

April 11 2022

Please stand by for realtime captions.

That was really the entire budget model. That takes care of all of the travel, the routing, coaches and their salaries as well. It also helps us with our members from that standpoint as well. And then it helps us, like she said to bring competitions here on campus.

Are there any further questions from the committee or the board?

Ron, I was curious, --

What we would do, we would look into that. We would look at the full-time coaching role and then we would fill in with the spirit or cheer program. If you are familiar with the campus, it makes a lot of sense. We are starting a program and we will bring them over from that will he be interested.

You are not contemplating full scholarships?

No. No. The equivalency for sport is eight. We are getting the budget model of \$75,000 for but scholarships.

Do we need the program to fill title IX requirements?

It helps us. Right now we don't need that because the student athlete population is 56% male and 46% female. We do meet prong two and three. We have added -- beforehand and beach volleyball. I think that the drywall will go off in another year or two. This program allows us to qualify for prong two as well. This goes with the student assessment program.

Frustration might not be the right word. I know that we are resource challenged in other sports. Baseball for sure. I know that we have limited resources in every part of the University. Budget. We have limited resources in athletics. My only counsel would be, not to spread ourselves so thin that we have no excellence.

I completely agree with that. We've had a conversation leading up to. This is an enrollment management sport. And an enrollment driver.

It is not designed to be the tier one type sport. Whether we are looking at that from a marketing standpoint. We are going to protect them, and it is not going to be one of the tier one sports that is completely invested. We do not have the resources or in the infrastructure to do that. It has the ability to generate the revenue and generate between half 1 million and 700 thousand dollars.

I can go back to whatever institution they serve after that.

April 11 2022

Will not have any additional facilities?

No. Now that we have the basketball center we can manage these types of events to generate revenue. That is part of the reason, to create more chances.

Any more questions? Tomorrow we will move forward with this motion. Thank you. Our next agenda item is to extend the test optional admissions requirement for the 2023 terms. Irma is going to give us a little explanation on that.

With the onset of the pandemic in spring of 2020, of course across the state and across the nation the A.C.T. and the S.A.T. did have a big hit in regards to how they could offer that test to the high school age student preparing for college. There was a decrease of test sites that were available.

That continued throughout 2020 and 2021, impacting those seniors that were going to be going off to college. Even those juniors that were taking the S.A.T. and A.C.T. That aspect, that challenge still continues. Again, across the state and across the nation, that aspect that a lot of colleges and universities are looking at continuing until they see that outcome. In fall 2022 that will allow us one full class of data. That way we can assess the class that went in fall 2021. In regards to taking a look at retention and really analyzing that test optional impact. Moving forward for parents for 2023, we have the Texas application that opens in July. Preparing for that and the opening of the application, but also all of our promotional materials to do visits to high schools, to juniors, and make sure we are prepared to be guiding them correctly on the admission requirements. I also did provide, taking a look at where the other schools are across the state, we were talking with a number of colleagues in enrollment services in a conference call. A good number of them

are extending to 2023. I will point out, there are a handful that are ready to extend to 2025 or have made test optional a permanent part of their admission requirements. At this point, the request is to extend it. It has been done the past three times under the emergency aspect that gave the University president the option to modify that policy. The recommendation is not only in the interest of preparing for the 2023 year keeping the institution competitive with other institutions. We are kind of positioning ourselves for next year's class as well.

That is what led to the request to extend the test optional requirements for 2023. I am happy to address any questions that there might be as well.

Any questions? Regent alders?

It looks like most schools are extending the test optional requirement. You mentioned you're going to be looking at individual files. That is a good general overview.

April 11 2022

This is a big deal for us. We made mistakes in lowering our admission requirements. I think it was to gain enrollment. Kind of help us understand how you are protecting the quality for freshman? >> In 2020 when we did move towards a test optional practice, when it comes to admissions we have also had a file that is an option for applicant that did not meet the regular admissions requirements. That is actually by statute. It allows us to review and consider admissions looking at factors such as the curriculum that the student takes. Are they Ivy, dual credit, and also taking a look at the extracurricular activities that an individual might be choosing. Are they in line with the career path direction? There are a number of factors that allow admissions review. We were doing a few of those when we went into the test optional practice. We took a focus on those and we actually put a weight higher on those factors. The GPA, it is not going to count against the student. We are doing test optional. Putting a heavier weight on those factors that went through academic types of preparation. Even through the selection of a students extracurricular activities. I will give you an example. If they were involved in the student Association, they are intent must go into nursing. But I have your way through the file process. Just wanting to make sure we put the focus

on academics.

Is that up to subjective review by one person, or do you have a committee process or --

It goes through review and goes through admissions. The individuals who go out and recruit. The file applicants who need file review, they go through two file reviews, independent at two different admissions counselors. If there is where one recommends unmade and one recommends deny, it goes to a third with an advanced staff member. Usually a season or tenured staff member taking a look at that. If the first file reviews are reviewed and they are both indicating the same recommendation, we move forward with that, but if there is a split it goes through a third level review.

Do we have a probationary option or area for students where we don't know but they have the opportunity to prove themselves on campus.

We have an alternative admissions program. We do this in collaboration with academic affairs. At the student success Center. For students that might not be admitted and cannot meet the standards for review. In the summer they take seven credit hours, two of them being for related courses so that we can see how those students performed on academic coursework. The student center does a great job of making sure the selection of the courses, that there is part of the faculty making those students be successful. So that when it is successfully completed and different markings defining that success they can continue on as a student in the fall.

Any more questions? Thank you. Tomorrow we will be making the recommendation as stated. The next agenda item will be led by Dr. Smith. It is curriculum changes for 22 and 23.

April 11 2022

Good morning, Madam chair it is recommended by the registration that the board approve the curriculum changes as presented for undergraduate and graduate programs as presented. If you have any questions about this.

Is there anything you would like to highlight through this?

The big thing we want to highlight is in particular these. We have read through all of the graduate and undergraduate changes. There are nine that jump out at me that I want to particularly discuss. If not, --

Can you tell us about the new aviation program? Are there any curriculum changes in that area? Are we adding classes to that area?

Is Christine here? The navigation program as you know is continuing to evolve in a very positive way. We have had very positive contacts with industry. They are going to add courses and in addition to that, add resources to our spaces.

[Indiscernible - low volume]

Are there any questions for the committee and Dr. Smith? Okay, thank you. We will move forward with those approval items. Next, Dr. Smith is going to also note any curriculum changes for summer of 2022.

Correct, this is an example of one lumberjack at a time. There was a student in the college of business where that student needed to take one course to allow her to take the CPA. There had to be a policy change to introduce the course. The course is accounting 5320. We are recommending that course be added for summer 2022. Particularly for this one student, for this one student, it will allow her to take the CPA so that she can graduate this fall. I'm very appreciative of what the faculty is done. That is the recommendation to add that course 25322 allow the student to graduate.

I applaud, Dr. Smith with trying to get the student out. On the other hand, I hope that we publicize this class that is not just for one student. We want to get as many students as possible in that class. We are grateful for you taking care of our students. We just hope it is not going to be a massive expense for the college at the same time.

That is for any student taking accounting to take the exam. There was a change in the Texas CPA requirements so that we had to create a new course to meet those requirements. The only thing here is that the course was going to be a new course approved for the fall for all students in the program. But there is this one student that could graduate in August that needs to sit for the exam. Just to allow her to

April 11 2022

do that, we are moving up and we are asking you to move the approval up to the summer instead of the fall. All students need the class but we are helping this one student. Yeah, they are all going to need it.

Any other questions on this agenda item? Madam chair we will moved to approve this curriculum change. Next on the list is agenda item 16. The academic and student affairs policy revision. We do have quite a few of those changes. Nothing jumps off the page. I will note that 15.3 and 15 point

will include the name of the policy. Those are the ones that have changed the most. Danny, would you like to refer to any of those?

We also have 16.2. Most of the policies are clarifications or minor revisions.

Okay. Any questions from the committee? Okay, with no questions or comments we will approve agenda item 16, the policy revisions for our committee. Now at this time we got to take some -- we are ahead of schedule. We are going to take some academic doors. Including the school of social work and the school of nursing. If that's okay with the board, since we are running ahead. On the high sign that this is okay. We might to temporarily adjourn. We will adjourn academic and student affairs and we will reconvene for chores. Since we have some extra time, we can take advantage of that time and go on our tour is at 9:30

as scheduled, if we are moving 30 minutes ahead we can start with the audit report. I'm told that is okay. Regent Mason, is that all right? And then we will return to academic and student affairs at the 9:30. Does that work okay?

That works for us. Good morning I always appreciate the opportunity to talk about audit services. Today we have the safety and security audit. If you to left we have our second security audit here. We are allowed to talk about safety and security matters. Chief bills is still here. This is his self-assessment of safety and security of the University yesterday to the Board of Regents. I talked about the audit part. They require an audit every three years for the safety and security institution and all institutions of higher education. Specifically it says, we have to have an emergency operations plan in place that provides for emergencies and mandatory drills of students, faculty, and employees. We need to coordinate our services with other entities in our community across the state. And the implementation of this safety and security audit. Chief bills did a self-assessment and then we came in with the audit procedures to determine our objectives, do we have a safety and security program that is in compliance with the Texas education code? We have action plans from the previous safety and security audit. The scope of the audit looked at all of the security programs the self-assessment, and our emergency operations plan and chief bills self-assessment that he is doing since emergency management reports to you PD. He did the self-assessment.

The University is compliance with regulation. Mitigation, preparedness, response, and recovery. We did not perform further on those procedures since those were not shown to be implemented. The new

April 11 2022

date implementing those management action plans is September 30th, 2022. He has hired and a management coordinator so they will work on the other details related to documenting our plan. Audit services, you will find that for next year that we will bring back in July. We will formalize it even further next year. Any questions on safety and security? The next one we did this quarter was the conflict of interest audit. Most of you are aware that a conflict of interest is when there is a divergence of the public and private interests of the University. There are several departments that address the conflicts of interest. Just make sure if there are conflicts of interest that they are managed. You can have it managed. It is the employees

job to manage those conflicts of interest. Some employees are supposed to respond to the survey regarding conflicts of interest. It asked for the conflict of interest when it comes to nepotism.

Especially with vendors and other organizations. The audit was to make sure that the conflict of interest was closed and minimized. We did the audit with the scope of 2021 because the disclosure process happens in the fall of each year. Under our summary of findings and observations, the conflicts of interest were disclosed and minimized. We did have some opportunities for improvement. If you will go into the details of the audit observations. One of them is related to outside employment. That part of the outside employment is defined as duties and other employment depending on if it is self-employment in addition to what you do. It implies to all employees and suppositions. Student employees are not required to do the outside employment disclosure. After that disclosure is made, they need to update any changes to that during the next year or any other disclosures. We did notice some instances, I said that they are required to commit the survey. We are seeing a lot of employees overall that are not completing the survey. It turns out that part-time employees were not being presented to complete the survey. Full-time employees were being presented to complete the survey. Student employees were not and part-time employees were not. We are recommending that the university reviews those requirements and determines if the employees need to complete it. And so that will be reviewed and implemented by August 31st in time for the next disclosure. Our department helps run that department. And then as far as disclosure monitoring. We generally have procedures in place. What we saw was progress during the audit. By the time we started the audit until we concluded the audit. The conflict of interest disclosure process is there. Monitoring of the process needs to be strengthened. When we look at disclosures on November the first. Everyone else has done there disclosures. They were 70% complete. And we totally discredited the part-time. It is not very often that they get the survey presented to them.

Vendor relations were 74%. Overall we have 79% compliance a month after it was due. The process for the University is to send out a monthly notice to a supervisor monthly. A regular update saying that these are the employees that need to do the conflict of interest disclosures. By the time we looked again March 15th, 2022 we had better progress. Six months down the road, it was 98%. Vendor relations, 98%. That sounds a lot better than the 79%. I do not know if that was because it was an audit focus. Or if it was a normal part of the process. We have to make sure that we have a process that does provide timely completion of those disclosures. These are state laws. The

April 11 2022

interviewer city is saying that you need to do this. There are internal reasons but we need to be in compliance with by the state of what we are supposed to do. That whole process is going to be implanted by December 31st. After the next disclosure process we will take a look at the disclosures.

What is the penalty for not being over that 70%? What is the penalty?

I do not think there is a penalty, per se. Some department heads within the process may look at it. Some may not. I do not think that part has been developed. It falls under the University policies for discipline. Whether that is being done, I would probably say no. The University several years ago added

that once the employees evaluation is completed, the supervisor is supposed to look and see if the disclosures have been made. There is a box that you check. We looked at 15 employees whose conflict of interest forms were not done. We looked at the evaluation that was due February 1st. It was checked that yes, it was done. It is not an effective control. You can ask the employee, they will say yes, we have done it. If you check, without following up to make sure that they have been done. Other controls that are in place should show that you have not done your university's conflict of interest. I do not know what it looks like. It is not like it is being displayed to them again.

We have done enough training as the board to -- I do not really remember a lot of the outside employee. Especially the vendor relations. It is problematic. I remember those. We have rules about all of that training. We are basically relying on exposure,

I do not really know the process for follow-up there.

Let me add one thing, another control is in place that if you do not do it, the disclosures that you made the previous year do not fall off. Let's say you do have nepotism and you have reported that. It is not going to fall off of your disclosure. That limits the risk, somewhat. It would be new disclosures that are not being made from the previous time.

The audit process that we have, we do not have any resources devoted in our audit plan to randomly select those from vendor relation disclosures and make sure that the rules are being followed.

We do those in the expenditure audits. The problem is, we might not know the Institute disclosure, right? We might know that they are related. There is no way that you can check all of the undisclosed. We do send out fraud surveys as part of our audits

to say, are you aware of any of the relationships or matters that are being disclosed to various people who are but but not disclosed in the audit. They might've worked with people who have vendor relations. I think they are doing what they can for undisclosed. It is on the employee to make those disclosures.

April 11 2022

I am not saying it is worth it but we could randomly select that 7% and find out if there is an actual conflict.

We could do that. Or they could complete the survey. I think it would be easier if they could complete the survey. If there is a taxpayer that does not submit and does not file, that would be grounds to activate that.

What we did was we looked at our assessment. We sent the list to the department heads of their employees who at this point had not completed them. If we went today, it has been three weeks, hopefully we can have more completion. I don't know if your office has had the chance to look. That was the next thing. It comes out from procurement. These people need to complete it. We were happy to see the progress made during the holiday. The list that we sent, I don't remember what it is. About a week and a half ago. We will be following up on those.

Hopefully if people are listening to the board they can go and do their disclosure. I do appreciate it. They are looking at this conflict of interest. We are just trying to make sure that we are in compliance with those. I appreciate the questions. Anything else on conflict of interest? Okay we will move to our business office which most of you are aware, we had some reorganization at the University. We did perform to surprise cash counts with the new employees. One on September 1st which was her first day there. And then again on March 17th. We were happy to report that the University cash was saved in the business office. Under the annual risk assessment, this is something I bring to you every year, it involves the University community. We appreciate so much everyone who responded to the survey. We sent out 126 employees to the directors, Dean's, whichever area completed the survey. Again, it is not meant to be quantitative. It is just a general feel across the University of the risk that the University has. Those of you have access will see, it might've changed order a little bit. But they stay relatively the same as the previous year with the number one risk this year, which is not surprising, being that the University does not maintain meaningful and sustained growth. The second one being the risk of budget fluctuations. Also budget funding. Mandates, unfunded mandates or other unexpected expenditures. The third one being the risk of the pandemic for disaster interrupting University operations. That was a lot higher a couple of years ago when we did the survey during the pandemic. And number four, is that we have a strategic goal of staff. The University culture does not meet the goal of meeting a respectful workplace where accountability is an important principle for everyone. Those are the top five risks. We use this and we distributed out throughout the University. It is used in different ways. They will help to develop the audit plan for the next year. In other places that we can help in each of those places.

Obviously wealth all of the pandemic in our rearview mirror, I just want to comment on the importance of global versus local risks. And risks that you can do something about. And things that you can do almost nothing about. For example, having insurance on various

April 11 2022

buildings and properties. I need on insurance because of a tornado, for example or a fire. If I am in Houston or Southeast Texas and hurricane Harvey comes in, I will get billions of dollars to mitigate that risk. If I am in Texas, I better have that insurance. That is going to be a local event that the federal government is not going to care about your we all know about COVID, that was a global risk urine every public institution was affected by it. When we think about audit priorities, COVID was hugely disrupted. The government stepped in to take care of that risk factor. Even though that is a huge risk, that is a huge global risk, there is not much that we can do right now here in this institution to change behavior. Those are things that are execution issues for us here in our administration here for this board. We have to mitigate that risk and we can do something to mitigate that risk.

An example of risk three, the pandemic, we take the survey when we develop our audit plan and we develop our financial statements to look at the whole effect. We have separate risk assessment that goes with it. We look at our financials and we look at the federal money that we got because of the pandemic.

We should probably be doing audit procedures related to the pandemic and the University. It becomes a more global picture. As a region thing, what can we do about budget fluctuations. Those are bigger areas that need to be addressed by the board and the University. I agree. I would love for the audit resources to go towards what we as an institution are not doing and executing and mitigating when it comes to our risk factors locally.

I appreciate and I will talk about our process. The admission process when people went into file review. They got automatic admissions years ago. We went back and checked. Did that person actually have the points they were given to get into the University. It is important that we audit all of those major systems at the University as much as we can.

How many people were surveyed?

126. Every Dean, every director, every one of the coaches completed there. Everybody, 100%. We did not have to call anybody this year. We have to make a few calls every year. By the I don't think we actually made any calls this year. I was good. We do realize how important that is. We do appreciate that the University does this. We started this process in 2006, responding to the survey. It is not new. It looks a little scary. You can do it in 15 or 20 minutes. I appreciate you responding. Any questions on risk assessment.

Again, the audit of the auditors. We are required to have the audit standards have a review or a accreditation of the audit function every three years. The federal audit standards and the Texas audit act. We perform a self-assessment. You can see the history of audit services, the Texas internal audit act came into effect in 1993. A long time of , when did we start having a gap . We have our quality assurance history. And then we reviewed the period from April of three years ago through March 31st of this year. We have a valuation of a self-assessment in the next few months. We do believe that we are in compliance with the audit standards. Any questions they are? As far as the update on the audit

April 11 2022

plan. The single audit report for grant funding and federal funds that we get for financial aid. We are part of the state of Texas for those funds. We had a couple of follow-up items in there but no new items in the report related to SFA. We are still working on the Perkins closeout review. And then we are requiring an external auditor to do the external closeout audit for the basketball performance facility. Other projects that we are working on are the endowment audit. A follow-up on the I.T. work.

They did a remote scan last week. We are waiting for those results. We have our regular audit. That is another place we look at conflict of interest regarding those contracts that we selected. That is my audit report for today.

I might add, you asked me to attend a conference this spring in the Dallas area. That is an annual event I guess for the audit staff. It was very well attended. I actually sat on a panel of other financial and administrative chairs of institutions, and talked about the quality of the work that the individual institutions were headed. And had the opportunity to meet other chief audit executives of other institutions. Gina does an outstanding job within that group as she does here within our University campus. The entire staff was there. It was well attended. It was really great to see that people were really focused on all university campuses in this area. Thank you very much for allowing me the opportunity to be there. There is an outside review that is coming up here very soon.

It was the annual conference. He sat on the panel, with the University of Texas system, the University system, and the third one was the Texas Tech system, he was representing -- you know, we have community college,

all kinds of private universities. He did a great job representing our University and talking about risk. We assigned him the question of technology, he was very knowledgeable in that area. We really appreciate Regent Mason. Thank you all. Maybe thank you.

Madam chair, if we have additional time, I do not think it will take much time to do another quick couple of topics. Let me introduce Regent Floras and they will be meeting with me and the chairs. If we are prepared, can you provide us -- Johnson will give us the report on contact --

The contact monitoring report is something that we run each quarter.

We have three contracts to report. The first contract is love, advertising and this is for digital advertising services. This contract was effective on

1-320 22.

The expenditures are 250,000. The estimated amount is 150,000. On this contract extends through 1-2-2027. The next contract is sports LLC. This contract is related to athletic terms and placement by statute. There was an amendment in the amount of \$170,000 to add

April 11 2022

asphalt to the indoor track and extend the delivery date to 2022. The expenditures are \$1,436,000. The last contract is the Texas General land office . This is are a electricity contract. This was reported last January as well.

There was another amendment to extend the contract date and that was to lock in additional utility rates. The current fiscal year expenditures are 2 million , and the total contract aggregate is \$18 million. Any questions?

Any questions from the committee were board members?

>> In 21 when the electricity rates in some parts of the state went crazy. This contract, it does not allow and we are not exposed -- I assume that this keeps rates constant?

To my knowledge, I believe yes it does. I will have to ask John to elaborate on that. >> We do see some spikes in electricity and natural gas. We consider it an act of God and we pay about \$400,000 for gas and electric. We spread that out over several months. We did not see any spikes in electric.

I will add, in July, we will be bringing this new contract for our utilities. Any questions?

Thank you. The chair will recommend contract monitoring, we will also be recommending agenda item number 70 be pushed. If we have time, we will go to Ms. Judy. Can you go to agenda number nine, the grant awards, please?

This is a regular quarterly report to get an approval for grant awards for the fiscal year. The award total is

\$81 million. The total grant award is \$28 million . An increase of \$196,000 since last report. This extends research and serves as engagement for different disciplines. You will notice the details of the report. We have an award that was from the vision of financial affairs. The federal grant from the Department of Justice for \$38,000 to fund an exciting program called University campus and community . I think you have all heard a lot about this. That is very exciting to know that we could participate in that revision as well. So the administration recommends approval of the additional fiscal year of the 2022 grant awards of \$98. Any questions from the committee? Thank you Judy we appreciate that report. The Madam chair will be recommending that report on the 19th.

With that that is a good time for us to leave the finance and audit committee meeting and we will reconvene the academic and student affairs committee so that we can tour two different campus facilities. Is that all right with you? Regent Henderson? Okay. We will now proceed to a bus. Okay. We will continue the meeting on our tour right now. [The event is on a recess. Captioner on standby.] [Event concluded]