



**STEPHEN F. AUSTIN
STATE UNIVERSITY**
NACOGDOCHES, TEXAS



**THE TEXAS A&M
UNIVERSITY SYSTEM**

**The Texas A&M University System
Written Responses to Questions for Initial Meeting from the System
Affiliation Subcommittee
of the Stephen F. Austin University Board of Regents**

On behalf of The Texas A&M University System, the System Board of Regents, and Chancellor John Sharp, we appreciate the opportunity to discuss the possibility of Stephen F. Austin State University becoming a member of The Texas A&M University System. To assist you in preparation for Chancellor Sharp's oral presentation to the Subcommittee, we are providing the following written answers to your questions. The Chancellor will be happy to elaborate on any issues you may have on September 28th. Thank you for your interest in the A&M System.

1. As a member of The Texas A&M University System, what do you envision SFA will look like in 2032? How will SFA be different than it is today?

SFA will be the same university that its alumni have always loved, but larger, stronger and more diverse in its education and research mission.

We envision the Stephen F. Austin State University of the future as continuing its tradition of bringing quality higher education to the families of East Texas, just as it has since 1923. But we also see SFA as growing, appealing to a broader student base and expanding into new areas of education and research.

In partnership with the Texas A&M Forest Service, SFA will be a world leader in forestry and forest research and as a leading source of economic development, jobs and growth in East Texas. We also see SFA as an East Texas hub for vital educational areas like teacher preparation, nursing and other needed educational disciplines and also as a vital part of building a healthier East Texas through the Healthy East Texas program.

SFA will build on its DeWitt School of Nursing to establish new academic programs, and work with A&M System's longstanding hospital partners to facilitate the procurement of new clinical placements to support the SFA Bachelor of Science Nursing program. Masters degrees with specialties in forensic nursing or acute care, or specialized certificates in psychiatric mental health, would be added to SFA—expanding their academic scope—while enabling current SFA nursing faculty to obtain a Doctor of Nursing Practice degree, with eventual plans for SFA to have its own doctorate degree. Collaboration with the Texas A&M School of Nursing would bring cancer screening

initiatives, prevention-based health care delivery, along with training of more than 100 Sexual Assault Nurse Examiners in surrounding counties. Also, with SFA beginning engineering programs and the A&M System's world leadership in engineering, we expect engineering will be a significant signature program of the university.

We see SFA, in short, as a valuable part of The Texas A&M University System. The A&M System values the traditions of our member schools and recognizes their distinct differences. We will work to ensure that even as SFA grows and becomes a more nationally recognized institution that it maintains its traditional values and the same core features that have made it what it is today. It will remain Stephen F. Austin State University. It will cheer for the Lumberjacks. But the SFA of 2032, will also be stronger and more secure for its membership with our other 11 universities, 8 state agencies and a comprehensive health science center, and we will be better as a whole with SFA in the A&M System family.

2. What do you consider to be the “DNA” of Stephen F. Austin State University? In other words, what is its essential purpose and nature?

SFA began nearly 100 years ago with a mission of educating teachers to serve the needs of the school children of Texas and particularly East Texas. That mission—basic, practical education that contributed to the economic and cultural development of the region has, in our view, remained a part of Stephen F. Austin's DNA. However, over time, that mission has expanded to become much broader but no less vital to East Texas.

One of its most important missions is teaching new generations of students about forestry management and the conservation of our natural resources. We see that strength of SFA fitting closely into the A&M System's land grant mission, and believe it can be the foundation of making SFA and East Texas a world-leading center in preserving and managing our forest resources.

A final part of its DNA is SFA's connections to the people of East Texas. It is their school, their traditions, and their values. That is what makes it special, and they are values our System shares.

3. **How you have invested in and supported your member institutions over the past decade? Please describe this investment and support with as much specific data, segmented by member institution, as possible.**

Since Chancellor Sharp's arrival in 2011, the A&M System has led the way on many past and current initiatives that have successfully impacted our academic universities and agencies including:

- **Comprehensive Regional University -Student Success Initiative** - The A&M System recently led the way in pursuit of legislative funding to assist the regional universities throughout the State of Texas, which includes SFA. The student success funding received will assist in enhancing and expanding the services provided to our "at-risk" students with the ultimate goal of improving enrollment, persistence and graduation rates, and subsequent employment. In addition, this initiative will help meet the state's workforce needs, and enhance the institution's regional economy.
- **Regents' Grant Initiative** - This 10 year, \$30 million commitment (effective FY 2019) helps A&M System students facing significant hardships to stay in school and graduate on time without incurring additional debt. The Regents' Grants provides resident undergraduates with an additional source of one-time grant funding that can help them overcome unforeseen financial hardships.
- **Regents' Scholarship Initiative** - This is a new 10 year, \$100 million commitment, effective with FY 2021. The goal of this scholarship program is to assist A&M System universities in attracting students to the university who are from low-income, first generation, and/or underrepresented populations.
- **Chancellor's Regional Research Initiative** – To enhance and expand the regional university's research opportunities, the Chancellor's Regional Research Initiative was created to provide \$10 million over 3 years to provide one-time funds to assist our regional universities in recruiting star researchers and other outstanding faculty who have a proven track record of success in developing and implementing large, multi-investigator, federally funded programs.
- **Doctoral Initiative** – This program encourages the professional and personal development of A&M System employees, assisting employees in furthering their knowledge, skills, and job effectiveness. For eligible employees (faculty and staff), this program will cover the cost of all tuition and mandatory fees for courses required for completion of the doctoral degree at an A&M System university.
- **RELLIS Initiative** – This initiative, already familiar to SFA, represents a new and unique opportunity to develop a cost effective model for higher education emphasizing collaboration among a broad base of partner institutions. The vision

for the RELLIS Initiative is to create a collaborative and transparent environment for students, faculty and industry to participate in education and conduct research across institutional boundaries at a single campus location. Students will enroll at one institution but will be able to seamlessly take courses and complete credentials from any of the partner institutions. Research can be collaboratively conducted by faculty from multiple institutions and industry at a single location. The A&M System owns the instructional facilities, allowing the space to be efficiently shared by the partners. We look forward to our continued partnership with SFA as a member of the RELLIS Academic Alliance.

- **Deferred Maintenance Initiative** - The issue of deferred maintenance is an issue that has been around and growing over many years. Therefore, as a means of getting a better handle on the overall assessment of our deferred maintenance needs across the A&M System, we have contracted with a nationally recognized company – Sightlines (part of the Gordian Group). Sightlines is the leading provider of facilities benchmarking & analysis and deferred maintenance expertise to higher education institutions, having provided services to more than 450 campuses throughout the United States. The goal of this project is to get an overall comprehensive assessment of our deferred maintenance needs and to establish a system-wide strategic plan to address the problem.
- **System-wide Operational Support** – During times of financial uncertainties (such as a global pandemic), the A&M System has allocated resources to assist all members in areas such as:
 - software subscriptions,
 - modernization of our legacy financial system,
 - employer health insurance costs,
 - E&G property insurance costs, and
 - shared service operational costs.
- **Comprehensive Assessment Reviews** – Over the last 10 years, the Chancellor has initiated two comprehensive assessment reviews:
 - **Information Technology** - Contracted with Deloitte to conduct a comprehensive IT assessment to gain System-level insight into multiple facets of the IT environment across all A&M System member institutions and agencies, and to develop a System-level set of recommendations designed to increase the effectiveness and efficiency of the System. The goal of this assessment was to lay a solid foundation upon which to develop, grow and innovate in the process of becoming a “world class” information technology organization. Core to this foundation are the principles of reducing risk, exercising fiduciary control, building trust and a sense of “System” among members, and developing strong leadership at both the System and system member levels.

- **Administrative Review** - Contracted with PwC to conduct a comprehensive review and analysis of administrative structures, services, processes, practices and costs at all members of the A&M System. The primary purpose of the review was to:
 - Make recommendations that would enhance administrative efficiency, effectiveness, and execution at all levels of our organizations. In particular, the review focused on identifying functions and services that may have been unnecessarily duplicated within and among A&M System members, as well as any organizational layers that created inefficiencies and complicated decision-making and positive organizational change.
 - Identify specific administrative cost savings that could be redirected into the System's core functions of teaching, research and service.
- **HR Classification-Compensation Standardization** - Contracted with PwC on a project to standardize title codes and create a System-wide standardized compensation plan for non-faculty positions. The ultimate goal of this project was to make sure A&M System can better recruit, develop, and maintain quality employees and do so in a way that makes sense across the entire System.

4. **What resources would your system commit to SFA that other systems might be unable, or unwilling, to commit?**

The A&M System has identified several unique resources and programs that would benefit SFA. The A&M System is focused on affordability for students and SFA would benefit from several programs that help to keep higher education accessible for all students. The Regents' Grants provides undergraduates with one-time grants to help overcome unexpected financial hardships during their studies. The Board has also created the \$100 million Regents' Scholarship Fund with a goal of making A&M System institutions better reflect the state's demographics as well as improving access for first-generation and low-income families. The A&M System is also evaluating plans for new shared facilities that would bring multiple A&M System agencies including the Texas A&M Forest Service, Texas Division of Emergency Management, plus others to the area, and would provide services to the region including the SFA campus, which will enhance the growth and development of program offerings. Another initiative underway includes expansion of the Healthy Texas program to East Texas. Expansion of the program would draw on SFA's commitment to health education and will provide community support with a focus on reducing the highest impact diseases in the Eastern part of the state.

5. **SFA has outstanding debt of approximately \$200 million and is planning a future debt issuance for capital construction assistance project (CCAP) funds of approximately \$45 million when those funds are released. Debt information is provided in *Appendix C*. How will The Texas A&M University System assist SFA with its debt management and bond ratings?**

The A&M System will incorporate SFA's future capital needs into the system-wide capital planning process and debt management program. The A&M System collaborates with its members to produce creative strategies for funding based on each project's unique requirements. All A&M System members benefit from low borrowing rates available under the combined Revenue Financing System program, which is rated Aaa/AAA/AAA. The A&M System actively plans debt issuance for multiple member projects simultaneously to take advantage of larger issuance sizes that drive market demand and provide lower costs of borrowing for all members. Interim financing is accessed through our System-wide commercial paper program to keep financing costs low during the construction phase. The A&M System is in the early stages of planning the debt issuance program for members' approved CCAP projects and could work to include SFA into that offering. As an added benefit, the A&M System manages expenditure of bond proceeds as well as SEC disclosure reporting and arbitrage tracking requirements for our members, carrying the administrative burden associated with those activities.

6. **How are The Texas A&M University System operations funded? Are member institutions assessed a percentage of their operating budget, or some other assessment method, to help support system operations?**

The A&M System Offices provide leadership and certain shared services for the system institutions, including state and federal governmental relations, financial, legal, auditing, administrative services, academic and student program coordination, HUB reporting, and oversight of board policy implementation.

The A&M System Offices has changed incrementally, as needed, to address the needs of member institutions for additional services, and pursuant to Regents' policies.

To a greater extent than any other academic system in Texas, the A&M System has deliberately consolidated certain essential services and functions at the System Offices to take advantage of economies of scale and to provide value-added expertise that would otherwise be too expensive to acquire and maintain by the members independently, including cash, debt and investment management; health benefits, risk, and property insurance programs; facilities planning and construction; communications; audit and legal services; real estate management; information technology services; budgeting, accounting, and payroll.

The majority of these services are billed (assessed) to and paid for by the A&M System member institutions from a variety of funding sources that are under their control.

7. What do you see as the strengths and weaknesses of the current academic program offerings at SFA and how do you envision these being impacted by an affiliation with The Texas A&M University System?

SFA has a strong academic history and we look forward to learning from SFA's success and assisting SFA in areas where the A&M System has enjoyed great success. Certainly, the university's history and prowess in teacher preparation is among the best in the state and would be a tremendous asset in the A&M System. SFA produced 301 newly-certified teachers employed in Texas in 2021, the 6th highest total in the state and was surpassed in the A&M System only by Texas A&M University. We have worked with Dr. Judy Abbott, Dean of the Perkins College of Education, through SFA's offering of the EC-6 teacher preparation program at our RELIS campus. Our experience with Dr. Abbott and her team has been nothing short of outstanding. Including SFA's education programs in our Community of Practice of education deans and teacher preparation professionals will be an asset to SFA and to the A&M System.

We have stressed elsewhere the importance of Forestry to the region and to the university, and were surprised to find the Ph.D. program in Forestry on the Texas Higher Education Coordinating Board's (THECB) "Low Producing Program" inventory. Having several "low producing programs" ourselves, we understand that key programs may be maintained even when not producing the minimum number of graduates required by the THECB, but we also look forward to working with SFA in transforming that program into one that continues to meet the forestry needs of the nation for generations to come.

SFA's program inventory is extensive and includes a comprehensive range of programs in the arts, business, social sciences, education, humanities, agriculture, to only name a few. The addition of engineering physics is fairly recent (6 years) and even more recent is SFA's foray into the mechanical and electrical engineering disciplines. The A&M System knows engineering and we would take it upon ourselves to assure the developing engineering programs at SFA are first class, ABET (Accreditation Board for Engineering and Technology) accredited academic programs.

8. What academic programs at SFA do you think are of particular importance and quality and thus constitute a building block of our academic reputation? What will you do both to ensure that they are protected and to enhance their quality?

As noted above, one cannot overlook the importance of education/teacher preparation to SFA, the region, and the state. The A&M System believes no discipline is more important than teacher preparation and our actions back up that commitment. Business and engineering are also building blocks relied upon in our society to address challenges and SFA's entrance into the engineering disciplines is welcome and essential to the region's continuing health. Nursing, social work and counseling (and related disciplines) are in great need, particularly today. SFA has those pieces in place and we will work to protect and enhance these programs essential to the region. One could add agriculture and criminal justice and so many other disciplines to this list of building blocks SFA already has in place. However, the true "building blocks of [SFA's] reputation" is SFA's strengths in the liberal arts: Rhetoric and Composition, Language and Literature, Chemistry and Biology, Dance, Drama, Music, and Art. Invariably, universities with

strong academic reputations in the United States possess strong foundations in the liberal and performing arts. Our universities in the A&M System recognize the value of that foundation. We are a university system that tends to the “applied” disciplines of education and engineering, agriculture and business. Still, we recognize these applied disciplines are built on a solid foundation of history, literature, and the arts. Indeed, a significant reorganization currently at Texas A&M University is specifically targeting the strengthening of this foundation. Without this foundation—which SFA already has—you cannot build your academic reputation. We understand that and we will protect it.

9. **What do you see as the strengths and weaknesses of the current athletic program offerings at SFA and how do you envision these being impacted by an affiliation with The Texas A&M University System?**

Strengths: SFA has a solid presence in all major men’s and women’s sports. The recent major renovations for the William Johnson Coliseum, via the Loddie Naymola Basketball Performance Center (\$26.5M), enhances the men’s and women’s basketball facilities. In addition, the new football athletic field turf and track renovations help SFA as they enter the WAC.



Weaknesses: The A&M System could assist SFA by harnessing our best in class business processes and compliance plans from other member institutions to assist in supporting SFA’s quality athletics programs. While we would not mandate which athletic programs are best for your institution, we would work together with SFA to determine how best we could assist.

10. **What athletic programs at SFA do you think are of particular importance and quality and thus constitute a building block of our athletic reputation? What will you do both to ensure that they are protected and to enhance their quality?**

The A&M System continues to support athletic building initiatives on our campuses. Our Facilities, Planning, and Construction (FP&C) department provides expertise in the programming, development, and construction of our athletic facilities. Most recently our FP&C group has completed the construction of a \$63 million football stadium and athletic field house at Prairie View A&M University, a \$38.4 million football stadium at

West Texas A&M University, and separate athletic expansions and renovations at Tarleton State University and West Texas A&M University totaling \$27 million and \$6.2 million, respectively. The buying power of the A&M System provides us with leverage to seek out lower pricing and work with an extensive network of business partners across the State of Texas to meet the needs of our members.

11. What are your system’s enrollment targets for SFA? What initiatives, marketing programs and/or personnel have you brought to your affiliated institutions that have positively impacted their enrollment? What do you envision bringing to SFA in this area?

Enrollment has three components: matriculation, retention, and reengagement. Attracting students to SFA is essential (matriculation) but if they do not stay (retention), we are not successful. Meanwhile, what must we do to reengage those who do stop-out before graduation (reengagement)? We have made these three areas the foundation of our enrollment strategies. Enrollment Management vice presidents meet virtually Friday mornings at 8:30 in a “Community of Practice,” sharing experiences, opportunities and problems. This collaboration brings significant cost savings through system-wide contracts on products/software as well as through avoiding software and solutions that overpromise. (“Lessons learned” is a cost saving measure and feeds effectiveness.) Similarly, our retention teams at our universities convene multiple times each year to share strategies and programs across the system that are doing well, and those that are not. Software solutions and “opt-in” contracts for products such as Banner, Civitas, and EAB are routinely rolled out across the System to assure we have the tools necessary to recruit, advise well, retain, and graduate our students. Meanwhile, millions of Texans have stopped-out and the A&M System works together with “ReUP,” a national corporation focused on helping us track down stopped-out students, work through the challenges that led them to stop out, and find ways by which we can reengage these students in completing their degrees. SFA’s most recent published 1st year retention rate is respectable (76.8%) but can always be improved, as can the 4 and 6 year graduation rates (38.4% and 51.8% respectively). In the A&M System’s “EmpowerU,” we use the above described systems to move toward “Stretch Goals” and host an annual “Datapalooza” all day meeting with our Board of Regents to discuss performance on these student success Key Performance Indicators (KPIs) and ways we may do better. The A&M System Academic Affairs Office works with the campuses in establishing the stretch goals, but examples of appropriate stretch goals for SFA may be an 80% retention rate by 2025 along with increases in 4 and 6 year graduation rates to over 40% and 60% and a 15,000 student headcount. (We also establish stretch goals for enrollment and success of African American and Hispanic Students, Transfer students, Time to Degree, Excess Hours, etc.)

12. **Many of our alumni have expressed worries that a system would use SFA to enhance the growth of its current institutions. Inasmuch as the majority of systems we are considering have affiliated institutions within a few hours' drive of Nacogdoches, how would you ensure that SFA's current offerings and programs are not diminished or altered to serve the interests of their current system institutions? What are the opportunities for symbiosis or collaboration between SFA and those institutions?**

We will happily allow our track record to speak for itself. We have a long history of growing nearby universities, even planting new universities, not taking from one to build another. In the A&M System, our pie grows larger, the pieces do not get smaller. Our two newest universities (A&M San Antonio and A&M Central Texas) are stand-alone universities that began as branch campuses of A&M Kingsville and Tarleton State respectively. We seek to build, not consume. Proximity is an asset.

We ask our universities to work together with their neighbors for the mutual benefit of each. Our universities help each other in developing programs, such as our assistance in building engineering programs at our regional universities, and the THECB's doctoral "step" program where a university with a doctoral program in a specific discipline mentors and shares the program with another university to develop that program ultimately resulting in a stand-alone doctoral program at the second university.

RELLIS is an outstanding example of programmatic cooperation in the A&M System. All of the universities work together to offer a complete educational experience in one location. There are MITCs located all over the state (Multi-Institutional Teaching Center), but no MITC operates with the level of integration as does RELLIS. SFA is currently a partner in the RELLIS Academic Alliance and as part of the A&M System would grow in that partnership.

A final example to share is our PSA program—the Program for System Admission. SFA could be a significant benefactor of this program because of its relative proximity to College Station. Students who apply to Texas A&M University but are not admitted due to space constraints but meet SFA's admission standards (outstanding students, not "rejects") are automatically offered admission to SFA with a promise that they can transfer to College Station if they meet certain criteria after their first year. Our experience is that these students, more often than not, get involved in a local student organization, fall in love with the campus and Lumberjack traditions, and choose to stay. Currently, A&M Corpus Christi receives most of these PSA students (perhaps due to a beach on their campus). However, given SFA's proximity to College Station, we believe SFA will be an attractive option to these students, thus cooperatively building SFA's enrollment with outstanding students. Again, our proximity is an asset.

- 13. We have been overwhelmed by the intensity of the opinions of thousands of SFA alumni who have used our system affiliation portal to register their views. Many have expressed that they came to SFA, and even Nacogdoches, specifically because of their fears that they would be “swallowed up” at a larger institution or community. They appreciate the uniqueness of SFA and its independent character and fear that system affiliation very much puts that unique, individual student-focused, small-town ethos at risk. They are fiercely proud of the university’s name, mascot and colors, and they consider the preservation of these to be essential to their support of any affiliation. These graduates of previous decades want to always be known as Lumberjacks and not as the graduates of any other university or system of universities. What assurances can you give to us and to this important and considerable group of stakeholders that you will protect the local and unique identity of SFA?**

The A&M System has no intention of “swallowing up” Stephen F. Austin or any of our other members. That is not how our System functions. We value the individuality of our member institutions and welcome their geographic reach. We also value traditions. Each of our member institutions has its own unique history and traditions. We aren’t just Aggies, we’re also Islanders, Javelinas, Lions and Buffalos. The preservation of the name, Stephen F. Austin, the Lumberjack mascot and the University’s unique traditions like the Purple Haze, the Battle of the Piney Woods, the decoration of axe handles and all of the other special traditions are what make your alumni remember their time fondly and gives students a sense of common identity. The A&M System recognizes this and has no intention of changing what the University obviously is doing right. We want to expand its educational and research horizons and build on its century-long legacy of quality, not change them for the sake of change or conformity. That isn’t the A&M System—a unique collection of universities and agencies, all with their own unique identities.

- 14. What university operations, if any, would be transferred to the central system offices?**

As mentioned in response to question 6 above, the A&M System Office offers many centralized shared services that take advantage of economies of scale and provide value-added expertise that would otherwise be too expensive to acquire and maintain by the members independently. SFA and the A&M System would work collaboratively over time to determine which operations could be most effectively performed at the campus, at the A&M System Office through a shared service, or some combination.

- 15. How do you envision managing a presidential search or appointment and transition period?**

The presidential search process is outlined by board policy. Two regents of the A&M System serve on each presidential search advisory committee. The balance of the committee consists of faculty, students, staff, alums, etc. The composition varies by the needs, history, and culture of the university. Board policy dictates that the committee is advisory. The advisory committee conducts a national search, aided by a recognized search firm and facilitated by the A&M System Academic Affairs Office. Ultimately, the

advisory committee recommends no fewer than three names to the Chancellor who then brings one name to the Board of Regents as sole finalist. This process typically takes six to eight months before the new president would be onboard. SFA would have an interim president until such time a permanent president would be named.

16. How do you evaluate and hold accountable the executive management of system institutions? What are the standards and categories by which you judge their performance?

The chancellor evaluates each CEO in the A&M System, inclusive of the university presidents. The president is held accountable for his or her leadership team; the A&M System does not evaluate university personnel below the president.

In the April/May timeframe, the chancellor's office contacts each president requesting a self-report/self-evaluation of their performance for the concluding year, focusing on major accomplishments, goals/projects not completed, barriers faced, and an open category for the president to bring forward other issues. The chancellor then meets face to face with each president discussing past challenges and establishing goals for the coming year(s). The specific form used by the chancellor in this evaluation includes the student success KPIs mentioned earlier (e.g., enrollment, retention, graduation rates, etc.) as well as categories such as leadership, constituent relations, fund raising, working with A&M System Office/Board members, managing the leadership team, etc.

The Chancellor provides an extensive report on each CEO/President in Executive Session at the August Board of Regents meeting. The Regents and Chancellor discuss each President at that time.

17. How would our local development office operations be affected? How would the SFA Foundation boards function following affiliation?

All A&M System member affiliated fund raising and support organizations are required to adhere to the following Board policies and regulation:

[60.01](#) Relationships with Affiliated Organizations

[60.01.01](#) Association with Affiliated Organizations

[60.03](#) Approval of Fees for Affiliated Fund-Raising Organizations

The A&M System Office of General Counsel would assist SFA in the transition.

18. **A recent survey found that SFA's faculty and staff compensation rates are below average for Texas universities. Faculty tell us that our low salaries negatively affect faculty hiring and retention. How would our affiliation with The Texas A&M University System affect compensation and hiring levels for both faculty and staff?**

The A&M System has led an interim study, under the guidance of the Board of Regents, on the issues affecting affordability and access to higher education in Texas, particularly at the four-year institutions. In testimony before the House Appropriations Committee on September 9, Chancellor Sharp outlined the need for increased investment in the core higher education funding formulas, beyond simply covering student enrollment growth since the previous session. This base funding increase is critical to our ability to recruit and retain faculty and staff in this challenging economic environment. The A&M System is leading the charge, in partnership with the other systems, to increase the base funding needed to support faculty and staff pay. We also are working with the Legislative Budget Board to draw attention to the need for our higher education employees to be considered as part of any statewide strategy to increase state agency employee pay. In addition, we have called for the Legislature to close gaps in their commitment to support the Hazlewood legacy tuition exemption and the cost of Higher Education Group Insurance. All of these strategies would provide increased revenue available to address compensation and hiring levels for faculty and staff at SFA.

Operationally, in 2016, the A&M System implemented a system-wide pay plan which provides system members with the flexibility to recruit, hire and retain employees. The standardized pay plan provides the general framework for compensation in order to allow each member the ability to manage certain aspects of compensation administration (e.g., adjustments for geographical market differences, merit and other type of salary increases). A&M System Members have the ability to hire within a salary range based on, but not limited to their procedures, internal equity, market pressure, scope, skills, knowledge, experience, and performance (if applicable). Many positions, including faculty, do not have established salary ranges. Flexibility is key in that system members set and approve salaries, have the option to reclassify existing titles or request the creation of new ones. The plan also allows members to use equivalencies substituting experience with education or vice versa.

19. **SFA maintains a portion of its over \$100 million in cash and reserve investments in accounts under depository agreements with multiple local banks. We have several depository agreements with local banks set to expire if not renewed within the coming year. Does your system require the funds of its system members to be deposited centrally, or may we continue to deposit and hold funds in local banks? If deposited and held centrally, would your preference be to allow these agreements to expire or to renew for a two to five-year term?**

A&M System members benefit from a depository agreement that is in place to provide efficient processing of deposits, payroll, checks, and payables. This process allows the A&M System to utilize economies of scale to drive lower pricing of banking services for all members. The A&M System invests members' short-term reserves in the cash concentration pool, which allows them to earn attractive rates while maintaining liquidity and access to funds for operational needs. In addition, A&M System staff provide daily cash management services, which ensures sufficient liquidity to meet obligations and the investment of any excess cash. In some locations, A&M System members utilize approved local banks to manage cash and other needs if the A&M System's main depository bank does not have a convenient location to serve an institution. Based on the current A&M System banking contracts, a supplemental banking relationship would likely be needed to ensure all of SFA's local banking needs are adequately covered.

20. **How does The Texas A&M University System assist its member institutions in managing depository accounts and investments?**

The A&M System currently provides investment services for SFA's long-term operating accounts and endowment. Services would be expanded to include daily cash positioning that would help SFA realize additional income from its short-term cash and reserves. Pooling investments for the endowment and operating pools provides access to diverse investment opportunities that can generate higher returns over the long run while employing tools to manage downside risks from market volatility and dislocations. Investment services are provided to our members at no additional cost and included in the assessments for collective A&M System services. Some of the other financial services that are provided to all members include merchant services, including PCI compliance, which helps to lower costs and ensures security standards are being met for card transactions. The A&M System will also help to manage all aspects of the banking relationships, including signature card maintenance, secure access to online portals, as well as fraud prevention training and information about the latest trends in the banking industry.

21. See the Financial Information section below. What are The Texas A&M University System’s reserve policies for its member institutions and how does SFA align with these policies?

The overall financial condition of each of our members is monitored on a consistent basis. Composite Financial Index scores are maintained and reviewed each year. Annually, “pulse check” calls are conducted with each member CEO and CFO to discuss any financial concerns they may have. With regard to reserve balances, operating reserve balance updates are provided to the Board each year. In addition, this information (along with historical data) is presented by each member at our annual Programmatic Budget Reviews. Over the years, our general rule of thumb for each of our members has been to maintain at least 3 months of operating reserves. This allows for “flexibility” to make adjustments and react to unforeseen emergencies. Reserve balances are also factored into the calculation of each member’s Composite Financial Index.

22. A large risk and expense for an independent university is information technology and the resulting need for compliant cybersecurity. What assistance and support does The Texas A&M University System provide relative to information security governance, risk and compliance?

The A&M System has established a mature information security ecosystem. The A&M System Chief Information Security Office (CISO) is led by security leaders who have over four decades of experience in developing and implementing strategic elements in relation to cybersecurity policy, methods, and operations. These leaders work at the State-level with multiple committees, including the Statewide Information Security Advisory Committee (SISAC), the policy subcommittee for SISAC, the Texas Cybersecurity Committee, and the statewide committee to develop cybersecurity education curriculum for K12 programs in Texas.

The A&M System is the first system of higher education to stand up their own centralized Security Operations Center (SOC) for monitoring, detection and response of network and endpoint events. This SOC is an example of how commodity services are able to be consolidated and shared among all members in a cost-effective manner. In addition to serving each of the A&M System members, the SOC serves several municipalities, a public utility, and several private universities. The A&M System created one of the first operational Information System and Analysis Organizations (ISAO) for a public entity in Texas. The ISAO provides key cyber intelligence and threat information to all State of Texas agencies through the Department of Information Resources (DIR). The A&M System was one of the first Texas entities to have its own dedicated Cyber Response Division (CRD) whose goals include responding to potential threats, active threats, and cybersecurity incidents. In effect, the CRD is a cyber-SWAT team who works in conjunction with the SOC to address cybersecurity issues. The CRD works closely with law enforcement at the local, state, and national levels. Through the Texas Division of Emergency Management (TDEM), the SOC and CRD work with TDEM personnel and act as an extension of TDEM to respond to statewide cyber emergencies.

In addition, the A&M System uses a three-pronged approach to protect its members from cybersecurity-related risks. First, the A&M System CISO interprets state law and rules relating to information security governance, risk, and compliance to determine what requirements can be addressed centrally at the system-level through policy or shared services and what must be implemented by the member. Those policies or shared services that can be administered centrally are then implemented and managed by information security professionals within the A&M System Office.

Second, the A&M System CISO creates baseline security control standards that A&M System members are required to follow. These baseline security control standards are collaboratively agreed upon by all members and establish a minimum level of security assurance for individual member IT environments. These security control standards are also reviewed and agreed upon by the A&M System Internal Audit Department, which reduces the burden on the member to determine whether individual strategies will satisfy compliance requirements, and members are left only to implement a suitable solution that meets the baseline standard.

Third, the A&M System regularly advises members on strategies to implement best practices that meet security control standards mentioned above through tools and processes. This becomes important as new security controls are introduced and required by the Texas Department of Information Resources. Common tools and processes are shared among the members through collective purchasing efforts. Ongoing collaboration regarding the use of such tools and processes are part of the 20 member information security community's monthly conference call.

23. In addition, what system level information technology contracts are provided or available (i.e., Microsoft campus agreement, Adobe software, Oracle licensing etc.)?

The A&M System Information Technology Office has 54 system-wide agreements in place. These agreements include ETLAs (e.g., Adobe, Microsoft, Oracle, Palo Alto), tools, and services across the following areas: academic technology, marketing, cybersecurity, e-Signature, HR, virtual conferencing, business services and others. A list of these system-wide agreements can be found at <https://it.tamus.edu/services/contract/>.

a. Does the system pay for any system level contracts or does each system institution pay a prorated portion of the contract?

Each member of the A&M System pays their portion of any discretionary contracts utilized and a portion of the assessed, mandatory contracts.

b. Is a member institution required to participate in system level contracts?

Members of the A&M System are only required to participate in four assessed, mandatory contracts (i.e., Multi-Factor Authentication, Open Records, I-9 Compliance, and Website Accessibility). Members are not required to participate in any discretionary, "opt-in" contracts.

24. Lastly, what technology system level applications and support are provided and/or required (i.e., ERP, SIS, etc.)?

The A&M System has implemented a strong suite of enterprise-wide applications: purchasing (Aggiebuy), travel (Concur), financials (FAMIS/Canopy), position budgeting, grants management (Maestro), time and effort, and HR/Payroll (Workday). All members of the A&M System utilize these enterprise-wide applications. The A&M System would work with Stephen F. Austin to migrate purchasing, travel, financials, position budgeting, grants management, time and effort, and HR/Payroll to the system enterprise-wide applications in a manner and in a timeframe that does not harm Stephen F. Austin's ability to complete research, educate students, or report to the State.

In contrast to these enterprise-wide applications, each institution in the A&M System can select their own Learning Management System, Student Information System, academic technology, marketing, cybersecurity, e-Signature, HR, virtual conferencing, business services and other applications. As mentioned earlier, the A&M System has a pool of 54 system-wide agreements that can be leveraged by its members.

In addition to the system-wide agreements, the A&M System formed The Council on Academic Technology and Innovative Education (CATIE) to support the educational mission of the system members in matters related to technology use in the design, development, delivery, and assessment of courses and programs. CATIE members provide collaborative strategic direction, guidance, and recommendations on technology-enriched teaching, learning, and assessment initiatives that present a continuum. This continuum begins in the classroom with learning space design and classroom technologies and expands to encompass new environments and emerging trends. More about this strategic, dynamic, collaborative, and innovative council can be found at <https://www.tamus.edu/catie/>.