and see typically, what we do, we look at that on a 15 semester credit basis. What we find, a lot of universities have certain fees that we don't have. It depends on how they budget for certain activities. Would typically take a look at the total costs. That's what we look at. We have a survey which breaks a lot of these out and they charge the emergency services fee.

>> I am curious about whether those other universities fixed-rate tuition plans have a fee increase annually, what they do with those families on the fixed-rate plan.

>> That's my curiosity. There's got to be a conventional method. I don't know that has been researched.

>> To my knowledge, it has not been researched.

>> We will certainly ask those questions as quick as we can. We are at the mercy of those who respond to us.

>> For instance, someone who signed up fixed-rate tuition four years ago, what is the difference in what they are paying now for tuition as opposed to what it is today?

>> How much are they already saving and just the tuition?

>> I have a total here. The total projected fixed-rate tuition is below 20 million. The estimate of when the two were the same cohorts, there is a cohort over with revenue of \$3 million. This still a premium associated as a result.

>> What was the first printed out rape?

>> I'm trying to get to how much are they saving today as a result of their decision? Back if they locked in those credit hours, if we go back and look at 2016 and the following years.

>> We will take a look at that.

>> I am curious to know what their benefit already is aside from this fee issue.

>> They pay more of them.

>> I don't know. That's what I want to know.

>> We will withhold recommendation with any further information.

>>

>>> One more question regarding the fee. The increase in understand its consolidated. I know you gave to us before I don't have the components of that. Going from the 9-73, basically a 55, 60% increase, what is the components of the increase mainly?

>>

>> We have already started with institutional initiatives for fiscal year 19, you will be used to support initiatives.

>> Basically was an increase, it wasn't another fee added in?

>> It's for issues we are looking forward to.

>> Have our increases in the past been comparable?

>> I think I was about 80% increase. You looking at 15 per semester. In years past, there has been more but there have been issues around 40%.

>> We would look at back -- we would look back at that also.

>> We will look at the last five years.

>> That would be great.

>> Any other questions?

>> Next item is 23.

>> At this particular item we have policy three into. I would like to point out the events, they talk about security. These particular policies are associated with other policies, industry policies. The sister tab 15. Let's talk to about [Indiscernible - audio issues]

>> These have to do with protection . The protection of personal, private activity. University has to undertake various procedures to be able to protect information. Enters due to that there a number of processes. One is training and management. This includes background checks, limited access to private information, information systems, secure disposal on customer information etc. In the system area they maintain access and audit procedures with proper disclosure. There is a high degree of alignment between finance and I.T. has. Financial services responsible for identity theft, policies and information and also the payment industry. She works closely with security, they are attending a conference the first part of May. The kinds of information or requirements aligns closely with other policies because of the protection requirements. We are taking a look at how we may perhaps combine these policies. I think we have the policies in place to prevent problems that occur and procedures related to these particular policies.

>> This is a little background.

>> Any questions?

>> The regions approved the current rates at a cost of \$50 per semester hour plus applicable course fees. That was an increase of \$25 an hour. In that same, information wants to remain at the full rates. Look at that since April 2014, since last year, universities made a concerted effort to strengthen dual credit enrollment along high schools, there been meetings and we can address some of the relationships established. We have a concerted effort to try to strengthen the Roman. The recommendation is to allow us to use the same fee structure in the summer we used in the fall and spring. We had eight students enrolled. In summer 2016, we had five enrolled.

I believe we have an opportunity to increase our dual credit enrollment with the approach to reach out. Recommendation is to allow us to charge the same rates of \$50 per hour would dual credit students in the summer plus applicable course fees.

>> Any questions?

>> The advocates for the expanding enrollment, I am concerned, I don't have any evidence to be concerned, I'm just interested if we go down the road to see the rate of conversions. From dual credit, full-time students. I'm assuming, I don't know to what degree there is a significant discount in order to track those to make them preliminary

lumberjacks. I was the, grocery stores can sell for 99 rotisserie chicken as long as they sell within their margins.

>> I want to make sure this is fiscally irresponsible decision that we don't just become a turnstile for high school students and then go off to other campuses and schools. I don't know how to analyze that we good on the road.

>> We want to keep the focus on management. Thing we talked about in this process, they tried to reach out and the pipeline just as you suggest.

>> We look at the fair market rates and credit the university. If you look at a fair market value, the rate for dual credit, if they enroll here, we get credit back part of that.

>> Does anyone want to go forward with this recommendation? Okay.

>> The fourth contracts is next.

>>

>> This is a report that came out of legislation institutions to discuss the contracts in place. You can turn to page 2. This is a software portfolio system. The total amount is \$20,100.
Any questions? [Captioners Transitioning]