

Please stand by for realtime captions. >> She has brought her team with her that is going to help with the presentation.. Hall which is our director of research, Emily Morris director of enrollment medications and strategy and Emily Jefferson who is the director of undergraduate recruitment, they will be tag teaming this presentation today. I will have an update for our search on the new executive director later in the meeting.

Good morning, everyone. Thank you for the introduction and I want to thank everyone for helping me through this process. What we are going to go over are these root areas and we are going to have Karen review some of these modeling and talk a little bit about the data on that. We are going to review some enrollment plans on the subpopulation of our students and then Emily is going to review some recruitment and retention activities. We are pleased to partner with some productive enrollment processes. We have done some enrollment for quite a while, but the difference is this time we are not looking at just the first time a new graduate population like we have done in the past, we are focusing on a new holistic approach with all of the student groups and the whole process was discussed for a couple of years and that is through some more casual ways and then January of this year we began a more focused effort of campus wide participation including executive leadership and expert data managers from many different areas. Two basic teams were involved in strategic enrollment planning in the process itself. Student affairs, enrollment management, my office were part of one of the teams and also my office along with executive leadership from many of the cabinet areas to create a more robust decision-making process for enrollment projections and forecasting. I will start with the second profit which we began, what kind of information do we use from our historical data to try to predict what quality enrollment would be. We had COVID which affected the composition and the patterns and so forth, so do we use just those COVID related years, or the years before? What is best? We took a multifaceted approach and looked at it both ways, we did a lot of testing and if you look at just the years before COVID, what happens with a best fit predicted model if we look at just the years during COVID, what happens is an overall combining them what happens. What we found was using the four years of data actually creates a very similar model than using either one of the two sets separately. We determined that using four years of data it was the best approach particularly since we are in a rebound year anyway and the one difference that we adjusted manually was as you know we have test optional situations with our undergraduates, so we pooled what are normally considered a very predicted pieces out of the model because we are no longer using them. We adjusted manually in order to account for what we felt like it was the best way to approach as best we can to determine what our quality enrollment would be. The roots that we focus on are these listed here, first-time undergraduate, first-time transfer, first-time graduate and also continuing undergraduate and graduate. We will see in just a minute what those portions of groups are, but I will just point out that continuing undergraduate is the largest volume of those and that is one of the populations that we never really statistically or in a focused way try to project, so that is a really significant difference than what we have seen in the past versus this card process that we are

attempting to use and provide. We did run through the models, I am not sure how many times because you keep going until you get it right, but he did dozens perhaps too close to 100 model runs with all of the different population deficit separate modeling processes. As you can see exponentially we began to calculate and test those things, there is a lot of different processes involved. What we determined as the best approach for this first broad year was to provide, even though we have selected this model of regional populations, we need to obviously update that, not the model itself, but the predictions because we have registration activity and different populations coming in and different things happening. There is a different cycle of registration every so often including orientation, housing applications et cetera, so we determined that we needed a two weeks lead and every two weeks we would refresh the data involved in the models and create a new forecast and what we ended up doing to try to help inform budgeting and decision-making in an earlier manner and a more robust manner as well leading into fall as we made sure that we partner together with the process and used that as one of the pieces to try to determine what we should do for the budget coming into the new year. Next year, we are planning to reanalyze all of the data we have already gathered some improvements that we know we need to look at some new data elements calculated differently to see if there are any other items that we could do to become better at predicting what our enrollment would be and to further help the decision-making along the way. The result as of the last forecast which was just this past Thursday was that it appears as though based upon both the model process as well as the adjustments for the registration cycle which are little bit outside the model process that our headcount lies at 11 960 and we will talk about how that compares to last year. What is important for budgeting is what is on your right ear at that one point want -- 1.1 percent increase. It's an estimate we feel is as close as we can get him and all the information that we have and obviously, it's not done until it's done which is the 12th class today. We have 47 days to go until we consider, so this is what we have right now. The best estimate in my opinion that we had if our models are correct which we are currently testing and vetting through the cycle. Next slide. This is actually the account comparison. This is the fall '22 forecast and fall '21 actual, 11 946 basically flat. What I we are interested in is to see how large this population is with continued undergraduate which we have never really made part of the official predicting before. We just thought they would come back if they needed or feel like they are going to. This creates a little better prediction Boris with a large population. I'm sorry, we will come back to that in just a minute. Along those lines of the first time route, the student type is that the highest volume and that particular population has a very significant increase. That helps balance some of the other -- We see in other populations. As you note, all these populations have different raised accumulation per credit hours, so in balancing that 1.1 percent increase like we saw with the lower percent increase and the headcount, those differences in those populations are accounted for those changes. Sorry, I had to switch back to the slide. I missed to that.

Along those lines, these are the estimates for each of those populations

that we covered for that model and forecasted. These are the changes that we expect or at this very moment in time feel like are appropriate.

>> We focus on populations for first year and transfer students. We echo some of the things about predictive modeling. We look very closely as what I would refer to as the big three, orientation, housing and financial aid. The first year students, we have an increase in applications and we are trending very positively for first year students. We are making up the bulk of anything that happens with retention and our graduation rate as well. We have some big shoes to fill, but things are trending. We look at orientations as the biggest predictor on first year students to enroll. We look at financial aid since the majority of our students do receive some kind of financial assistance. Housing is not as strong, but it is still a strong indicator to those who live outside of a 60 mile radius, those who live in that 60 miles are not. That one is not as high as orientation and that is why orientation is so significant for our first year students. We are trending very positively in that direction. It's incredibly exciting. Unfortunately transfer applications across the state and nations are down. They do tend to enroll transfer students who apply or are admitted to SFA to enroll at twice the percent a first year student one. We feel confident that the transfer students who are applying and eligible for admission will come, it's just there are a whole lot of transfer students as previous years to pull from. We are not trending up in this direction, but overall for undergraduate, those first year students are really going to pull us through. Applications and Adam Mintzer also trending down. They definitely are applying.

Good morning. We want to share a couple of examples of our recruitment and retention efforts that are happening cleverly around campus. First from undergraduate recruitment, from about April to August we are still seeing applications come in for Ashman and first-time transfer students. We are still accepting applications, processing documents and walking them through the rest of the enrollment. We are really focus on getting those to enroll, un-insulated, housing, registrar's office and things like that. We are working really diligently. We are also opening our fall 2023 application for the upcoming cycle. This collaboration is really key to make sure that we are exhausting all of our resources on campus really serve our students. A couple of things we want to highlight and these are just some examples taking place in August, we are rounding out -- We launch this over the summer last year and we have included 20 ISPs we are serving as a distinguished high school partner and that includes 21 high schools. This summer we are adding two more one in Houston area and Central Texas. That will come with 12 high schools. At the end of August will be serving 33 high schools, 22 ISD. That initial application fee that we require of our first-time students of \$50, it waives that fee for them as well as providing opportunities for guaranteed scholarship levels. 3000 or \$5000 depending on eligibility criteria. A lot of good things happening with this program and also providing some excellent visibility at these campuses. We are able to pair up with marketing. There is a large SFA campaign we are promoting. That is going to be incredible, but these partnerships are very important. In the months of April and May every

year, our high schools , universities and colleges that students have committed to asked if they would be able to attend 45 of those across the state of Texas. We have been successful to number one, celebrate students coming to SFA with a certificate , but also providing SFA T-shirts and if the school allows -- . Dr. Westbrook was able to attend one of our sunny days in May, we have a partnering group and were able to share our traditions. We are very thankful for that. This is one of our largest recruitment events and they typically start in the fall and summer semesters. A special thanks to Windham and Winston for volunteering to welcome our perspective families. We had a great show up this time. We were interested to see how it would shake out , but universities are creating these types of recruitment events in the summer, more or less to recruit rising juniors will be seniors next year, but we had a unique opportunity that we were able to research 61 fall 2022 students who are still shopping for their new home. We were able to waive that application fee , so a lot of good buzz around our teams and a huge thing to University faculty and staff and ministry us for being there. Early summer is irritation season, so we are really appreciate of of all of the work contributed along the way. Campaigns take place throughout the year, these in particular are targeted for students who are admitted but not yet enrolled , so we kind of double dip here. Our financial aid campaign is to do first year students and was roughly 3500 new first year students who are not yet enrolled, but had been awarded a financial aid package. I recruitment team as long as -- Teamed up to call these 3500 students to say, you have some monies out there and we want you here for the fall, what can we do to best serve you to get to that enrollment period. That financial war campaign took place in April and the next one took place in June. This is with our continuing freshman and sophomore groups. Students who were enrolled in the previous terms who are not yet enrolled in fall, we wanted to make sure that was key. We are still reaching out to students who are eligible to return. That was one 16 students and the students success Center the charge on that calling those students to make contact with them to see what was keeping them from enrolling in the fall. Next group took place at the end of June and this was through our alumni Association. Shout out to Craig Turner and Amy Ford for making sure our alumni Abbasid others were teaming up and willing to help us out. This was about 130 students who were not enrolled and they were able to college students, collect some data to see if they were interested in returning to SFA . Our last campaign was through our undergraduate recruitment team now recruiters reach out to 435 transfer students who were enrolled for fall . These campaigns, overall we connected with 4,209 , that is how many we called and we connected with about 1000 students and out of those 1000 600 told us they were either going to attend SFA or they were still unsure based on some things they had to work through. Those were the campaign results that we were able to collect over the course of the past couple of months. In addition, we have email campaigns and I would love to turn that over to our chief marketing officer Graham Warner if you would like to touch on any of these collaborative efforts.

I will just say briefly, if you recall we added a partnership with -- To sign the contract in January. I cannot remember the exact number right now, but it's over 1 million views, we have over 800 confirmed

leads through that , whether that is application or request for more information. That has been quite successful so far. It's a higher rate that you typically see. We also have a lot of at home advertising, signage, billboards and we are working on some other things as well right now. There's a lot that we are advertising as well.

Some goals are more measurable as others such as the digital advertising that you mentioned, but that is an important part of the campaign.

To piggyback off of that, we still have some work to do. We have a small timeframe right now, but we are also doing an email campaign advertising to students making sure they are following up, doing those last-minute things so we can get them enrolled. We are still continuing to admit students to award financial aid to students. Those are things that are still ongoing. We probably will build a small campaigning closer to the beginning of class and that will be collected with student

business services. Those things are still ongoing until we reach that first goal. Thank you, everyone.

Thank you, team. Is anybody have any questions for enrollment management?

First of all, I like to say thank you. I love your enthusiasm. You ladies are gathering a lot of great information and I'd like to know based on all the information that you have gathered, what are the big drivers? Why do kids choose SFA and if they don't choose us, why not ?

I would like to touch on that. From our June showcase, we collect evaluation data in one of the questions we started asking is what factors are you looking for when you are searching for a college? We had 10 factors in the top five come the very first one was faculty staff friendliness. I thought that was really impressive. Again, these students are filling this out at the end of the showcase, so they are behind these interactions. The second one was housing dining, I know that conversation happened yesterday. That is really interesting to take into account. Three was student services and resources, four was class-size, five was location and student enrollment activities, six was portability, seven was a welcoming campus climate, eight was campus traditions, mine was athletics, 10 was alumni opportunities . That was just from June.

Thank you all for your work and presentation today. I'm curious about a couple of things . Financial aid, the entire financial aid resource that is available to SFA recruitment, what has not dealt with from last year to this , has it expanded and what degree?

We have expanded, we have increased our and I don't have the data, but based on what I can recall , let me back up a little bit. We are in the middle of a financial aid study that started two years ago, it started

in 2020 , we had a delay with the pandemic and all of that, so that allowed us to restructure the way that we award the package students, our freshman students in the first year we saw an increase of around 300 students , I don't have the exact number in the way that we package that year. The second year of our study

increased as you can tell, we have exceeded our role for our second year of freshman students. Right now, we are only studying the freshman group and we are only packaging for our freshman group. We have not touched other groups that transferred with our next group

and will be able to look at how we structure the financial aid package. For this year, we had actually met our goal. Our goal was 1648 and we are at a little over 1780. Again, I have to look at the numbers. I felt like going into it as a financial aid director, it's hard to have somebody come in and review everything. It was very eye-opening on just making a few changes to the way that we package our awards. It was very refreshing talking to our student donors. Weekly basis, we can look at all of the data and we can hone in on the students we know , in addition it allows us to structure the way we award so that we don't spend as much money in awarding students , so that gives us it would help on the budgeting side.

That is interesting , but I'm curious about the whole basket of financial aid dollars. The total resources available to you and that would include all of the departments and all of the scholarships.

If we look at financial aid as a whole, we were about hundred \$40 million a year, that includes everything, loans are financial aid as well --

From 2022 to 2021 was about how much?

About 141 , now the federal Pell grant is our biggest driver we about 22 million awarded in programs we have 37% of our population and to receive the Pell grant , so as you know the Pell grant is structured by the Department of education and how the federal budget is calculated. We are limited in that there's always talk of increasing Pell. The most I have seen Pell increase over the last 20 years I have been doing this has been very minimal . I'm going to say anywhere from \$100-\$200 the most we have seen increase was \$500 you can tell, 30% of our population of the biggest driver were just not getting the support, on the predictive model , I think we saw the award averaging 13 hours per semester we still have a 15 hour , so how , is a lot of that working part-time jobs? I am curious why they're not taking advantage of that to a degree , has a number been ecstatic over the past several years?

That number has changed and I may throw into the mix . That plays a local -- That plays a role in not having as what I would say a large point increase. First-time students, we are being able to advise and get to the plans earlier

so they can take the credit to be productive and then secondly that we can , or the program they are actually planning to pursue those credits appropriately. That is where we are seeing a slight more of an

increase so to speak, but still fractional to be able to move that needle. The groups will start earlier, but we do have some monetary processes that we are using proactively as well as reactively to engage the outcomes and it's part of what you have may already heard us talk about our quality enhancement plan where we try to look at student debt and make sure they don't take hours that they do not need and so forth. All of that process is pretty slow, but we did show no numbers today that there are fractional increases. I cannot remember exactly how much, but I think in the first time population were a couple of tenths, but not quote unquote significant.

>> You are right now with the director of the office, but what can the board do. What you need to assist you in driving enrollment growth?

I'm going to put my financial aid hat on for just a moment. I think what I see in my office when I talk to students and parents is that we have, we have scholarship programs, but to have a generic scholarship that we can award early on, just like the academic transfer. I think my biggest concern a financially perspective is a generic scholarship fund that we can offer a student when we admit them. We do not have to wait for anything else to come along. We can say, you are a great student and here's your offer. We know that we are losing students because they are getting scholarships at other institutions.

You state great students, so we are talking about students that we really want to

Absolutely.

How much money would you need ?

I do not want to put that number out.

I would agree with that from the standpoint of scholarships as well. While our words have stayed pretty stagnant, we are able to award, especially first year students much earlier that they are receiving a much more robust package which is significant. Our transfer students are not doing anything until late September, so --

We have one in house position at close on Fridays --

You are not waiting for a permanent director to fill the schedule?

They already know the schedules in advance and all of that, so they have not made any delays or decisions.

Go to ever hear prospective students say they do not want to come at SFA because they had to live on campus for 60 hours?

That is not the reason they ever get to us, they just say I chose to go somewhere else. Maybe it was for housing reason, but it is never that specific.

When you say competitors who you talk about competitors that are offering better scholarships than we have?

Texas state, Texas Tech, we follow what our competitors are doing quite a bit on a variety of funds and scholarships which are certainly one of them. Our lodges automatic scholarship is \$12,000 . I would like to get much closer to that if possible.

Other questions .

This is very informative.

Thank you for all that you are doing.

Neck support is going to be our academic affairs update and I will bring on Dr. Smit.

Good morning, members of the board. Although I will be recommending the challenges we have here SFA, I stand before you very optimistic about academic affairs and SFA in general , the SFA staff and faculty continues to advance our mission to promote excellence in teaching, research, scholarship, activity and service, but as you know , they are doing so under increasingly difficult circumstances. Our reductions in teaching infrastructure is one example of the fallout of the circumstances. The rates at which our students at least recently are losing faculty is about three times of pre-pandemic periods and that hurts because we are losing some of our best faculty in part because of salaries, a deficiency in the salary. Nursing students for example lost two professors , professor applicants to a community college. Our math students lost two of their current professors to high school. Our construction management program, I believe is the fastest growing program in the entire University which we know are still unable to bring in a professor with a terminal degree in construction management. Our fastest growing program of construction management, we can still not do that in part because we cannot offer a competitive salary to bring that professor in. Academic affairs, the impacts

is great and we are succeeding, we are doing a lot of wonderful things in academic affairs, but we were aware that and I quote , achieving financial sustainability could be met by meeting tough choices head on which is what they said in 2015. I am very optimistic about SFA in general for three primary reasons, first , we are ready to make really hard decisions in academic affairs. Second, in academic affairs , we are now discussing mission-critical budget development

processes. We are talking about how we can develop budgets and that process that is centered around mission-critical centric functions. Third, I am encouraged by what I see in academic affairs, all of the divisions and offices on the campuses. I want to share some highlights with you about academic affairs. We are developing a model for quantifying the margin of our academic programs. It is been a lot of work and I am working with some professors on that in the lease for our current analysis, we are showing that all of our academic programs are profit centers. When you take into account the profit centers of course feed the entire University, that is something that we've been working on. We will probably publish a paper on that, but our analysis is confirming that our academic programs are profit centers supporting the entire University. Strategic resource investment on profit centers is a choice that we have to put in front of our students to introduce excellence is our mission states. Excellence in teaching, research, activity, and service. That is what our mission demands. We have the choice to focus on profit centers that really help us advance our mission we talk about mission-critical centers and functions, not only do we march towards our mission, but also toward financial stability which is a big part of that. We're design our mission and

generating financial sustainability for our University. I would say something that we have in accomplishing of the last year, we continue to eliminate low producing programs, we are investing in high producing programs. We are reducing the number of low enrollment sections. That is really going to start to kick in place this fall. We are seeking to scale up our -- Program, we are partnering with Dr. Delaney Fields and you can ask about details on this later. We are working to increase our academic advising infrastructure. That is a tough one . That is a heavy lift, but we are working very hard because we know how important it is to drive up ours of art with respect to advising. It's kind of an easy button, keep the students here. That is the easy button, we have students here, what can we do to invest in the infrastructure to keep the students here. We are planting seems to fortify the economy and we will be introducing again, to Marx credit , micro credentials to our academic workforce. We have a long way to go, but we are making an effort to go in that direction. We will be adding a space which is unique because it's for everyone , not just everyone on campus, but the entire community . Our faculty are sharing their scullery work in their teaching audience all over the planet. An incredible opportunity for our faculty to advertise for this university . And our staff are actively engaged in solving, creative problem-solving

I think of Karen Paul, John Callahan and many other people who are working so hard on being creative and finding ways to increase efficiencies for our campus. Our students continue to shine both on and off campus. You have the chance to see some of our students tomorrow. SFA is indeed giving much to its students enter difficult choices, I think we can give more. In fact, I will join you and affirm you that we must give more to our students and how do we do that? We continue to align our budget with our mission, we mind our mission again, excellence in teaching, excellence in research, excellence in scholarship and activity and excellence in service. We align those or we continue to do that and I think this university be on a great path forward. I see significant progress in academic roles in making this environment for SFA. I believe we are ready to make these hard

decisions. It's not going to be easy, but I believe that we are ready. As I said in 2015, you're ready to meet tough choices head on. Members of the board, I stand before you really optimistic about academic affairs and all of the future for SFA. Thank you so much for your time. If you have questions, I am happy to answer them.

You mentioned there have been some low producing programs that have already been eliminated, about how many?

Just recently two of them. What we did is we merged administration into political science, so it felt like that was best. That was a reduction in programs. We also eliminated the Masters in teaching, that we set into place last year and now we are also looking at a number of others, BS in human services, elementary education, ideology, there is a list of about 10 that the Dean's are looking for devaluing -- It's an important part and we recognize academic affairs. We have to look at ourselves first and we are doing that. I will mention that often times when you eliminate a program. It does not necessarily save a lot of money. In some cases, there are programs that actually are losing a little bit of money and in an article I read recently and I agree with, the program is losing a little bit of money, but it's an integral part of the bigger picture, leave it alone as you can hurt a lot of other things. I'm particularly interested in the programs that are losing a lot of money to not graduating students and we will look at those.

>> The aviation program, do you have any numbers on how that is doing?

>> Mark, do you have numbers or Judy?

>> We had six of the 19 students that started last fall as incoming freshman who have completed their private license. We see more of those coming to fruition through the end of July and August. We are excited about that. We have at this point in time I believe 20, 27 incoming freshman we really have been trying to get closer to 40 and we have a number in the pipeline that have been admitted that have not yet enrolled. We are working on those efforts. Our partner, HCH pride has purchased some new planes, so they are being delivered and the new hanger is being completed. I believe there's going to be an open house either some time next week or thereafter. We're still feeling very optimistic about this new program believe it or not, the degree does not really start until August. But we have done last year was admitted students to another degree program that had a large number, so they took all of their aviation sciences classes within that scope of electives, so when the degree turns on, all of those students will be transferred to that new degree and they will not lose any of the hours that they took.

Thank you. If you could produce a report and let us know, I would like to see the successes so when new programs go on, we can see what we could do.

>> I think their plans are to have maybe 65 or above in the fall. That is what they are expecting. They will be adding about 45 spots.

Other questions?

>> If you do not mind, is that certification programs? >> It's certification, but not within the context right now of the academic programs. Mark, go ahead. Mark is going to center that conversation.

It could be for credit, but it could also be not for credit credentials. Cisco has a systems administrator certificate which is not something that somebody takes for credit, but is a highly sought certificate in that industry. What we want to do, the UT system is now going

into this, the state of New York system has gone into it big time, UC Davis, schools around the country that are really getting on this bandwagon, it's not the traditional transcripts, it's a digital badge which could be put on social media. The transcript is owned by the University and what big companies are doing now is flipping the job search, going out and looking for people with those badges by doing these searches on LinkedIn and other sites and reaching out to those people. What we want to do is not have a third-party alternative outfits offering those credentials outside of the higher Ed infrastructure, we want to do it ourselves. We may end up partnering or developing some of these on our own I'll give you an example, the University of Southern Florida were asked to develop a certificate on DI and they have had over 60,000 people purchase that as a digital badge at \$99 per individual. Our own students could go out and get these badges.

That makes us more attractive on the marketplace is a way that we can add value to what our students are doing, but maybe we can also attract people from outside the University who are not our regular students to get these kind of badges. That is what we are working on as a part of our project learning columns. They really more interested in that kind of certification than they are --

In some cases we are seeing that increasingly -- Is among many companies that are now hiring without a college degree in positions of the user require a degree in. That is more valuable than computer science. I think the best thing is the combination of the certificate, but there is no doubt that you are seeing more and more major corporations not necessarily looking for people with a college degree, looking for a skill set. That is the question. How can we ensure that our students -- >> It's a lot more cost effective than a four year degree. I'm glad we are working on that. >> That is heavily on our mind. In fact, there are a lot of students in particularly black and Hispanic students graduating in the top 10% of their classes in the state of Texas who are not going to college. How can we meet their needs? That is part of the mission.

Good. I appreciate that because we mentioned that is where the world is. We cannot be complacent and I know you know this. That is why it's so important for us to be forward thinking and a little courageous and to be proactive investing these high return investment initiatives like the lumberjack learning, it will take a while for us to get going, but we have to. This is what the world is telling us. Now, as Mark said, it's complementing. These skills are complementing the bachelors degree

and that is where I think we should focus. Make sure that these students lead this campus with degree in hand and we have with them all the skills that make them marketable.

Also, the terminology of profit centers, I would love to hear more at some point, I would like to know how we define that in the costs and revenues ago into the assertion that they are profit centers.

I will give you an idea, but we are looking at our revenue versus expenses and we are taking into account labor. That is simplifying it, but that is what we are doing. Sounds like there is a little bit of busyness in our work. Working with Karen Hall and having to calculate the cost for a program. Includes fixed costs, but there are certain nuances, for example for funding they give an extra bump for a program if it's particularly expensive, but also we have to calculate the expense of that program. And that is where it's really complicated. How do you say for example, a program of nursing, what is the cost of heating, ventilation and air conditioning. That gets complicated.

Make that a washable those out. What it allows us to do is at a minimum link our academic programs. It's the usefulness of its . You have to be careful about overlooking enormous investment in bricks and mortar in the cost of this place and not allocating what you just said.

It will be too messy to do that, so we take it out of the analysis.

Any questions for Dr. Smith?

I don't think it should go without mention that it goes without salaries as well. Part of the mission is to attract and support high-quality faculty and staff which requires competitive consultation. That is been relying heavily on the minds of board members and of the administration, Dr. Westbrook and we have spent countless hours looking at that issue and will be talking more about that this afternoon. Thank you.

Thank you, Dr. Smith. Next, we have Dr. Delaney Fields who is going to update us on our campus survey. >> I finally stand before you with results. We have been talking about this for about two years now. It will be two years in August. Just go over a couple of things, we went over the key objectives before, but again, our key objectives in the campus climate survey is to first understand what students, administrators, faculty and staff are satisfied in and dissatisfied. And then identify how student employees in terms of academic and social environment. And then what the campus should focus on in the future of our efforts. The survey was administered online in February and March 2022 . Respondents were included via an FSA contact -- The analysis includes a total of 856 respondents following and the data supplement includes responses based on ethnic city, gender and disability. The

methodology used, members of the campus committee and different working groups, institutional research and faculty members have reviewed several drafts of the initial survey. The final University wide survey instrument contained D6 questions including 53 of quantitative questions and open ended questions. Our incentives will be talking more about this when the fall semester hits, completing the assessments, students received a \$10 gift card and a random drawing of staff will take place and they will receive these particular things such as parking passes, two memberships, et cetera other than a \$25 scholarship for the highest number of respondents. In spring 2022 almost 12,000 eligible members of the SFA immunity were invited to share thoughts, experiences and concerns, respondents receive an invitation via email that contained the URL link to the survey instrument. 856 complete surveys were returned with a response rate of 7% and that may seem low, but Karen wanted to put it into perspective with IR, the last three student satisfaction survey rates average about 9%. Course we want to get higher than that, so we are talking about even now, be proactive with what we can do can -- When I percent were staff respondents and faculty respondents was 24, 29 was staff in our administration was four. Myself and UNC works to create thoughtful, creative questions to try to get the students to take the survey. The results are a quantitative analysis specifically for SFA to help us understand the campus experience and enhance programs that foster an environment where everyone feels like they are welcome. Looking at it to see the relationship to FSA, we see our survey respondents over here and then we see all of SFA. A higher percentage of SFA employees responded as compared to the student population. Demographic percentages were affected by this distribution. The administered of group makes up a small group of SFA overall. Our demographics versus ethnicity, race ethnicity from the survey response is similar to SFA overall as you can see with both of those. For gender, due to state and federal recording requirements, a gender of male or female must be identified as you can see on the left side. The campus climate allowed multiple options for gender identity as you can see here. The other group, identified and 18% of the population elected not to respond. For age, as noted earlier, the survey responded aged distribution was effected by this distribution. The atmosphere, overall general feelings on campus were positive. Most community members feel that they are learning, welcomed and connected to their peers and most feel a collective sense of community. However, results from the survey also reflected challenges from historically underrepresented and marginalized groups which responses were less favorable. Some of those respondents and most of those respondents were from gender minority groups and those with disabilities. SFA stakeholders overall indicate that DI are important to program and leaders and that SFA fosters DI -- More than 80% of the survey respondents feel very supported within the program as an institution at large. The majority of student respondents believe learning about diversity equity inclusion will help them in -- Students feel that learning about DEI will assist them in graduation as well as connecting with their peers. Will you talk about harassment and discrimination, most members of the FSA community know how to report incidents and feel comfortable doing so. Only a minority of respondents feel confident that reporting harassment and discrimination were not

negatively affect them and this was mostly , this particular question was tailored to faculty and staff.

Resources, safety and priorities. Most SFA community members report feeling safe at SFA knowing about safety resources and knowing how to contact the police department for assistance. Future priorities would ask what improvements SFA should prioritize . Over three quarters of respondents strongly agreed that it would focus on ensuring and welcoming a safe environment at 83% and that high quality resources are available for students of diverse backgrounds at 77% . Again, university resources, SFA students identify assistance with financial aid and mental health care counseling as top university resources from which they currently use. Students responded to identify to this, proximately three quarters report that they know how to access these particular resources. Huge thank you to financial aid for providing those resources and avenues for students. Sexual violence and unwanted contact , SFA community members are aware of the resources and reporting procedures related to incidents of sexual violence on campus. The majority feel protected from potential retaliation. I wanted to note that even with the small percentage of respondents experienced some form of sexual violence or unwanted contacts, we wanted to make sure that everyone is aware of our resources . With our diversity inclusion statement, 90% of the respondents knew about the diversity inclusion statement, this is a positive context which our work is being circulated and known throughout the campus community. If you get an opportunity, our office along with student affairs actually have a mural of the statements in the student center across from panda express in the lounge. If you want a chance to see that. With that came recommendations from Hanover, SFA should seek to mitigate these concerns and I'm just going to start with this, the reasons why some faculty and staff receive that reporting harassment or discrimination would negatively affect them, almost 2/5 or 9% of our faculty and staff somewhat disagree or strongly disagree that they feel confident reporting harassment at SFA were not affect them professionally. We just went over that.

The recommendations for Hanover stated that SFA should seek to mitigate these concerns by improving recording processes and awareness thereof and may also choose to pursue in depth interviews with faculty and staff who express these opinions to better comprehend the obstacles they are facing. Although this is a minority, we want to make sure they are streamlining all obstacles that are faced with our faculty and staff so we will work with our campus partners. Second recommendation, consider how to make SFA's resources related to and more accessible to the most vulnerable committee members. Recommendation SFA should seek to determine how to make these resources more available in terms to better support these community members. Again, like I said before, we want to ensure that our resources are familiar to our campus community and that they feel comfortable using what they have available. In our third recommendation was to focus on creating a more inclusive atmosphere and philosophy to be shared. Political affiliation or philosophy was the only aspect of identity that a majority of respondents do not agree that SFA , that was that 49%.

The recommendation, that the student, staff and faculty feels like their opinions are more respected could increase the sentiment of DEI at the college. With those recommendations, we are going to come up with

a plan. The question is , what is action plan? Our inclusion, diversity and excellence action plan and who does not love an acronym which is called idea as a road map to guide efforts of all SFA community members through the lens of diversity, equity and inclusion. The goal of the resulting plan is to improve access, advancement, retention, professional opportunities and campus climate for all SFA community members while aligning with the mission of the institution. The first meeting I originally had, I stated that we had to assess where we are in order to know where we need to go. Of course, the campus survey was one avenue to do that which was a quantitative, we informed the committee which gave us an opportunity to gain knowledge from faculty, staff and students over the course of two years which will be in August which I stated before through workshops , analysis and simply candid conversations. From these various opportunities, we determined our core principles , what they would be, one would be climate and community, second access and success and accountability. We want to ensure

procedures generate unbiased, consistent and reliable decisions. Overall goals for the plan, create a inclusive community that provides a sense of growth. That will be at every level, faculty, staff and students. Align culture with University values and policies that promote equity and justice. Some of the action items, implement our advising committee. The focus group numbers will be selected and the advisory will include numbers across the divisions. This will allow to use more formal approach for future action. The main purpose of research is to draw respondents attitudes and reactions in a way that would not be feasible using other methods such as observation, one-on-one interviewing and or questionnaire surveys. Focus groups will be selected as I stated before, we will use academic areas and supervisors from all other areas. For climate and community just to go into detail, some of the things that we wanted to outline it was with climate and community, we wanted to aspire a community cross campus collaborations that connect students, faculty and staff and community members to develop and implement intentional programming to foster opportunities for connection and then explore resources for DEI operational initiatives. For our second quarter principal, access and success, pursuant to increase awareness

and student body with the goal of reflecting our demographics. Lastly, accountability and justice. Build institutional capacity to implement equitable practices and creates and revise policies and procedures to incorporate DEI values. This'll be a living document will allow for changes with the changing times. We have to be can cash intentional and consistent to make a positive impact on our campus. This means working collectively and collaboratively to embrace diversity of backgrounds and ideas, two promote equitable access to education through research , developing opportunities and lived experiences and three creating an authentic, inclusive and accessible campus and lastly, building a culture of belonging. In closing, I always have to have food for thought, we must realize things are not how they were 10 years ago, five years ago, or even two years ago. The year 2020 was supposed to be perfect, but however it taught us that things can change at the blink of an eye and we have to be ready to adapt to in a recent report by Franklin Covey it stated and I quote, the past few years have brought rapid changes to education throughout the world between moving to

permanent hybrid or remote learning, on boarding new leaders , prioritizing new ways, moving to a digital mind-set and capitalizing on innovative opportunities of higher education.

Institutions were not the same as they were in 2019. Leaders also need to adjust their approach to thrive in the New World, leaders must adapt their styles, message and skills. They must be more agile than ever .

With that being said, I'm very excited about moving forward and continuing to work with our great faculty, staff and students any questions?

Thank you. I appreciate the information. I do have a couple of questions. One of your slides, you show all SFA race, ethnicity and the Black or African-American was 11.9%. How does that measure to other universities like ours? Is that number comparable?

It depends on the area. There are a lot of variables. There is a decline with our particularly black male students, there is usually a higher one with our black females, but is it comparable to other institutions, I think we have seen a decline across the board nationwide, but we can do better.

The reason I ask that question, our institutional research, there is an academic program review and if you look at that, if you look at the ethnicity of our student body going from 2012 to actually 2021 , if you look at the Black or African-American in 2012 and I'm just looking at these numbers and I'm sure we need to analyze it, so there are 2876 enrolled individuals in 2012, in 2021, it's 1529 , almost half. The Hispanic has went up significantly. The other ethnicities have pretty much maintained there is a percentage change, but it's a lot smaller. That's 1300 or so that has changed, if you add that to the close to 13,000 students, 12,912, we would be over 14,000 enrolled if we just did not lose that ethnicity group. To me, that is a very compelling number to look at because we have talked about enrollment wire we stagnant or going down if that population were to maintain, we will be at 14,000, that is a significant number. I don't know what we need to look at , but the fact that that is a huge number to me is very important and I'm concerned about it. >> Just talking to other students, they don't see the representation here. There's not a lot of faculty and staff here in the classroom. There is not a lot of administrators. When they come here , they want to be able to have that connection with peers or someone in that particular group and it's just not there. Just to say that the only reason, no. Like I said there are a lot of variables that.

I did notice also, when you look at the ethnicity of the faculty, it has went up significantly . I don't have the percentage year but probably 68 percent from 2012 to 2020, I do not have the IR number because my spreadsheet is about a year old , but I was concerned because I did not see that number going up. I'm just asking the question

because that is a significant number and I would think we could look at that somehow and get better understanding from the board's standpoint and I want to make sure that we mention the diversity and that is a huge number.

I think that is the work we are doing is to collaborate. It's working with student affairs, academic affairs, working with IR in every aspect of the campus community to make sure that we are touching that and being inclusive across the board.

We need to make sure that it's out there on the IR and they cover a lot of different categories I think it's really good communication, so thank you once again.

Any more questions?

Thank you for your communication and all of your efforts.

That concludes our cabinet report. >> At this time, we will resource to the committee meetings beginning with the academic and urban affairs Regent.

Thank you Madam Chairman. I call the academic and student affairs committee to order. Our first agenda item is an additional curriculum change and Dr. Smith is going to explain this to us.

This is about comparing apples to apples the department of computer science requests a change to the Z.I.P. Code, the classification of our instructional programs for the master of science and cyber security. Years ago when they identified that code, it corresponded to customs only a limited number of codes for computer science, they corresponded to a policy affiliation, so the need is to change that code so the computer science security can go under the code going under the investigatory. The value of that is that it helps that specific code, it makes us more competitive with respect to grants. The recommendation is to, it is recommendation that the administration approved to be effective during 2022. It's just again changing the code for that program.

Thank you, Dr. Smith. Does the committee have any questions? And are there any other questions?

Madam Chairman, the academic and student affairs committee will be recommending this for approval tomorrow.

Thank you. Our next agenda item is a Chartwell's agreement and Dr. Frye will speak.

Good morning, everyone. I will provide a summary of the explanation, the service agreement has provided a change to the agreement. Per the contracts, the change in contract assumptions -- Chartwell has submitted a change based on 14.8% and the return compared to the assumption contained in the original work. As a review by the University, the parties -- [Inaudible - static] Any questions?

Does the committee have any questions? Dr. Frye said that the change amounts to them not contributing use of equipment. That was a non-specified item. >> It will be things such as robotics, so that rejection would've been about

\$379,000 whereas the variance if you look at 14.8%, that advance is 695,231, so substantially more we have negotiated before the to resolve the issue. If you look at it, right when I got here we were expecting a 5% increase. I think the solution here, we want our partner to be successful too. That is the good thing about a partnership. It's partly a dance as you navigate through these issues. I think I have made this clear, I think this one will prevent a reduction of services that will provide costly to students.

Does anybody have questions?

What is the percent on the meal plan, do you remember? Was it consistent with the decrease in the number, the enrollment number?

That is where we are getting it from and if you remember to, we have made as part of COVID, we said students do not have to live the 60 hours on campus and a big huge chunk of that, you are looking at over 500 or 600 students that did not stay on to purchase meal plans. This only affects the year that includes, the fiscal year, so with that monthly approval, it will go back in October. Our contract with Chartwell's obviously revenue, the financial return that you would expect with fewer students served, they would be a decrease in expense. We should take at face value, but we depend on their number two impact this contribution. We do not have any ability to monitor what they have done to make --

I know there are number of things and reports that I have, I would say that we have way more visibility than we had.

I would assume that rapid increase in food costs, this fiscal year we will have the return to look forward and another thing that we need to think about also is we do not negotiate the contract in May or June. We have already said that the increased rates which was maybe 5%, Chartwell's honor that so they did not have any ability to reflect that rate throughout the year.

Are there any other questions for Dr. Frye?

>> Again, it's that dance. Again, we want them to be successful, but if we do not move forward which I think is very wise, it's half of what that 4.8

grant was. I want to help the students, but I also have to raise a business, so we can only raise it so high. This update was a good intervention and I appreciate Karen in the work that she is doing to resolve as a lot of companies have had these through financial times.

Thank you, Dr. Frye. Madam Chairman, the academic and student affairs committee will be recommending agenda item 13 for board approval tomorrow. The next item on our agenda is item 14, the holiday schedule for 2022, 2023 as presented.

The state of Texas allows us to have 14 holidays for our next fiscal year and we have a university committee that was chaired by our universal committee to come up with what is presented before you which includes the employees' wealth and requirement to take two pays -- Days of paid leave. March 9th and 10th, so we do have a Thanksgiving break,

Martin Luther King Jr. Day, spring break, Memorial Day, Juneteenth and Independence Day. Does the committee have any questions? Any other questions? >> This past year it was not a week, but prior to that, I think it was a week. We have one less day than we usually have because Christmas is falling on a weekend, so it will not be including Thanksgiving.

>> Madam Chairman, I recommend that the board approve the agenda item 14 tomorrow. Our next agenda item is December 15, it's the renewal of the learning management system. Dr. Smith.

That is with the use as bright space as the learning management system. An LMS software application as you know is used for administration, documentation, faculty reporting and committee for educational courses. This expires on December 17th, 2022. The center for learning

noted alternatives available and we also note that the committee voted to renew the contracts. And so the administration recommends a learning management system at an annual cost of 206,000, \$73 -- For a period of five years through December 17, 2027 at a cost not to exceed \$1 million.

Thank you, Dr. Smith. Does the committee have any questions for Dr. Smith? Does anyone else have questions or Dr. Smith? Madam Chairman, the academic and student affairs committee will be recommending agenda item 15 for board approval tomorrow. Agenda item 16 is the academic and student affairs policy divisions and our attorney is going to present these. >> We have about three policies that are very specific to the library and two of those are going to go to the library's policy manual and then one of them is being combined with policy, policy 11 is appeals and we have streamlined that policy quite a bit and I think will work better for everybody involved as they are navigating going through that process. I will also call your attention to policy

development format that is 1.6. We rate this one because this is to make a joke out of it the policy on policies. We are going to be adding a revision history so people can see that it's revised so if you ever have to do research backwards you know what board meeting you have to go to to see what has been changed. I will also call your attention to title IX, we have made some updates due to some changes and I will also note that the Department of education has noted its role which will resolve a complete rewrites of our title IX policy. It will be the latter part of the year before that goes final. That has to go through the comments and they will have hundreds and thousands of them. Next year, you will be most likely getting a complete rewrite yet again .

Does the committee have any questions relating to the policy changes?
Does anybody else have any questions related to the policy changes?
Madam Chairman, the academic and student affairs committee will be recommending agenda item 16 for approval by the board tomorrow and the next item on our agenda .

>> We are going to head to the McKibben Building and we will have guidance to the building .

We will proceed to the tour . [Indiscernible - low volume] [The committee is currently on tour.] [Event concluded]

Please stand by for realtime captions. [The meeting is momentarily paused.] >> We are back. I believe at this point , -- Your committee has finished , correct?

Yes, Madam chair.

At this time, we will continue with our committee meetings . We will do our due diligence here.

I'm going to call the finance audit committee to order. The members of the committee are Julie Olson, Robert whereas, myself in the Chair and we will go to the third side on agenda item 19 and go over our audit services report. >> The first audit that we are presenting today is information technology audit as of February 28th am a 2022. It should be on page 380 or around about there. Will see we completed this audit that included outstanding information-technology action plans and we had 11 of those action plans that we followed on this particular audits. One of the objectives on the audit report, we will see the objective was to get assurance that the previous plans have been limited in an appropriate manner. The scope included information related to policies and procedures in areas related to these 11 related action plans. The scope do not include the I.T. audit 21 -- Three which is a follow-up of the external I.T. management plan and we will discuss those in the next audit. Our summary of findings and observations, we did find that eight of the 11 action plans , or 73% of those action plans were implemented , but with the revised data at about 27%. Those three will remain on our follow-up list and we will make sure that we follow up on those whether it be an I.T. audit as we have done in the years past, or it could be consolidated with another follow-up audit. That is our plan as of right now. One of those that is in process will move to August, 2022 and two of those are with the implementation date of August 2023 due to the nature of the items and processes needed to do those. I will entertain any questions if there are any, if not I will move on to the next report.

Any questions by committee ? Please, go ahead.

The next audit report is a follow-up and it includes six management action plans from the 2021 to 23 audit, we did contract all throughout the presentation to provide I.T. internal audit services and they did perform the detailed audit procedures and provided governmental report to our office. The main objective was to gain assurance at the previous I.T. management action plans resulting from I.T. audits with external assistance have been implemented in an appropriate manner. The audit scope included management action plans as we mentioned, the six from the previous external assisted I.T. audits . Based on our procedures and based on the procedures performed by Meyerson's over, we indicated I'm

going to do this one just hair different, we have six management action plans, but within those six, there actually 14

independent or individual audit findings. The way they are grouped together, if you just look at them in total of the six, it would not show that any have been limited or mediated since the last audit, but we did want to give credit by the work done by I.T. and the staff. We have given the status of the individual team elements as well findings two of those 14% have been implemented another eight 57% have been partially implemented and would have four or 29% that were repeated for similar findings. Do have a target imitation dates for those that have not been fully implemented.

We have made progress, but again we will keep those six together on the follow-up report. Any questions on the details?

You got to walk

the facilities today and see the cybersecurity options, I think we have a new appreciation as what is really going on with the I.T. team.

I will move to the next one which is University Procurement Card Audit . We should be on page 398 at this point. We did complete an audit of the cards and I'm giving you some statistics on this year , some of these on page one of the audit report, you will see they were roughly about the same 4.4 million, although our number of cards were different, we had fewer cards utilized on campus during FY '21 in our actual transactions in 2021 as well. The number of credit card statements was down while the dollar amount was the same. We did utilize the state of Texas contract with Citibank MasterCard for our key card program . Our card limits transaction to \$5000 or single transaction limit , or \$20,000 in a month for particular credit cards, but department managers, department heads or managers can reduce that amount if they so choose and have a lower limit for their areas and departments. We have some areas that may have a larger limits or increased limit such as maybe a procurement because of the nature. Our audit objectives were to get assurance for the following, the P card transactions were accurate, correctly authorized and improved, adequately submitted by documentation and in compliance with regulations and our opportunities for card -- We did include all the P card transactions were fiscal years '20 and '21 . If you go to our summary of findings which is on page three of the audit report, we did it, get assurance that P card transactions were adequately authorized or approved and authorized by documentation and the opportunities for fraud were minimized.

However, while we were performing our audit we noticed a couple of opportunities to strengthen our processes of controls and procedures. Those are listed in the details of audit observations, the first one being current card procedures and the second being procurement for transactions. Behind those two observations and I can answer any questions you may have on those, I did provide some additional statistics which are P card purchases by month , for your information , the top 10 vendors and top 10 cardholders. I will entertain any questions on that report as well .

Any questions? >> And observation, I guess I remember in previous departmental audits that everyone included P card violations or exceptions and so, I assume that this new process, I guess you're departmental audits are not going to include P card observations or in other words, is this a new approach to P card --

It's a new universally wide approach to P cards, it's a continuous monitoring effort. Our plan is to bring a report on a quarterly basis of we have selected these, tested these and here is our trend of how those results are coming along. As we work on this P card audit, we work closely with the procurement office and they already have some additional training rolling out next month. They're going to make changes to policies and procedures based on the results from the department, but we did in total and it didn't select the cards from the department ask, but we did select and test all the top 10 P card holders whether it be based on transaction number or dollar amount of transactions, we also tested those that may have only had one transaction during a year or very few of those. We have provided those details to the procurement office at the card level, so they can see what departments need some enhance training to ensure that they have the appropriate documentation to support their P card transactions. But I always like to say is if I'm not here, could someone else take the records that I have left behind and know what I purchased and why I purchased what I purchased. Keep that in mind as we are auditing that and to make sure if the state were to come in or someone else, they could look at those P card records and they could be substantiated by that documentation. That was really probably our biggest finding was that we just need to beef up that documentation that is provided in the new system you mentioned going to the new system and that is concur. I do feel that it is helping thanks you on the records, we tested that were prior to the concur system and after, I think it's much easier to ensure that we have receipts relative transactions because of how they are scanned in and attached to this individual transactions.

Do you expect the training on that report to that 38% expense reports that did not concur the procedures?

Yes, it should and they have tailored that training to pick up some the specific audit findings and the things that we have found that were not across-the-board, but that were very common.

In addition to Emma I'm sorry. In addition to, have you discussed with the violators or the managers of the violators what your findings have been to help the situation?

We have done that in the past, we would always sit down at the end of the audit in over any findings that we had in the audit, not just P card related audits. We actually share the details, here's what we saw and give them copies of those receipts are what we thought was missing from the documentation. Yes, we assure that. I think that is a plan of why they are including this in the additional training they are going to have August 9th, I believe that just came out today University wide to

do that. I think if we can continue to have tips of how to do things right or some good examples to put in front of them, I think everyone will be up to speed.

Very good. Miss Henderson.

Your question was very similar to the one that I was going to ask. In these findings that you have, first, several years ago we talked about procurement card, or P cards, are you allowed to have a P card before you were trained?

No, you're supposed to have your training and I will tell you that they check it because I recently received a P card being new in this position and they made sure the checklist that had that training and I cannot get my P card until I had that initial training.

Then, on these once it failed to provide proper documentation, do we pay that or did we go back and say, find it then we will pay it ?

We do pay it because the credit card statement comes in, the University pays that is and I as a department director, owner of a P card will be required to go in and make sure that I reconcile that P card and have all the documentation attached for those P card transactions. The procurement department, they do a lot of spot auditing and checking of those records to make sure there is something there, but it is paid. I know there have been one-on-one conversations with P card owners, a P card owner may get demerits if they do not follow the policies and procedures, their P card usages may be removed and they may have to go through remedial training or be without that P card for some time and that is never a good feeling when the P card is taken away from your daily job and that sort of thing, so we do pay it and then if say a receipt includes sales tax and we do not pay sales tax except on a few exceptions, different states and things like that, if the sales taxes on there, it's the department's responsibility to get a refund or credit for that sales tax and in some cases, that department will pay that back out of their department. Does that answer your question?

Yes. Thank you.

>> Our total will be about \$4 million, so what you found or could be our exposure is how many dollars?

I do not have that in front of me, but I do not know the dollar amount. I can get that information, but I do not know the dollar value that is at risk. I do know one of our risk is P cards that are not use or what I would call Idol, so in case an area does have a procedure that they would get P cards that are not used on an annual basis, they can choose to terminate those cards. We also gave the statistic to cards not used more than three months, three time billing cycles in a period of time. Just of the University could look at reducing the risk of having that card out there and available for whatever the case is, but I can get that number for you.

I would like to focus on that. \$4 million, but it's one thing if we're talking about \$20,000. Are you tracking it because right now we are in an inflationary market and salaries are being fled in their opportunity now for people to have more needs for those who may purchase outside the norm that otherwise. I'm not saying there's something that may be a problem, but I would monitor if you see the value going up, I would like to know that if not.

One thing based on the audit I know procurement is now doing, is there is going to be some increased documentation requirements that are now in place. One of these being why did we purchase why we purchased. That kind of tunes into what you were saying, the increased motivation to use those P cards for personal things.

Thank you.

Is our P card program have all the latest bells and whistles do you think because I went to a pretty impressive program on P cards and you can turn them on and off online, race limits and lower limits, limit where it can be used, you can say it can only be used at the gas station and never be used at the bar, you can issue them temporarily and then turn them on and off. There are a lot of cool things you can do with P cards now.

Yes, there are controls that can be turned on with the limits. [Indiscernible - muffled]

I cannot say 100% because sometimes a hotel can have a bar, but yes, we can do some things of that nature.

COVID was a prime example of that because during COVID most of the limits were reduced to zero and some cards were not even reactivated or turned back on after COVID to reduce that risk to the University.

We have 271 active P cards, so we need to reduce a little bit currently. We are at 271 current P cards today. We have a good many departments that do have a limit list, so \$5000 is the max. \$5000 or less.

Doesn't answer your question exceed

Yes, thank you.

I had a P card given to me [Indiscernible - muffled] [Laughter]

And maybe on the list that we gave them.

Any other questions on P cards ?

>> Onto Contract Management and Procurement Audit. We have completed an audit on Contract Management and Procurement Audit on code 31337 that specifies the auditor to annually said adopted institution require the rule adopted on the section and show the findings to the state auditor. This report upholds that obligation. The director of procurement

on all university departments, department managers and procurement plays a role in project management. Currently, the University, the contracts are maintained in the eye contact system and roughly about 800 contacts are by procurement and business services. On your advanced contract monitoring report that I believe you will be entertaining later, the University has reported 30 contracts with the value of \$1 million to the board of regents on that enhanced reports. This audit also includes two audit plans and we will talk about those in a moment. The University adopted the rules and policies adopted by Texas education code -- University administered contract management functions for selected contracts in accordance with the requirements and the University and lamented this previous contract management related action. The audit scope included the University's contract management as of April 30th, 2022 and selected contracts that were executed from May 1st, 2021 through April 30, 2022. In addition, we did do some risk based testing. The University entered into some type of 14 contracts during the time period that we just mentioned. We selected contracts to test on and one of those, you will see the contact -- And has a contract value of roughly \$70 million. We did administer our contract management functions for the selected contracts in accordance with applicable requirements and management action plans from the previous audit. While performing our audit, we did notice some opportunities to strengthen controls and those our in the details of our audit observation and there are two of those, one is training and one relates to the Chartwell's contract. I will talk about those in detail as well. We also provided a table that starts on page three and continues to page five of the required elements of Texas code 30 19337 and we feel that we are generally in compliance with all those standards. As I mentioned, the two previous action plans that we have mentioned, we certify that this report fills the requirement of Texas code. Any questions?

Any questions, committee or board members?

Moving onto the next report, we performed a fiscal verification of the Coin Collection Inventory that are held by the division of finance administration. Shortly after, Gina actually became VP since she was now responsible for that coin collection. The auditors audited the previous auditor. [Laughter] We did report on procedures and we have no findings. The objective was to verify that the Coin Collection Inventory matched the previous inventory record and they did.

Any questions?

The next report is related to the completed verification of the Juanita Curry Boynton House Inventory that we performed on May 12th, 2022. We

performed verification of the president's office and a few others in administration helped with that inventory. There are a lot of items in the home and I really felt the inventory process was very well organized and those

who were in charge of that did an amazing job. We got in and out in less than a day. We had scheduled two days to get that accomplished, so it's very organized and it was a game plan. We did gain assurance that the Juanita Curry Boynton House Inventory was in accordance with the policies and procedures. While performing those audits, we did find areas of improvement and we did find one under inventory management we have recorded.

Any questions? Okay, thank you. The next item is our External Quality Assurance Review, this is like the auditor auditing the auditors and once again, we are pleased to report that we did receive our external validation to provide reasonable assurances -- The institution of internal auditors code of ethics, the professional practice of internal auditing and it's great to say we did receive an opinion that we generally conform with those standards which is the highest of the three possible ratings that you can receive. This external review was performed by the chief auditor, for the Texas A&M system. I'm going to turn it over to Jean because most of the work that was done for this self-assessment was why Gina was still the audit executive, so I cannot take much credit for this at all, but it was under Gina's leadership that we were able to accomplish this prior to her leaving the office and we participated in the external review. I appreciate those of you in the room who were interviewed during that process. We are ecstatic that we have received this rating and now we will be able to continue to say that our audits are performed within accordance to the state. >> Is this the same thing that we reviewed? >> [Indiscernible - muffled]

Give yourself a good rating. [Laughter] Any questions? Thank you. Moving on to the Update on Audit Plan, a couple of things. It should be on page 433 in the first one is that state auditors did release their report on community colleges compliance with the e-act of the reporting requirement and it was released on June 20, 2022 and there were no findings for SFA and they deemed that we were fully compliant with those requirements. A second thing, as a couple of projects that are going on, we are assisting external auditors, we had a state auditors the school year 2022 single audit still in process and they are following up on two previous management action plans. One of those we have asked for an extension on we did not feel was implemented and one that they are actually reviewing the evidence that we have provided and we have not heard word back on whether they have accepted that evidence or whether we need to provide more or not, but not until after February 2023. The next item is -- We are in the process of a dual employment audit and we have received two preliminary findings related to documentation and we have agreed with those findings and now we are just waiting on the report and follow-up on that. We are also in the process of having the Texas workers compensation civil rights division, they are doing a remote policies and procedures review. This is to be done on a six year cycle, it's a little bit delayed because of COVID and we are able to get all those done that we are in that process and

we are just at the gathering stage. We are just providing information at this time. We are also just waiting to do our closeout. We still have a few loans under review by the Department of Education before the program can be officially closed and reviewed. This one, we had on the plan for some time and we are just waiting I believe to meet on that the first week of August to see where we are moving forward with that. The next item is the external construction closeout for the basketball practice facility. I believe John branch mentioned that yesterday, we have received the state auditors office delegation approval and we have now executed the statement of work with the company that we went with and we use Texas Tech procurement for both applications that they submitted, so we were able to piggyback off of that. In the report, it says we will kick off in July, but actually our conference is August 3rd. We will be doing that and also notifying K GW that audit will be taking place because they will have to submit evidence for that. Other current or upcoming projects, we have a couple of internal special projects going, we have a proposal for charter auditors. Usually have a five-year proposal, so it was time to do that again. We are working for the agreements on that and also the selection of new I.T. auditors to provide external services, so we have gone through that part of the process as well and will soon be working on that. Next board meeting, we will present our annual audit report and also the audit charter that we are currently working on, we have a small contract audit and then we will start planning for the safety and security follow-up audit on our usual while the audit. That is my update on the audit programs.

We have another agenda item. Any questions on this agenda item number 19? We acknowledge and certainly appreciate

you for being recognized by the state. Thank you. Any other questions? Let's move to agenda item number 20. >> You should have what is our five-year audit plan. You can see the different cycles of different audits that we are required to do based on risks. I list them for you, but the second page is really our annual audit plan. Our proposed audit plan for fiscal year 23 and it is based on having a full staff which we are not currently at, so if we roll into next year and have to make some adjustments, we will definitely bring those back to the committee, but the plan is we want to be full staff and we have based the 23 plan on that. We are looking to a couple additional audits, so the total audit hours after you allow for time off is some thousand 730 hours -- 7,730 hours. Any questions ?

We appreciate that diligent work. Any questions by the committee ? With the recommended approval of that audit plan for the upcoming year, Madam Chair we would like to skip over the next three items, agenda items 21, 22 and 23 just in the interest of time and we will go to agenda item number 24 which is the Fiscal Year 2022-2023 tuition, fees, waivers and exemptions.

We are going to go over our tuition and fees that will be for fiscal year 2023. It says that the tuition fees should be approved at least annually or when it changes done, so Judy, our assistant will go over that. She supervises the office of business and treasury services which

is led by Michael. They have done a lot of work on this project getting all of the tuition and fees for you. >> In addition to the action item, we decided to bring forth all of the billing titles that we had for our students. As mentioned, policy monthly for requires that tuition fees as well as exemptions and waivers be brought to the board no less than annually or anytime there is a change. We brought to you the schedule of all of the tuition and fee tables that we have. We are not recommending changes for the 23 year. The first table is are Texas undergraduates called the AFP V or annual fiscal prize plan. About 50% of our students are on this plan as of last fall and this is the plan that was and lamented --

It fixes the total cost and fees at 12 hours per semester hour at \$300. The next table is a table that shows the graduate tuition and fees by semester credit hour. The major difference there is that they pay an additional \$30 per semester credit hour for graduate courses. The next table is for border states, where state students are determined by their residency code set by the registrar's office and in lieu of paying full out-of-state or nonresident tuition, they pay an additional \$30 per semester credit. The next table is a nonresident. We only have about 1/2% of students that pay the full rate, the current statutory rates that is determined by the state of Texas is \$450 per semester credit hour as opposed to \$50 per residence. The next one is the Texas resident undergraduate G PV, and we are required by Texas education code to offer our incoming students and transfer students a plan that is at a fixed rate, they do pay a higher dollar for their tuition and fees, but they are guaranteed that fixed rate for 12 consecutive semesters. The next table is the 2019 cohorts and the next table after that is the 2020 Co. hurt. Those are the ones who came here in 2019, 2020 and they will still be paying like they were paying at that time.

Those two together are made up about 12% of what would be charging interest rate. The next table is an additional tuition that students pay for military science courses related to ROTC and I apologize, the table that is in here is incorrect and we will insert the new table tomorrow, but I think that rate went down to \$244 per semester credit hour. Dual credit, this table is here for informational purposes, I think you are aware that our dual credit students are charged full resident undergraduate tuition and fees than we actually require an exemption to them

and this table is informational only, it shows the mid-amount that they are trained. The next table is an out-of-state fully online tuition and this is a specific charge that relates to how Texas education code that was amended to allow Texas universities be more competitive with their online programs. If you have a student she was nonresident, but they are 100% online, then they don't pay the out state fees. What it does is basically reduces fees and as a percentage, it comes in at zero. The next table is resident and nonresident rates. Currently we do not have a lot of enrollments. That program is still trying to build and so those are the rates that are there. Then, the last table is the RN to BSN which is a special tuition fee rate approved the board several years ago and this shows what they pay for the courses by hour. There are 20 students currently in that cohorts and it's next to that point to percent -- Point 2%. The next title is just informational. It comes from the Texas higher education coordinating Board and the average tuition and fees by University. We can see where we fall in the table.

The information provided next is just kind of a list of the other tuition and fees that we have. They are not mandatory. They are incidental to other a student uses a credit card, distance learning fee, general instruction, late, added fees, late registration fees, out-of-state electronic fee, statement fees, return check fees, student identification card charges. All of those tuition and charges are detailed on the student business services website and it's right there for the students to see, it gives a little history of what the charges and tells you the current rate of the charges. The next table is a full population of exceptions and waivers that are offered only by the state, but by the University of Austin. The first will tell you if it's mandatory or optional. The first several pages are mandatory and then we get into optional exemptions and waivers and we have taken a stand sheer -- It's optional. We are going to honor it. The last time that exceptions got approval or they approve that we honor these, I think they're all very aware that the largest exception that we have is our annual exemption and it runs year to date this year at 5.7 million, our second-largest exemption is of course our late program which is totaled this year at 3.8 million outside of that, the next largest one is dual credit that comes out as an exemption and then behind that is an exemption for a nonresident student or competitive scholarships and that comes in at around 2. Any questions?

What number you mentioned, the 5.7 million, is that inclusive to legacy as well?

Yes, that is the total.

And that number, what is the trim there. You recall what that was two or three fiscal years ago?

If I can add it up in my head, it's been very flat. I actually believe in 21 we had another version of this information. We have 5.7 this year, last year it was 5.8, the year prior to that, 5.9. 2019, 5.2 and 2018 4.0. I can send these to you. We can send you that to show the trend.

Any other questions about these exemptions and waivers? I think that concludes the building committee. That is agenda number 24, on it waivers and exemptions. I think we will go next to the status report.

If you recall our policy 3.32, the expenditure of higher education funds says that changes to the expenditure budgets are guided by our policy 1.4 and any changes are presented to the board of regents at each quarterly meeting. There's a schedule in your book of the heap of free budget as of February 1st, this agenda item was not presented in April, so since February 1st there's been an allocation of \$319,460 and then,

the current year contingency fee of 1,000,003 49 2350 -- We are presenting here today if anybody has any questions.

What pages that on?

458 .

Do you got it?

Any questions ? We will be acknowledging that report and that will take us to agenda item number 25 and this is the Fiscal Year 2022-2023 institutional operating budget.

We are excited to be here to present the operating budget . So, just a little bit about the budget process, this year the operating budget started with work performed by the University budget counsel. If you recall, the previous president appointed a University budget counsel that was chaired by the VP FA and last summer Dr. -- , Who is a member of the committee who became the Chair of the University budget counsel , he cannot be here this afternoon, but he wanted everybody to know that, so I am passing that information on. He had a previous commitment. When I came in in April, a lot of the budget process had already been done. We received a report from the budget counsel , so we review that report and looked at the work that had already been done by that crew. This is a combination of efforts by the University counsel and other employees with budget responsibilities. We want to make sure that we acknowledge all of the work that was done before. I came in before Dr. Westbrook got there to replace cabinet members that were there. I have to introduce Jessica Baratz who is our budget director who works on the budget on a daily basis and also Judy. It's an effort for a lot of people. There are budget analysts and also within the auxiliary side working for Dr. Frye, so there are other budget efforts and other areas in the University. All of these groups together help formulate the budget. We are going to start with some budget assumptions and considerations and I hope in your diligent packet, you will see that we have this presentation and then after that, we have a narrative that talks about the budget and I don't think was previously presented before. It talks about some of the same presumptions and important things that are in the budget. There is a narrative in and an executive budget summary. We went ahead and prepared the budget the way that it has always been done over the years to have that historical information, but we do have plans and goals to change the presentation of the budget and a lot of the budget process. We have an optimistic outlook if you heard the reporting this morning by the group you saw that even though we are expected to be flat maybe up a small percentage, we do have reasons to be optimistic to bring out our COVID recovery to more normalized operations. To point out, this is a past budget presentation. If you look at our annual financial report, the amounts are not going to be the same as in your budget on a cash basis. Understanding those differences are very important. We really made an

effort in this budget to budget all funds. Amounts are being extended , we wanted them to be in this budget, we spent a lot of time going through accounts, talking with the different past presidents and department heads trying to make sure that we are budgeting as much as we can budget. Again, one of the difference when you get to the annual report is you should be budgeting the majority of most of those expenditures. What does not show up are your projects -- We have some on the agenda for later today. Talking about enrollment, it results in flat tuition and fees revenue. We have budgeted for approximately 11,800 students generating 800 semester hours. We had this optimistic outlook based on what you heard this morning. We question that continued undergraduates will increase -- Also, within our budget assumptions and operations, our employee levels are expected to be at 1421 full-time , again this is information submitted by the vice president and department heads, 12.76 part-time and 176 vacant positions in the budget for fiscal year 2023. That does not include positions that require student status. Our salaries and wages are not change in the budget, we are considering a separate agenda item compensation. We wanted to have the budget and then we wanted to have a conversation item separately. Also, within the budget we centralize benefits that provide more control over the benefits and the amounts and ability to use them. We get reimbursement from the state of Texas for certain benefits that help us to manage the of its overall and again that we find our retired employee insurance which is almost \$7.3 million.

Continuing with those budget assumptions , I want to point this out, we have a lot of conversations about salary settling. We do anticipate the use of savings by academic affairs of approximately to me dollars including -- \$2 million . We realize we will not expand our full budget and they will have to be some salary savings used for other purposes. We want to make sure that is known in our assumptions. Another item is the athletic budget is funded

-- There have not been a full presentation of the athletic budget in the past. We are counting , we have talked about how many beds we have in this budget that was presented by the auxiliary groups, 3388. That does not mean if we make that target, we can make adjustments and do whatever needs to be done. We also are planning to use balance within our reserve calculations and I will talk about all of this as we move forward. That gives us an operating budget including our restricted funds budget of \$270,009,025 which is a change of around \$8 million . We are going to talk about what that changes because it's not just a change in our student class from paying and going to classes. It's other things that generate that increase. I talked about wanting to make sure we are including everything, trying to get everything in this year's budget that may not have been budgeted in previous years. That includes things like higher education funds -- You can see it at the top, it's the top two amounts . That is the use of fund balance we are not using this year, we are moving forward to next year. That is a case of using fund balance and of recognizing that in our budget those funds are at a state treasury. We are going to extend that \$3 million next year, or Hazelwood reimbursement, you heard how much we are spending on Hazelwood. We also get a small reimbursement, it's 600,000 and it has not been traditionally included in the budget. Our nonresident electronic fee tuition of \$600,000 has not been traditionally included in the budget, our e-card rebate of \$100,000, our nursing shortage funds

of \$60,000 and then our restricted gifts funds of \$3.5 million and restrictive grant funds of \$3.5 million , again trying to get everything included in the budgets. We are budgeting to have that balance, we are also going to extend it. The housing allowance and scholarships that the Board of Regents approved during COVID to try to get more students to live on campus after COVID. This past year it was about \$1 million and we are making an effort to put \$996,000 in this year's budget to make sure it's accounted for because we are awarding the scholarships for the housing allowances, they just were not in the budget. Restricted budgets of \$1.5 million and have not been included and the athletics expenditure budget of to me dollars -- \$2 million and the restrictive grant funds of \$3.8 million

and you recognize grant expenditures to the amount of revenue. You will see the revenue and expenditure for the grants. We also have not included these specific dispensers in the 23 budget because it was a holding position and we felt like it was more appropriately looked at in our net analysis . Just a quick definition of what our funds are for those of you have not worked with the budget. Our designated funds are mainly those who originate from a designated tuition approved by the Board of Regents like we just talked about and also includes certain fees, education, our procreated funds, our state funds

that include our statutory funds sent to the state, our non-pledge auxiliary, auxiliary income expenditures from sales and service fees that are not pledged against bond repayments. The next one, pledge auxiliary are the same thing, but they are pledged , so we have very little non-pledge now and the restricted funds are those generated from outside the University , our gifts, grants, financial aid, those type of account.

For a detail, we are going to go through these again in more detail in the next slide. Our budget is \$230 million which includes , our highest revenue is tuition and fees at \$107 million . I said we had been budgeting our tuition, so those are the changes there. Our state appropriations are almost \$61 million followed by grants and contracts of \$40 million, student housing \$20 million, dining \$13.2 million , gifts almost 8 with \$5 million, sales and service \$3 million and the next thing we will talk about separately. Those are our highest revenue generators and we are going to go into more detail on then. Again, a budget of \$270 million. On our budget expenditure, the same thing \$270 million , an increase of 3% again due to some of those things that have not been budgeted in the past. Our largest expenditure type , we will see some changes between salaries and wages and operating expenditures that I will talk about later on, but in general last year we swept some of those adjunct graduate assistants, all of those type of allocations so it makes it look like there are some swings against budget amounts, but in total, it's all included. We will see that again. As far as breaking down tuition and fee revenue, we talked about some of these. Judy just went over the tuition fee schedules. You can see designated tuition and almost \$57 million , is our largest category of tuition and fee revenue. Our education in general , again that is our statutory tuition , other education type that has to go to the state of Texas and you see at the bottom, our University services fee, \$18 million , our recreation center fee of almost \$2.5 million, student service fee \$3.5 million in our undergraduate differential tuition around \$3 million.

You see a little bit of change between some those accounts, but that is due to the student type and the analysis that we had that showed our students to be, we required revenue calculators and predictions, so overall tuition fee revenue not changing very much except for we are including that three feet tuition and things left out this year. State appropriations, almost \$61 million, at the top almost \$39 million, we just talked about our -- Almost \$3.11 million and then we get reimbursements, I talked about -- Those are amounts the state gives us to pay our benefits on our employees, so to further breakdown our general revenue. This is our formula funding. You see at the top, our instructions and operations support at \$22.7 million, our teaching experience settlement of \$1.2 million and then we get ENG support from another formula, \$4.8 million and then you see our tuition revenue bond retirement which is for the bond retirement of our stem building and our non-formula support, these are our special items that we are funded for, our nursing initiative, Center for applied studies, the \$1 million, the research center, our water analysis lab and in our institutional enhancement funds. This is out of the general appropriations act you will see this amount of \$39 million that makes up our general revenue of appropriation. Budget expenditures with funding sources that we have included in these urges how the accounts work with the system, how they are assigned and where they get allocated. The border regions, it looks like the budget change, but one thing we did in this budget will try to budget faculty and staff where they actually belong.

I can speak for the Board of Regents particular, the auditor salary used to be included elsewhere instead of in the Board of Regents. There were certain university regions that were funded out of multiple accounts. We made an effort to put the whole person in an account and transfer funds to cover it up wherever it was. Some of these changes you will see finance and administration going down \$3.16 because the the PFA had that account that included a lot of different areas, so we made an effort to budget the employees where they actually reside will work. We centralize benefits comes to measure with the centralization of benefits that you can still compare to the prior year. We also took the benefits out of fiscal year 2022 to 2023 you can actually see what the changes are. We're going to talk about some of these other changes on the next couple slides. Academic budget highlights. If you look at that budget slide, overall it looks like it's going down with an 81,000, however we have mentioned last year, \$1 million dollars was the president's budget, but this year moved over to academic affairs, so you would expect to see academic affairs increased by 5 million which it did, but they budget last year also included \$363,000 for the information fund that was in the academic affairs budget. We budgeted new academic positions that were funded by moving Owen M to salary, so deans and chairs, maybe the director of the learning center, different directions that we had, so when benefits were centralize, we took some of those benefits. Academic and other fees that were sales and service expenditures, the departments provide those estimates. This were down from what they had been in prior years. All of these things together make up what appears to be a decrease in the academic affairs budget, but as you can see some things one up, some went down. Overall, it is pretty much the same except for the centralizing of benefits. Also, included in the academic affairs budget we talked about how we have combined the O and M to be allocated at a later date. You see some that

swing between those accounts and then to mention this again about academic affairs using salary expenditure savings, they anticipate that in fiscal year 2023, I.V. talk about this, but I want to make sure that we are all clear about the \$2 million as the funds are needed.

Here is the budget all combine. We wanted to show the presentation of all of it together So you can see for the expenditures what I was talking about with the salaries looking like they increased by about \$4 million due to that swing between how the budget is done, and then you can see the faculty looks like it goes up \$2.2 million, so again, that swing

of how we presented the budget last year compared to this year. Some longevity's stay will which is why you do see the side now. Total expenditures bottom including those, almost \$70 million for the budget. Auxiliary budget highlights, we expected to increase \$4.1 million. Revenue is increased by \$3.5 million just to note that they do have to pay the debt service, but that service on housing and dining is a little over \$8 billion they have to pay out of their auxiliary funds. Students living on campus and then also, students that are on operational positions at O and M, students and operations were consolidated, they were hoping to have some efficiencies, but they realize there was communication and change in the real efforts. Again, anticipating coming out of coded, the optimism overall, we see revenue increasing and the dining increasing, someplace on meal plans at \$2.2 million and then commissions of \$850,000, so an overall increase of housing and dining revenues of almost 30%. Athletics budget. We are going to move on to the athletics budgets. Again, we tried to include all athletic funds, I will say the debt service of athletics are not included in these funds because it's funded out of the University services fee, a certain amount of that fee was pledge to pay a debt. The depth -- Depth

-- Which is about 1.3 million, everyday we try to consolidate. It is budgeted in year 2023 to offset the budget brought back to the Board of Regents. There is increased spending to be covered by transfer of funds, so this represents the results of fundraising. Acquisitions previously paid from gift funds are now included in the fiscal year 2023 and this funds also are transferred from gift funds. That includes all funds that it has on every year. In that document, the funds were all included. It's just different than what is included in the budget. The attempt to make the two reports include the same funds. There was a small increase in the transfer from designated tuition. Again, the same arrangement where

the custodian was transferred from athletics to again help with that deficiency. It looks like the tuition increase a little bit, but it's really just the moving of one employee. Here you see athletics budgeted revenue by expecting the athletic increase of \$30,000 over the previous year, an increase in NCAA revenue of \$200,000. Some of those accounts that were previously budgeted but are now being consolidated into the budget, so revenues of \$130,000 and you can see equipment rental, they are expecting to get more licensing and royalty revenues into the University budget. You can see transfers from the student service fees, last year it was \$1 million that the student service fee reduced the allocation this year, transfers from pledge auxiliary, again that transfer is restricted, those restricted gift funds and then the funding from designated tuition, that \$22,000 -- That is an

attempt to show all the athletic revenues in one spot for a total of \$80 million -- \$18 million. Anyone can stop me at any time with questions. Moving onto other division highlights. The president's office I mentioned, we budgeted the president's office last year and was moved to academics this year, a decrease due to those positions leading to the student center and again, the effort to budget split positions in the department they belong, enrollment management. It looks like enrollment management increases, but this is the increase of those housing scholarships, almost \$1 million we are not budgeted in the prior year, marketing and no significant dollar changes in those budgets, University wide, I mentioned the slot decrease in debt surface and an increase in our tuition rebates. Then, the restricted funds and increase of student budgeting grants, I will go into that more the next slide.

Have a question for you. The housing scholarships, we are to vote on that right? We approved it, are you implying that, was that technically the same thing --

There should be a budget showing where it's coming from, y'all just voted on them, then there should be a budget amendment saying what funds it's coming from on -- A more formalized budget process is what I'm saying. Even though the board approve them, it was never change in the budget to show that.

Thank you. On the athletic slide, the revenue will be significantly higher --

Yes, I think because it was previously in restrictive funds.

A lot of it has to do is how we recognize our reliance [Indiscernible - muffled]

Basically, those things are more revenues?

Right, that is a path we have been on the last several years.

Any other questions? Restricted budget highlights, our Pell grant funding we talked about this morning, \$23 million and we are expected to get an increase of \$1 million, our charter school, agency funding, average daily attendance funding that they receive is \$2.5 million, but they inspect increase of \$120,000.

Again, the gifts and donations that have not previously been budgeted \$6.4 million, but they appoint the \$2.89 of gifts and foundation gifts. There has been a lot of discussion about using fund balance and those of you heard me talk about it, I will show you what is up here. Using fund balance will help you plan to provide for a consistent level of resources. It can help you fund large projects and since Dr. Hans Williams is here I will use him as an example. That is a planned use of fund balance, so three years later they could purchase

those vehicles. Planning to use your fund balance for large projects, when you did use it, it doesn't mean you have a short ball, sometimes you plan to use it that way. It can cover a short ball and can be used for a tiny difference. I will talk about our plan of fund balance. In last year's budget, you may recall there was a plan use of \$40.9 million of federal pandemic funds. It was a use of fund balance, but it was our higher education funds which we were given to get through the pandemic. We received them in one fiscal year, we were going to use them the next fiscal year it was how we were using the funds to get through that pandemic time.

This year, we're going to use that hundred \$90,000 of those funds which relates to those scholarships we are continuing to offer those warmer year to get students to live on campus. Then, also I will talk about that a little bit more in a minute, but it shows the expected recovery of our revenues. If we rely on 14.9 million of higher education relief funds last year and this year we are only relying on 990,000, you can see how we are coming along. The increase in value revenue and the optimism that we are coming out of the pandemic. We are also using general fund balance and we have consistently used it in previous years. We have historically used an amount fund balance to make our budget. You heard me talk about our health fund balance, those are in the state treasury and carryforward. We have the budget to use those funds out of fund balance, there probably should have been something in that spot last year that showed we were carrying forward funds out of the fund balance and then here's a timing example, our crew funding is pandemic money from the state that we expect to get in August. We would not have time to use those funds, again we will receive them again this year and have the budget come out next year. There are many reasons to use fund balance and they all should not have a negative connotation. I talked about the fund balance using 4.3 /year and 5.3 this year the previous year it was about 5 million, we probably had some higher education fund balance, we know we did from the previous year under 2022. I cannot reiterate enough how that shows us coming out of the pandemic. That use of relying on those funds of 14.9 million. I don't want to give the wrong impression. We had to use 14.9 million there because the University enacted other cost-saving measures. We cut down on expenses during COVID, we were not traveling. If we had not done all of that, we may have had more expenditures, but still just showing that difference of relying on 14.9 in 2022 and only 926 in 23 shows us replacing revenues out of university budget. The 363,000 was that residence fund that we talked about. It looks like, we are using a fund balance of \$10 million which we are, but some revenue is planned use or carried forward from previous years. I do not want to convey that we are using \$10 million of fund balance in a negative way. Does anyone have any questions on the fund balance?

Just overall

if we do not need our enrollment projections, how do we handle
-- >> I do not recall giving a revenue number. I think it's just the normal. We had things where we can actually be examining that, in the Board of Regents meeting, I'm not sure that expectations have been reported, but I'm not sure, it could have been and that it would have

fallen within the contingency, we have about a \$2.8 million contingency built into this current budget . Do you recall anything else?

The revenue that you rejected here is Bill --

It's built on a combination , but we also use a historical analysis of what it would look like

in total revenues, we do not totally rely on the model , a reworking out with a model and historical analysis . Not a total reliance, but certainly a great input into feeling comfortable with our enrollment numbers. We will see like Michelle mentioned this morning how the model actually played out and what kind of reliance we can use in the future. I think it's an ongoing adjustment and predictive model. We were excited to have the additive model. >> You have already use those funds to a significant degree, because the significant portion is your people.

I think historically, you just roll it into next year and get a fund balance and hopefully next year you get a better projection of what you are doing. It would be nice, I don't think that we can change it, but we need to have a good report, October meeting that said, we did not make it . We just do not have those funds available. That is the way that I would look at it.

>> The departments did have to say, what are we going to do. A lot of them did not feel those vacant positions, all those 176 vacant positions, maybe we do not feel all of

those positions, so there is room to make some decisions if we have to adjust to, but we also have to see what is the impact on the teaching for the student. Take all those into consideration, but my recollection was that the department heads would participate in that process of where that state revenue would be taxed.

What is the date of the 12th day of school?

Michelle, do you know or somebody else?

What day does it start? We can do the math real quick. August 22nd . What would that be, September 3rd? Safeco -- Michelle is pulling it up real quick. The sixth.

Take out a weekend and it's September 6.

Just because we know on that day enrollment may be down, you're looking at headcount and some extra credit hours we may have to factor into it and then look at what classes are taken, what formula funding may be, so it's going to take some time to really give us a good number that we can anticipate.

Michelle, is there another important date on October 20th also?

We talk about sometimes, there is the 12th class day
you want to make sure that you are relying on the 20th day.

I know there are other factors that may blend into it, the point is, I would rather have the right number and then come in and say, it's this number.

I agree. Thank you.

I know the enrollment management office gets a lot of those questions and it could change with a drop through that 20th class day especially in the budget process.

Are we ready to move if there no other questions?

>> Last year, we did this university budget special project with a lot of help from others, but there were a lot of questions about University that, so we just wanted to include some debt schedules in the budget. You can see some issues that we have outstanding, we have the tuition revenue bond, a serious 2013 student center. This year, our taxable 2019 dining bonds that we have been talking about and we will talk about later today, our series 2019 a which is for the housing, basketball facility and the fine arts that we are covering with the resolution later today and our series 2020, our housing bonds and then we still have a municipal lease on the energy savings of a small amount. Our total long-term debt that we anticipate or calculate on August 31st, 2022 is a principle of -- Of total debt service that the University will oh -- I just told you that the budget is 270 million, so almost the whole budget is what we owe in debt. The principles, almost \$200

million. We do have our debt service and we talk about that the housing and dining, overall the University will pay \$21.5 million in debt service this year, if it relates to our facilities. Does anybody have any questions?

It would be nice if you could list the rate so we know what the entry is, I know some of those were issued at a premium, so what is the real effective interest rate that we are paying on that debt? I think it would help us understand on what benefit, so we had additional monies coming in. I would like to know and maybe I had forgotten how you had accounted for that, do actually take it and bring it back in as another source of income?

We can do that for our University operating budget, we have other schedules in here, like I said the narrative that discussions, we have the schedule, the individual schedules related to different accounts and then we have the budget presentation like it was last year, again we are hoping to, those of you that Hermie talk about our special project, we are hoping to convert that into functional classifications. We think it's already in those early diversification's, so we hope to look at it because the budget, it's our document and we can make it present the information that we want to present. We need to make it a useful document for the budget counsel. We do have plans to do that and work

with the committee of the University budget counsel that is working on the dashboard that we actually have something to have those conversations. We are relying heavily on our I.T. department with Anthony sitting over there to help pull that information out of the system. We have been working with one of the programmers to do that. It's just something that has not been done before, so it's going to take a little bit of effort. We should have everybody working together to get the budget to what we would expect the Board of Regents to monitor, but what the budget would be useful for. I would just say that we recommend a budget of \$207 million which includes the higher education funds to the order of education for approval.

Thank you very much. Any questions ?

Going back to the confirmation that is part of this budget, it's \$3.7 million and I understand again what it represents, is that an increase in aid?

It is. It's a separate item, so it will be the next item if that is okay unless you want me to talk about it right now.

I guess the question is we are going to approve this budget at 270 perhaps and then we will discuss that and if there's any change to that, if it's not approved one way or another, then we will have to go back to the \$270 million?

That is why we did them separate. We wanted to have the operation budget approved for 270 million and then we wanted to have the separate which will make our approved budget \$270 million or whatever that number is added to.

Thank you. Just so I am understanding item 26, the net of revenue expenses on this budget is on page -- >> I think you will get to the use of the higher education fund which is probably on the second to the last slide. I'm just glad that it worked.

\$10,202,000 and again some of it pointed to general use. Yes, just to meet this operating budget, that is our recommendation. I didn't want to add that Judy, Jessica and some of us did work on our net position analysis. If you remember Robert did the budget special project with us, reviewed the financial statements and said we were well within our reserves for the University at the time, so we had those calculations. We have taken this year's budget and changes we expected to this year's budget, our fiscal year '23 budget and using this fund balance, wherever we think we will be, we will still be above our reserve calculations for this operating budget and when I get to the salary item also for the salary item. We feel like we are recommending a use of fund balance that is within our reserve calculations.

Overall, I think we have already seen that in this board vote, but I'm trying to remember where it was.

I think you just saw, when you are asking me questions.

Again, on a percentage basis, this impacts our available fund balance to what degree?

Yes, the part that will be using the actual fund balance, I am going to go back to what Robert reported. [Captioners transitioning]

We were over the benchmark by 74 days. Then we were told our funds can no longer be considered unrestricted. We had to make a change. We went back and recalculated the numbers from Robert belt to move those funds over into the reserves. With that calculation, it decreased that's highly for our balances. We went down to adjusted of 152 days. It still well over the 90 days. 62 days over. Then we took our fiscal year '22 budget and things that we had to spend it happening, again, this is a cash basis budget. We have to look at what is going to happen and show up in our financial statements. We cannot ignore that are fair market value of our investments are decreasing. We are going to have to recognize some of those entries on our financial statements. We recognize that academic affairs has had use salary savings within the budget. We have taken those into consideration.

We believe that we will be at a certain place at the end year of fiscal year '22. It will still allow us to be 59 days over that benchmark. When we add in the fiscal year '20 year budget, we still believe that using this amount of fund balance that we still will be over our benchmark by 47 days. If we do this salary, we have a number for that. We have tried to calculate out where we expect to be on our net position. I talked about that in our University budget special project. Jane and I were looking at it. When we pass a budget, where'd we expect the reserve to be? If we are doing a cash basis budget, have to some how convert it to a accrual basis. Are we going to manage our fund balance and reserves to fall within our reserve ratio. To fall with and what SFA expects us to do. We don't have a lot of control over the pension , we get to pull those out. We still want to be, generally knowledgeable, aware we are in our net position. We have to poundage the whole balance. Those are one things we are tending to do with these calculations. When we say, we feel like we can safely use our reserves , we have been there to support those calculations.

We like we are going to be looking at about 45 days above the 90 day --

Assuming people stay within their budget and we monitor where we are , budget to actual. We are careful about the surprises. We use our contingencies carefully , we take advantage of using higher education funds in places where we can instead of O&M funds. If all of that occurs, we think that will happen. This is our first time doing this analysis, but we believe that .

I think [Indiscernible] suffered a 1.6% loss in their funds. That includes 13.5 inequities. [Indiscernible]

I have not transit should be the investment officer. Judy and Michael are our investment officers. I don't know if they review reports. I know

Jill and I have had the same conversation. We are closely tracking it on the foundation side. I don't know if anyone wants to comment. We can always get that information to you. In our calculation, we are anticipating at least a \$5 million decrease in fair market value. That is total dollars. That is not the percents and amounts. We can go back and look at that. I don't think any of us have that on us, right?

That will affect our fund balance? >> It well. From an accrual basis, we have to book all of that. Cash flow, it does not affect. Accrual basis, it does affect. Hopefully we can write out the market and get the backup. Yes, we are considering that you the calculation's are based on accrual basis, financial statements, and financial reports. It will be August 31st. We will have to make the entries as of the values on that date. [Indiscernible] we should know something soon. Again, we participate with Texas A&M, we get the reports from them. You all see how the present those reports. We have to have them posted on our website, also. We will follow up with that.

Any of the questions on the operating budget? \$207 million operating budget? Thank you very much for that presentation. I will be recommending approval of that. Madam chair, we can go on with our meeting. We would like to ask you now to address agenda item number 26 -- which is the supplemental budget.

I'm going to ask Dr. Wes Berg, do you want to say anything.

As we look at this conversation piece, it is not a salary raise proposal, but it is a one time supplement proposal. I want to make it clear that this compensation proposal is not a solution for our long-term salary issues.

It is something that we felt like we could propose at this time, provide some support to our faculty and staff in the most immediate way possible. >> I have baked in lots of discussions when I was chief auditing executive. And through the 20 years I have been here, we have had about a lot of faculty and staff competition. We really wanted to take a look at our budget this year to see if there was any way that we could reward our greatest resource, our faculty and staff. Dr. Westbrook and the cabinet and I, we looked at various ways that we could do that. First, realizing we already did the unrestricted disposition -- we have already look to see who we have safely recommend to use reserves in this manner. You all saw the budget. There is no additional funds -- to do, salary increases. It would have to be on that back look, that are fresh mint freshman enrollment is up. We continue coming out of COVID. We anticipate having more housing revenue, dining revenue. Overall, it is a more optimistic outlook for the University. That causes us to look at our reserves, do some work calculations. It costs a little over \$600,000 a day, to run a university, if you do the math. Any amount affects those calculations that I just gave of how much it would cost, where we end up in our reserve calculations. For this proposal, we are recommended using \$3.7 million additional fund balance not included in the operating budget that I just presented to you. We estimate we can safely use that with

in our reserve calculations . It is a one time payment that does not carry forward to fiscal year 2024. We have optimism, but we would like to see where our enrollment is coming in. What does it do before we commit it for future years. Once we committed, we are committing that they \$.7 million for future years. The compensation is not marriage based because of the different ways we looked -- the regulations and rules around it. The president is the final authority on all eligibility and compensation requirements. Even though, we have detailed it out clearly -- I am sure there will be some type of questions that arise. So , eligibility. We are proposing that eligibility is for faculty and staff who are funded from university funds. They are paid out of education general, out of auxiliary, as it is designated -- there are faculty and staff that perform support and work for the University . Faculty and staff employed in a full time 1.0 FTE position as of April the first -- you had to been at the University six months before the payment is made. You would have to be here on the payment day. Anybody who leaves prior to that date of payment, would not be eligible . Faculty and staff that are employed in a permanent budget part-time position , as of April 1st, 2020 due date, they are also eligible. There is only a handful -- eight or nine of those employees that have a position in the budget -- a part-time position. Employees funded from restricting grant or gift funds , like I talked about in the present presentation, they may be eligible if there grant or grist agreement -- if the funding is available and it is approved by whoever the account manager is over there. Examples of employees paid off of gift funds, employs played out of the restricted funds, different accounts like that. They are not funded -- in the ENG auxiliary.

Employees with employment agreements containing retention payments are automatic salary escalators, are not eligible. If we have an employee contract

-- we just have a few of those at the University. If there is an employee contract that contains those retention are automatic salary escalators, they are not eligible for this. Conversation, casual, temporary, adjunct, and return to work after retirement employees are not eligible. Full-time employees with permanently split positions totaling a 1.1 are eligible. There may be something else that comes up. The calculation is going to be on the fiscal year '23 budgetary salary. The amount

included in the budget that we just talked about, it does not include stipends, supplements, or additional compensation. It is just the base salary. It is for full-time, eligible employees. It is a 4% of base salary or \$2000, whichever is greater.

We wanted to have a floor at \$2000. We do have employees that make \$25,000 or make lower amount. If they only got 4%, that would be \$1000. We wanted to have a meaningful of Mount as a floor, what we sell it could be a meaningful amount as a floor. The \$2000 as a floor up to 4% of base salary for part-time employees. It is based on their FTE percent. That small group of part-time, that I mentioned. Because of the way the TRS requirements are, there is no retirement extraction under the standards. It is not eligible for retirement contribution. It means the University does not make a retirement contribution. It is not withheld from the employee's amount either. The federal withholding rate, because it will be paid as a separate payment . Under hours and regulations it is 22%. Is not matter what you have on your forms. It is

22% for everyone. You do not have control over some of these items. We have to do the standard Social Security tax of 6.2% and the medical tax of 1.45% like we do on normal payroll. The calculation results in gross pay, less Social Security and Medicaid, less we call [Indiscernible] for net pay. If someone has special withholdings, those are not applicable. This is a supplemental pay. You want to try to make it real clear on what it would look like. Our payroll office has some model payments that they can show. Kate Johnson is over here nodding her head. I think they have already been working on those to show exactly what it would be under these calculations if you receive the \$2000 or some other amount. All of this -- it is online. It is in the board book. It got loaded on Wednesday. This is out there. I have seen a couple people taking notes. The budget presentation is out there also. The payment is meant to be paid on a separate payroll on October 14th, 2022. The goal was -- with all the rising costs, how quickly can we get the supplement payment into the hands of our employees? It has taken a lot of research for this. I really want to thank the payroll staff, Jessica, and Judy, and the cabinet. It is a lot thinking about the eligibility there is a lot of ways that it can be done. This is the one that we settled on, the 4% or the minimum of \$2000 to be paid on this date. It will still take a lot of work on payroll to get the percentages and the amounts right. They will start working on it if the Board of Regents authorizes this additional use of our deposition that would still keep us in our reserves but allow us to compensate our employees with a one-time payment. Any questions?

[Indiscernible - overlapping speakers]

I know you have access to all the data, but a \$3.7 million is a cap?

It is a cap. We think we will be well within that cap. It is before we took out the retirement amount. We had to talk -- we had a meeting with the retirement systems. Had to make sure we are doing it appropriately with the requirements. Return this in last week. It is a little bit higher because of that. We won't go above it. We don't think we will actually meet the \$3.7 million. It will be well within that amount. It also included some of those contract employees that we talked about that we are excluding. Those are some higher amounts. It will fall within the range, but it won't quite meet that range. We will purported back. We will pay it on October 14. The Board of Regents will meet October 29th, or something like that. We will be able to report out what was actually paid, what amount of fund balance we actually anticipated using for it.

I want to say my piece here on why I think an absolute percentage is the best approach for this, rather than having a \$2000 minimum, \$4000 -- I am sorry, 4% cap. I know that every part of the University community is absolutely critical to our success.

I hate to be putting certain groups of employees against others. I am not going to do that. I would say were we are most glaringly deficient in compensation on this campus is in faculty salaries. This is where we rank against other institutions of higher learning. People

look at SFA, they look at primarily faculty salaries. I know we have professional staff -- they have lots of opportunities in the private sector with pay rates that exceed hours. What happens in this university, is the critical foundation. It is in the classroom, the interaction. We make it transported for our students, or customers, it is the interactions in the classroom. To bring that person at the head of the room and all of those folks in the seat. Given where we stand against our peers in the state, how efficient we are -- we are almost bottom of the barrel in terms of faculty salaries. While it is not going to make a big difference, I know this is a one time deal. 4% is about half of the inflation rate, the state official inflation rates. My personal preference, we can take up \$3.7 million and see what that goes with the percentage basis. Everyone should get that same percent. Our faculty are going to get a bigger percent. I would be untrue to myself if I did not express that I think it should be purely percentage. I think the group on this campus that needs the greater shot in the arm are the faculty. That is my perspective.

Me make sure I understand. Still have the \$200,000 for --

No, [Indiscernible] I don't know what the number would be. It would be higher than 4%.

It would be a lower amount for employees. It would be the same percent.

Our faculty has invested many years to become university faculty. Today, in the psychology department, we just lost a faculty member there who got \$12,000 more elsewhere.

We have two open positions in that department right now. [Indiscernible] we are not trying to get there as quickly as we could, failing to make this a percent. I know this will not solve the problem. It is a philosophical perspective.

Where it is commercial, the \$2000 -- that is the math. Everyone below \$50,000 in this methodology, would receive \$2000, everyone above would get 4% of their base. We have modeled that. I can exactly where it fell. We would have to maul it again without the retirement, without the larger contracts. That is something the board wanted us to do. I think it fell within that amount also. Yes, we are open. We have considered a lot of things. I think I can speak for the president's cabinet, we really want to consider are lower paid employees too along with our faculty.

We are. Everyone will get the same percent. >> It would be the same percent, but someone making \$25,000 is going to get \$1000. I was just setting a floor. Again, we are happy to do whatever the board wants us to do. I think that was the consideration of the cabinet. Yes, we wanted to make sure that faculty received an appropriate percent. Also, we wanted to look out for are lower paid -- I speak -- I have a lot of those people in my division that keep our buildings looking good and keep our yards looking good. Our police officers and a lot of other

people. Everybody else has those people too. We are happy to work it however the board wants us to. We just appreciate if the board would authorize something for the employees, whatever it is. Everybody is hopefully recognizing that we are intentionally using the fund balance to reward our employees.

Our proposal is based on a lot of conversation and what we felt like the best approach

-- an immediate issue with many of our employees. Certainly, you are in the final decision, on any of that. It was not without considerable amount of conversation over many days to try to do what we felt like it was a balance.

If we reworked it, they probably would not get by October the 14th, correct?

We can do it. We can rework it -- Jessica, she has been working late every night. She can do it. No, we can have whatever it is and make sure we think it will fit within this, considering the other eligibility. We now know we don't have to cackle at the retirement that was in that number, the high dollar contracts -- we take that out of the number. We can calculate it very quickly and get the number back, if that is what you would like to see -- a comparison of the 4% overall compared to the 4% with the floor of \$2000. We can pretty much model any scenario or may already have a model.

\$33.7 million is not going to change.

You are saving in night not be 3.9 --

It should not go up. \$3.7 million should be the same.

If it is the same dollars that has been accepted by the administration in this together agenda item -- we allocate that [Indiscernible] based on whatever the salaries are. My concern in doing this, I know the cabinet and all the cabinet members have thought this through thoroughly. Obviously, this is a little more percentage to the boys played lowest paid employees. They are here working hard too I don't disagree with what you said, our most important asset is our faculty who are teaching every day. They are the ones providing education. This particular item does not solve all of our problems. It may not even solve any of our problems. We have to adjust salaries of long-term. It is a shot in the arm to try to recognize what is going on inflation, everything going on in this community, and try to give everyone some wherewithal to work against that growing swell of costs and expenses. The agenda item has been figured out. Again, it is up to the board to decide. I guess you will ask the committee whether you would like to propose that we see it in a different way.

To your point at the beginning of it, it was not that you are requesting a calculation change. You wanted to say a piece about it.

That is correct. I'm not going to offer an amendment. It is not we're changing the date. I just use my philosophical condition that are efficiency -- it affects quality of what we do as an institution and the way we are regarded by our peers, and why the academic community statewide, if not regional. Most of their stuff is in faculty pay grade. I also feel that a percent, everyone get compensated by the same percent is not unfair to anyone.

I see what you're saying that our faculty salaries are just glaringly deficient. We have the opportunity to go on to her today. We have acknowledged that those are always enriching experiences for us. We get out on the campus and see the facilities. We also have an opportunity to interact with faculty and staff. In those interactions, today, we heard -- as Yorty indicated, that the faculty salaries have become such an issue, that we are losing good people to other institutions. We are not getting the candidates that we would like to because -- when they are receiving offers to us and they would like to come to SFA, they get more competitive offers, they get more conversation at other places. This is something that must be addressed in a long-term approach for SFA with our faculty salaries. I think everyone is in agreement with that across the board. We have to figure out what we can do right now. Based on our conversations and hearing the discussion today around the table, if we had a flat number apply to everyone, you would offer an amendment. You are not offering an amendment. You are saying, from a philosophical's perspective, you are saying your piece. We have the opportunity to move forward with the recommendation from administration.

Right. I am fine with it. We have to recognize that the support staff, the administration, grounds and maintenance -- nobody is going to prosper if we don't have quality in the classroom. No one is going to prosper if we don't have quality in the classroom.

I had a couple of questions. One, participation -- the number was there now that we have a 1600 or so FTE on campus. I know we have carved out several. Who would actually get a check and how many would not?

I don't know if we have it right with us. Out of the 1600 there was something [Indiscernible] added to it. We have a list. We just need to go back and add them up.

Once again if you have a certain portion that don't get a check at all, you are not helping those individuals. They are going to feel slighted, let us say. I would rather see more participation. We are in this together. I have said this so many times. Campus is a family. I don't want to take it on one and not the other. I want to help them out. Looking at this \$3.7 million number, I'm not suggesting this be any

type of an amendment -- I think it is low. We just heard that our reserve is a greater number. If we are willing to stand behind faculty, and by the staff on the whole thing, we're going to have to go out and say -- there has been mismanagement for years. We have all come across that looking at these numbers for the faculty -- and have them pull up here, what our numbers are compared to other universities -- we are low. We recognize that. We have to do something to let this campus know that we are going to do what we can to help you. I think \$3.7 million is low. Since it is one time. If they come in and say, we want to do this every year. I would then not have an issue. Inflation is hitting 10%. It hurts. It hurts the person that is making less than \$50,000 then the person that is making \$80,000 or \$90,000. I don't want to see a carveout. I would say, if it is not going to put us in financial burden to the point that it hurts us maybe from our bond rating or whatever it may be, I would do as much as a camper if the \$.7 million is the number, and using that, I'm okay with it. If I had a higher number, I would want to look at that. Our people are the most important thing in this university. The brick and mortar is okay, but the people are important. People are hurting. I can tell you, in our company, we have looked at it over and over and doing whatever we can to support. That is what it is about. That is just my opinion. I think I would have more participation.

I'm hearing really two issues there. One, is \$3.7 million -- I know, we have done a lot of studies on financial health and the fund balances that we maintain. We can make it \$4 million, \$5 million, but every dollar that goes into that reserve -- we are trying to think the long-term financial health of the University. Again, we know every dollar here is going to be an amount of our reserves. Whatever is the right number?

I say, we are going larger. We are asking everyone -- salaries can expand. If you can control those, we are going out and trying to help. We are asking across the board, if there is a way to cut back and do what you can. Everyone on campus sees our budget. They see the strength and problems that we have. We are asking for help. We are also saying, we are doing everything we can to cover you as well. That is why I would promote it.

I don't disagree with that comment either. We are not here to change your operating budget overnight. I wish we could. We have to look [Indiscernible], there is no question about that. This decision is going to be really impactful. We have to figure out how we are going to work on this. We have got to make sure, at some point, our revenue meets our expenses. We don't want to go into reserves. We are not there this year and we are making an exception. The question is -- how big is the exception and what can we afford to do based on the reserves that we have? The other part of your question is -- are there some groups of employees that you are not covering? I think it is because the way we set this -- 4%, not less than \$2000, we are excluding some of those part-time people. Those are people that are not our full-time staff.

They're here for special work, or they are under contract. They are not as impactful, I would say, at providing the education as our full-time faculty.

Speak to --

Returns the return to work retirees. It excludes them. It excludes adjunct faculty, who are on the assignment, or paid on the amount per class.

And the people paid from gifts. That is going to be up to the gift account holder. Do they have enough gift funds within their account to pay it? That is not included in our \$3.7 million because it is University funds. If they have the funds in their gift, or their grant budget -- I did talk to our director of the office of research and sponsored programs. She said in their budgets for grants, they generally include a salary increase in case the University decides to do it. A lot of our grants may have a eligibility. Those are all individual concerns. Dr. Abbott can speak for the charter school. I think they've already been awarded, since they have separate funds -- they have already been awarded a raise that is going to continue to their employees. They're able to take care of their employees out of their special funds. I don't want to leave the impression that we are excluding people. There are ways others are already being considered in their separate budgets based on their funding source.

The only bring the question up is because there will be was left out, it would be nice know that number now. I don't want to come back and hear -- some people did not get it and now they are upset because it is a larger number. It is hundreds of people, it would be nice know that now.

We can pull -- [Indiscernible] we have those numbers, we can go and work on it a little bit. Another consideration -- we ran the list based on the \$2000 and 4%, we recognize people that had terminated since then. Within a number, some are terminated. Some are leaving the University before their payment day. It is an estimated number until we get that exact copy he was here on April 1st and who has left. You may teach a class in the fall, and not in the spring. When you teach in the summer. They're just paid a totally separate way, the adjunct faculty.

David gestated his position. I just wanted to say my thoughts. I would not promote it to try to change a narrative now. I just want to say the way that I viewed it.

We appreciate the comments from both of you.

Any other discussion about this particular agenda item?

I have to say, I really appreciate all of the work that everyone has done on this. I felt very confident that staff and that everyone who

has worked on this has gone over and beyond the call to put forth every consideration for everyone involved. I am very comfortable with what they have brought to us today.

Thank you.

We will be recommending approval of agenda item number 26, Madam chair, at our meeting tomorrow.

[Indiscernible]

No, ma'am. We can consider a break.

[The event is on a recess Captioner on standby.]

[Captioners transitioning]

>> WHERE CONTENDING WITH THE COMMITTEE MEETING.

that will come --. >> Are director of financial administered of services. Audit report for bridges about the contract management audits. This was the contract report she was talking about.

>> It's for contracts that require enhanced --. This contract is for athletic -- including premiums, claims, administrative fees and self-insurance. It's for a request for an issue. This contract is being recorded back to you . Self-insurance retention expenditures. Our current fiscal year -- total estimated contract aggregate for this contract is \$2,127,496. The next contract is love advertising incorporated. This is for digital advertising services in accordance with the request for proposals. This contract is been reported due to a recent amendment with the execution of June 15th, 2022. 100,000 per year with four initial. Max --. Utilize current contract with digital advertising. Again, this amendment was approved by --

May 2022. The current fiscal year expenditure including this amendment is 350,000 and the total estimated contract aggregate is \$1,750,000 .

I know in both of these contracts, under the caption possess any serious risk or issues on these contracts , it is noted that there are none. I assume they are happy with those contracts. Anybody have any comments? Will be recommending approval of item 27, technology receipt of those contract monitoring. Lesko agenda item number 28, --.

This item is about -- not only by faculty , but staff as well. I want to mention a few of the people who contributed to this before I read the recommendation. Of course, Michelle Garrett, financial aid, -- as a PI. \$14 million. We have Dr. Jenna revealed, \$100,000 and Dr. Carmen, just about \$98,000. Dr. Tonya Jeffrey, about \$50,000. And we have Lisa Hagan , from the charter school, about \$135,000 and Dr. -- about \$143,000 for

her research. Finally, Dr. -- , about \$150,000. I'm really proud of these faculty and staff who have contributed so much to this university. As you know, it's great for indirect cost recovery. Rating from this item, it says for fiscal year 2022, the multiyear grant award total is currently about \$82.2 million. Of this total, grant awards allocable to fiscal year 2022 are currently about \$20.6 million. An increase of about \$509,000 since the last report. The recommendation is, the administration recommends approval and ratification of the additional fiscal year 2022 grant awards that total 509,000 --. Awards are detailed as presented.

To Dr. Smith. Any questions about any of the awards or agenda item? [Indiscernible] We will be recommending approval of agenda item 28. The increase in those categories. As you know, we see each quarter and will continue monitoring going forward. Agenda item number 29 is the resolution amending authorized representatives. Will you take us through that?

Requires a resolution from our Board of Regents. With this, we already have some of our University employees but we will have our director of treasury student services, director of financial reporting and assistant reporting, interim president, vice president of finance administration, and our associate VP of finance administration.

Our treasury analyst. We have an assistant director of student business services. Have several people who are authorized to do the transfers. We are asking that the Board of Regents approved that resolution as presented.

Details of the resolution --

can you tell me about the individuals involved? We have many people in responsible positions. Any questions or comments? We will be Reppert -- agenda number 29. Authorized the resolution. Services provider contract.

Good afternoon. I like to talk to you about the service contract. Drinks and beverages are for sceptor -- separate contracts. They have been outsourced to -- since May 2003. Section 7.4 and -- with an effective termination date of August 31st, --. You may ask why? We consulted with the General Counsel's office and our colleagues said, hey, it's best to get out of this because we work hard to collect on the money. We felt the partnership was not conducive. We terminated it and went out for and --. It was issued April 19th, 2022. [Indiscernible] It was determined that the proposal submitted by -- incorporated provide the best combination of value and service to the University. Sales are expected to exceed 100,000 annually. The 24% commission of gross sales due to SFA, the minimum guarantee of \$35,000 annually. Our recommendation is to --. A five-year term commences September 1, 2022 to August 21st, 2027. Will extend an additional five-year period. Authorized to sign contracts.

>> I assume -- has experience on the campus as quickly

Yes sir. Headquartered in Miami Florida. The CEO is Gilder Rosenberg, founded in 1983 it is the largest -- of any company in the U.S.

Other procedures accounts include University of Miami, University of Kalama, Penn State, Georgia Tech, and University of Kentucky. They manage several businesses and service the most military bases in the country. They have a 20,000 square foot warehouse.

Thank you. [Indiscernible]

Just out of curiosity, do we have any local competitors participating in the search?

We have three submissions and one was local. I want to make sure I have all my -- and I'm not getting in trouble with an audit. Which acquired the vending company in January 2022 and then --

Okay good information. Thank you.

I will be recommending approval of that contract and authorization for the president to sign. Let's move to agenda item number 31, Netsync network solutions.

I'll be doing agenda item 31 and 32 says they are related. These two items are not requesting additional --. They are pertaining to -- and on campus. The reason these two items are here this afternoon, -- to fully comply with state law, we have to list the vendor we are contracting. In the previous submissions -- [Indiscernible] . Where recommending the approval of agenda item 31, which is going to be contracted with Netsync network solutions. Administration and criminal recommendation agenda item 32 two network C network solutions. The total contract value for that is 1,913,000 dollars . These are -- . It was just a clarification to ensure we have --.

Are those expenditures in the budget? Any questions? Will be recommending approval of agenda items 31 and 32 as stated. Now will move to agenda item 33, policy revisions. And we have a number of those. You want to comment quickly

I will close the loop from earlier when we mention the library policies were going into their own policy manual. You will see that under your item, Mr. chair. You will also note some changes to 1.4, which is probably of note to this board for items requiring approval . There has been some clarification and duplication but probably the more significant is it is now -- . The reason for that is to better align with what the state requires for contract monitoring purposes. We don't have to run dual reporting systems. It's really to help out staff and keeping up --. It's also consistent with --

Is interesting to look at -- policy 1.4, that does outline the items that are required for the Board of Regents approval. And -- so it makes for good reading and -- as they noted, increasing the value from 500,000. For the signature and contracts. All the others appear to be minor changes in the scheduled reviews. A question on any of these items . We will recommend approval of the various policy revisions as noted -- that takes us to the end of our list. I'm going to go back to the items that we saved for discussion at this point. We have to start with agenda item number 21 -- the resolution for the 2019 A and 2019 B unspent proceeds. This is going to follow into agenda items number 22 and 23 , specifically identifying the dining hall and residence hall , activities. So, the agenda item number 21 , goes back to the

-- that were authorized in 2018. Issued in 2019 , which we had not spent. We are still holding those funds, and special accounts. And, this would be a recommendation by the administration to adopt a resolution designating and confirming the projects for expenditure of bond proceeds. From the board revenue finance system bonds

2019 letter a and 2019 B. Authorized matters related there to. The resolution is actually in your -- on page 438 and following . Then, 441 indicates the items that are in this resolution . Item number one, the residence hall deferred maintenance including demolition of certain residence halls the electric grid analysis , academic buildings and facilities , and auxiliary buildings facilities and deferred maintenance. So, --. Up in the floor for discussion. All of these matters really taken together will need to decide what we want to propose to do with these funds. We have the funds that were allocable to the residence halls. And you will see that in agenda item number 23 .

Proceeds of 23.7 million in interest earnings through May of this year in the amount of \$719,000. A certain budgeted item of \$190,000 that was expended . We have 23,329,000 available for projects. There has been a recommendation -- I'm looking on page 443 , at the bottom of the page -- the anticipated usage of these funds regarding residence halls would be \$20.4 million

to allocate that toward residence halls and auxiliary deferred maintenance and improvements. Additionally, campus assessment

authorized by the Board of Regents in January 22 of 199,000, which has already been undertaken . Electric grid study of \$158,000 . Deferred maintenance and -- of -- . We talked about that yesterday. You some pictures of those buildings that would be affected by that roof, deferred maintenance improvement. The art building, HVAC deferred maintenance would be \$1.4 million. The health and wellness services facility deferred maintenance is 607 thousand dollars . Additionally, \$230,000 of -- funds available. They would be use as outlined in this agenda item.

We obviously went through this a lot yesterday. To frame the -- on agenda item 23 , as I recall, first of all, the resolution would bring us square with our bond counsel in terms of reallocating the intended use or possible uses of these funds. That resolution is to keep us on the straight and narrow. Bond counsel would propose that wording on a resolution. It does include section 1, which is -- section 2, which is the dining hall. Those are the only things in the resolution that might be the least bit worthy of discussion. Just to frame -- agenda item 23 ,

residence halls , the smaller amounts there are, without dispute, I think we understand the importance from all of those maintenance items , new roofs that would be installed. As he mentioned, when we went to the music building yesterday, there was a corner off of the stage of the concert hall.

He indicated that every time it rains, somebody has to go move -- because there is a leak directly over where it stays. Obviously, I think those are almost without dispute or any debate needed, expenditures --. \$20.4 million for residence halls -- I believe we are not specifying any specific expenditures at this point or specific investments and residence halls. Would be places and there would be a lot of maintenance in those three residence halls. We are not pinning that down with this agenda item. We are simply -- \$24 million.

Take a look at -- letting them know what their valuation systems are and be able to price any work they would suggest needed to be done for something long-term. Right now, we don't have those numbers to be able to know how much that would require --. Before we made any change

or we did any of that, we would come back to the board with a proposal.

Agenda item 22, dining hall facility, this has been an item that administration and the board wrestled with for many years dating back to -- 2019. In 2019, we thought we needed a new dining facility, and that corner was certainly a big item with those 2019 bond proceeds . Driving by that corner this morning and reflected on what Kirksey mentioned. Down on the west extreme West college there is going to be this beautiful new -- East end of the college. You have this brand-new basketball center. There in that area were pedestrian walkway is between the East college cafeteria you've got -- you never can get the name right. Dorm 16 and the other dorms there on the west side of the cafeteria , an area that really is seriously dated and the bond proceeds -- renovating that part of the campus with those proceeds. I'm personally in favor of us passing agenda item 22 and get started X prodigiously in addressing our need on that part of our campus, not just for an aesthetic overhaul, but a new dining facility --. I think you heard this morning , item two or three on our list was dining facility. So, I think we do need to get in this.

The possibility for us to meet the need of a couple thousand meals a day, while places being renovated and so, the only practical solution is to demolish dorm 16 and build a new dining facility, hopefully in conjunction with the funds. It would allow us to do, so, but, I guess the sooner we expend these monies, they'll go further. Let's -- that's my two cents on agenda items 22 and 23.

Our job is to approve the funding of these projects recommended by the building and grounds committee. So, the agenda item number 22, just to give everyone a perspective of the dollars involved, we have \$16,139,000 available that is made up of the original bond proceeds of 15,800,000 plus interest through May of 533,000 less expenditures already made of 194. We have \$16,139,000 . That would go to take down hall 16 and go ahead and commence development of a new dining facility --.

It would come out of the 20 million?

It's really part of the 20 million related to residence halls. Okay. And then we would have a smaller sized footprint. Some 18,000 square feet of a new, modern dining facility for all of those residence halls that are in our northeast corner of the campus.

>> I think what they said in that meeting was a total square foot of --. [Indiscernible] It would be around 18,000 square feet.

Okay, the risk is kitchen -- other -- okay. Thank you. I appreciate that. This would not include raising the East college cafeteria. I presume, I think I can't remember -- is that handled -- it would be handled in the 20.

The only thing these agenda items is for construction of the new -- .

It's a complicated matter but, I do need to -- get consensus among our committee and also the board on going forward with agenda items number 22 and 23 as we have discussed. We are happy to try to detail out any information as it relates to those two items along with agenda item 21, which is to authorize the resolution that keeps us consistent with our bond counsel as to the use and timing of these funds. Any concerns?

I'm in favor. I think it is past time. It looks exactly like it did when I ate there in 1980. It is time to build something newer and more modern. I think it has been right sized from this end of the campus. I think it is time to do it.

Okay.

My questions regarding where we go with the residence hall and dining. That being said, I am as well. The only thing I would ask is that we speak with contractor, to let us know if we are seeing a deflation in material costs and construction costs. We talked about doing it sooner than later. I would hate to rush out there and get contracts signed and do construction work and then see pricing of building products go down significantly. That's part of the problem. Women escalation of 20 to 30 -- . Either that or in our contract, as some provision that says, if we start -- if there are savings built in, I don't want -- \$800 square foot facility if we can do for 60 or 700 because we timed it wrong. If there is an emergency to get it built, then we can do it. Four years ago I would've said do it because inflation now --. In our company we are seeing prices go down. To what degree? I don't know. I would prefer not to spend the money if we can save it. Or get a bigger facility for the same money. That's the only thing I would suggest --.

Who knows what's going to happen in the future. We are seeing the same things in my business. Steel has come down and concrete has gone up labor has gone up. Lumber is somewhere --.

Supply and demand.

If you get a good contract value . It's the same thing here. It's just my suggestion.

Again, these are things we all contemplated in 2018 one we sold the bonds and we thought it was time then to consider renovation of that cafeteria. I guess we have to may be rely on --. Any concerns of the contract pricing as it relates to current contracts on the cafeteria?

I want to clarify, July 15th -- they stated they would prefer a 30,000 square foot dining hall. Whether we can get there or not is yet to be determined. As I talk to the board yesterday, start the programming sometime in the middle of September. That will take us a couple of months and Thanksgiving. Architects will go back to their shops or design development and come back right after the first of the year with some DD documents. At that point, there is some discussion about doing a pricing exercise.

That is on the cafeteria.

While that process is going on, when we -- all 16?

Yes, that is the goal. Sometime after the October -- we get board approval on that. The contractors get mobilized. Start the process in three months. So we would -- . Is there a particular dollar amount you can tell us on the project? How much of our funds quickly

It's going to be in the six figures. It could be \$1 million when it is all said and done. Once it comes in --.

Will get a chance to see that.

When you take it down and build something nice, -- [Indiscernible] it would have been good to put a parking garage there the service the Coliseum and this facility as well. At some point, that's going to be needed as well. I want to point that out. The only thing that more critical, that corner. What do you see construction doing one you start having your equipment coming in and it's a stop sign that is merged into a smaller area. You see that impacting the University coming up on College Street there.

It's going to impact parking over there. It's going to impact traffic. Is going to get really tricky. We already met about this in discussions. While all this is going on, these college cafeterias are going to be feeding. You got to get deliveries in the cafeteria through a construction zone. We have already met with Katie W about that. We started planning that site. Is going to be --. John Fields will be involved in it. [Indiscernible] Will have an established perimeter

and established slight.. We have a lot to do. We have already started those discussions.

Would it affect the -- or first-year students ?

I don't think so.

Their ability to come in and park.

Probably more on the east side on Wilson . The south end of hall 16. You have to go in and get deliveries.

[Indiscernible] Madam chair will be recommending approval of agenda items 21, 22, and 23 at tomorrow's board meeting. And that concludes the committee work for --.

The committee number of the finance committee. At this time, we have gotten through our committee meetings and we will recess to executive session. Thank you , everyone, for being here today. [Indiscernible - overlapping speakers]

>> [No audio]

[The event is on an executive session. Captioner on standby.]

[Event concluded]