

Please stand by for realtime captions.

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We are promptly stopping the, starting because we have a full afternoon and I will start the rollcall so Tom Mason?

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Here. David Aldridge will arrive late for today's meeting, Robert Flores?

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Here .

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Bridgette Henderson?

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Here. Judy Wilson?

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Here .

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[Indiscernible]

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Spencer coffee?

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Here. Scott Gordon?

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Damon Derrick.

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[Captioner Standing By] Normal

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[ [Roll Call]

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Okay and thank you for being here and it is great to see everyone and at this point we will recess until committee meetings and we will begin with the academic and student affairs committee meeting with Regent Henderson .

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Thank you Madam chair and I would like to remind everyone the academic student affairs committee is made up of myself and Laura Recktenwald and Jennifer Winston and Spencer Coffee and Karen gab in the ex officio and we will begin in our beaning today with the Hanover Research faculty and staff salary study and doctor Gordon I believe will help us with that .

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Yes and thank you and a little bit of a background on the two studies that will have a review, upon arrival in 2019 I was presented with two or three different faculty salary studies updating back to 2010 and I think another one was 2015 and it was decided we needed to really look at and dive into both faculty and salary staff salaries and in our contract with Hanover Research we ask them to do an independent analysis of where the faculty and staff salaries rate and where they fall within the peer institutions and it knowing this is something that we do want to address and we wanted this independent analysis to help guide us as far as where we need to address the salary concerns and so with us today to review the studies we have again two separate studies and one that was concluded I believe either late 2020 early 2021 and one concluded here in 2021 and we wanted to present to the board and so we have with us today Paul Gibson who is the managing director of higher education research at Hanover Research to give an overview of the two studies and so, Paul, I will hand this over to you.

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Thank you doctor Gordon for the introduction and can everyone hear me all right .

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Great.

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Let me start by sharing my screen.

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Is everyone able to see my presentation?

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Yes. Excellent. We are off to a good start .

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[ laughter ]

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Good morning everyone and thank you for having me and as Dr. Gordon said my name is Paul Gibson and I am the managing content director at Hanover Research and to move to a little bit of an introductory or introduction for those who are not familiar with the partnership Hanover Research is a market research firm based in Arlington Virginia and works with more than 500 higher education institutions and really running the gamut from the large R1 research institution to small liberal arts colleges and community colleges and colleges of business and law of theology and we are involved in a number of different relationships providing research support services as well as grant writing and review and services to the institutions across the U.S. and Canada and Australia. The research includes market analysis for new academic programs and providing data to support development of the new programs and services to inform the enrollment pipeline and help in student, improve student success and services to maximize donor stewardship and advance services as well as some of the things that we have been working on with Steven F Austin University with been working with the University since March 2020 on a variety of topics and these have included an assessment of brand perception and a review of campus climate which we are currently engaged in and as Dr. Gordon mention in his introductory remark much of our work has centered on analyses of faculty and staff salaries and this is really meant to be an exercise in improving the University talent attraction and retention ability and it is this workflow that I'm here to talk with you about today. And for a little bit of background which Dr. Gordon himself provided University leaders approached Hanover in spring of 2020 to conduct the salary study with the goal of informing the University's understanding of faculty and staff salary relative to the peers and both national peers as well as Texas peers.

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The guiding principle of the research was to assess whether or not university employees are over or under compensated and to develop a plan to address compensation gaps over time and so the main driving research questions for this workflow were how do Steven F Austin University salaries compared to the median salary of national peers and where are they higher or lower or aligned and how do they vary by the key statistics including for the faculty rank and discipline and for the staff, job type and as well characteristics of the individual whether they be gender or race et cetera and in addition to the review for national peers we similarly did a review of Texas peers as well.

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A few notes on the data that we used for this, or the series of studies ultimately it was a series of studies will utilize multiple pieces of data for the two projects and the key data piece really being the data supplied by the University through college University professional association of human resources the HR reports as well as Steven F Austin on submission of CUPA HR from 2017 through 2020 and they were average and median aqua teen, faculty salaries this a graded by [Indiscernible] race and ethnicity and similarly we use the data for the staff salary with them being disaggregated by job family and position in gender and race ethnicity and for the faculty study we had two supplementary pieces of data and one being data on faculty salaries drawn from the national center for education statistics integrated postsecondary education data system and we drew the data from 2016 through 2018 and they were available at the individual institution level and so with the CUPA HR data you are only able to see how the trends look, how the trends look for the peer group as a whole group and as looking at the IPEDS data we are able to understand and disentangle broadly speaking what faculty salary and trends look like for individual institutions as every year each university in the country submits data to the NCS. These include enrollment, some institutional levels criteria like enrollment and the number of student to faculty ratio instructional activity et cetera and this also includes average faculty salary by academic rake and gender, rank and gender and the second part of it which we'll talk about relied on data from the Census Bureau American community survey and this is a survey that is done each year by the Census Bureau essentially a small version of the senses rather than surveying the entire country with the goal of hearing from everyone who lives here and they serve roughly 1% of the country on an annual basis and use the data to generate statistical norms that that can be applied to both national state and local geographic areas. We use this data in particular as a measure of looking at median household income by county and we use this essentially as a way of standing in for cost-of-living in those local areas. And then for the staff survey, or the staff study we supplemented the CUPA HR data with that data that came from the Texas labor market information which is a service of the Texas Workforce

Commission which looks at average salary and median salaries by occupation group for this date and for local workforce regions and then we included as well data from the city salary plan which is essentially a midpoint wage so that we have a comparison point understanding how the University pay rate may compare for relevant positions to local, the city or a local competitor and so it is unlikely the city as a university president but it does have financial officers and it does have accountants and it does employ groundskeepers and those can be an important competitor in addition to other universities for those types of services.

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And the defining of peers, we looked at a few different categories of college University type to understand and select those peers and working closely with university leaders and so the institutional sector and category we were looking at public as well as some private and not-for-profit four year degree granting institutions are merely those granting baccalaureate degrees and above and we focused on institutions located in small and midsize suburbs and towns or rural locations and included a preference for institutions that were between 5000 and generally between 5000 and 20,000 enrollment and of course there are some outliers that were included in the data set as well and for one reason or another it fit a category and we would exclude those as well and so there were 122 institutions included in the overall national peers and about eight Texas institutions included in the Texas peer group

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I will walk through each of the studies quickly here and on their own and just to give you a sense again of the methodology that we employed as well as some of the highlighting some of the key findings and from there I will also pivot to showing the dashboard outputs that we created for the University and it is my understanding this group has access to the dashboards and may be able to get access to the dashboards and I want to highlight some of the key variables and points of interest as you are working through those.

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The faculty salary study included two parts in the first part is a descriptive analysis and in the descriptive analysis Hanover centrally visualized salary trends by faculty rank and academic year and interactive format, which again I will display in a moment. We provide filters for university leaders to create custom comparisons and analyze trends for specific peer groups and against the descriptive statistics really being how do salaries at Stephen F Austin compare to peer and national peers and Texas peers and there is not a lot in addition to that other than just describing what the data trends look like and how they have changed in recent years. Moving beyond the descriptive Hanover is also able to put together a linear regression analysis because we have data for individuals and institutions as well as for the groups as a whole and the question kind of services any time you are doing one of the salary benchmarking type studies, how do the various peculiarities about a given institution influence the rate of pay it is making to faculty members and so do universities and a lower cost of living area Payless and do universities that have a larger number of students enrolled in ESTM fields pay more and have a larger science faculty pay more et cetera and so we use this to attempt to disentangle some of the variables and help Stephen F Austin come to a more targeted understanding of how it, as a peculiar institution with a specific setting how the salary rates manifest and ultimately whether it is pay scale and reasonably comparable to the peers are not. There are regression analysis utilized both iPads and or IPEDS and CUPA HR as well as the median household income I mentioned before coming from the American community survey which was a control for cost-of-living.

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The findings here and I will highlight a couple of things from the descriptive analysis and then from the regression analysis and the finding was the median faculty salary at Stephen F Austin is lower than the medium salary for peer institutions by about 12% and this is a gap that narrowed slightly between 27 and 2020 and it continues to sort of exist in the roughly 20% range. The gap is wider with seniority for rank and so new assistant professors at Stephen F Austin are paid roughly at similar rates to the median salary levels at the peer institutions. But, the gap widens as you sort of work through the salary scale and so a professor for example a full professor has a median salary of roughly \$12,000 less than the median peers and this is also a distinction that seems present in most disciplines and in particular I would say business faculty are the primary exception where we do not see as much of a difference between the University and the peer group and for most other disciplines the gap is apparent. Drink moving into thinking about the regression analysis, there are some mitigating factors that may help explain some of the gaps and in particular, median household income, the stand in for cost-of-living is a strong predictor of salary and Stephen F Austin University is located in a place with a roughly 6% lower cost of living than the national average and so it helps to explain a little bit why some of the pay

differences may exist and in comparison to University that is located in a much higher cost of living area and would therefore be paying more. We also found some other key drivers here and one of them being the higher student to faculty ratios equate to lower faculty salaries and also the doctoral granting universities have higher salaries on average than Masters granting universities or colleges.

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In the staff salary analysis, the emphasis was primarily on the descriptive in this case there were not institutional level data available to support a regression analysis and so the analyses here are primarily descriptive and again visualizing trends by position and academic year and charting those out and the primary difference or one of the primary differences for the staff survey versus the faculty salary assessment is we are not only concerned here with the competition that is being provided through University peers we are also trying to factor in and be aware of the fact that the University employees many staff members who could look outside of academia for similar types of positions.

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I will also mention not every position at Stephen F Austin has a match in the CUPA HR data or to an exact match to the Texas labor market information data and similarly not every position that is going to be drawn on the Texas labor market information data are matched to the Stephen F Austin positions and so we are definitely working through, Hanover does a good bit of matching in this and we work closely with the HR team and matching University job titles and positions to occupational categories and the more standardized data sets to get as much as possible a like for like assessment.

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The key findings here, the median salary for staff is lower than the median salary at the peer institutions and similar to the faculty, and the pattern is observed for all three broad job families and those include administrators, professionals and staff. We also find that broadly speaking the pattern is more pronounced at higher levels. Staff employees at Stephen F Austin in comparison to Texas peers make approximately \$1000 less per year in the professional job family that paid, the pay differences of proximately \$5000 and the administration level, again, in comparison to Texas peers, the pay gap is roughly \$21,000.

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The differences in compensation are particularly pronounced between Stephen F Austin and its peers in the case of minority staff and so when we look at black or African-American professionals at Stephen F Austin in comparison to Texas peers or Hispanic Latino staff workers those tend to be where the most pronounced differences exist and as I mentioned before the median salary gap for administrators exceeds \$20,000.

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That is the end of my slide presentation if you will indulge me momentarily as I change my screen share.

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[ Pause ] is the new screen visible?

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Yes.

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So this in addition to the summary data that we put together the primary deliverable for each of the pieces of research were interactive dashboards that can be utilized to understand at a narrower and more granular level what the comparison points are for Stephen F Austin and Texas as well as national peers and the findings they recommendations they are included in each of the dashboards and if you are interested, you can also find in the dashboard and overview of the data as well as an overview of the methodology so that you have the methodological notes and there is a lot of details here you may or may not be interested in and the most compelling and the most useful piece of information are the dashboards themselves where you are able to look at various factors in median salary and faculty rank and sort of dig into the data more and as we see here, again slightly, this is overall faculty median salary if you wanted to change it to average salary you can and you see a slight narrowing of the gap over the years and in comparison to Texas peers versus national peers for the women versus for the men.

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And the professors the new assistant professors and as you see it's adjuster me a focus on increasing the pay band of new assistant professors and in particular perhaps because of a competitive hiring market this is one of the things I would generally expect to see in an area of competition especially starting staff salaries grow more quickly and in this case have surpassed the peer group for new assisted professors and then also the ability to dig

in by education area and you can see there's not always a trendline available in this just depends on data availability for each of the areas.

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And within the dashboard we also have, what we call expected faculty salaries, and again these are the results of the logistic regression assessment that we did and you can sort of input various attributes of an individual.

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The attributes of the University and this will demonstrate ultimately the toll, it predicts an average faculty salary for the different categories of analysis and with the key sort of being understanding how each of the trends may affect the salary as well.

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Simile for the staff salary benchmarking projects, we have a dashboard available, which you can use to dig in more deeply into the various category of employment of staff whether they be administrators or staff for professionals at Stephen F Austin and look as low as individual positions and again sometimes there are limited data available which make the trendline less valuable when you're looking at larger numbers and you can see how those play out and then you can also let me actually get a larger drop group and if you would like to understand better how the trends in the demographic variables are influencing or have historically influenced compensation rates at Stephen F Austin in comparison to the peer groups , you can use this tool for that as well and so in this case for all of the male staff, the peer group is paid higher by about \$2000 in 2020 and for the female staff it is a gap of roughly, actually roughly similar gap of more or less \$2000 up to \$3000.

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And so allow me now, I will stop screen sharing in that is the end of my prepared remarks, but I am happy to answer any questions anyone may have about the work the dashboards themselves or general trends that Hanover observes and similar types of work for other institutions and how the results were Stephen F Austin compare to other work that we have done in the industry.

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Thank you, and I want to make sure that the community knows that later today or tomorrow, all of the data, there is a wealth of information of the two reports, they will be available on campus at my SFA and there is a note coming out with a link to tell you exactly where they are. So they're working on getting those sites set up and so it is imminent and we will let you know exactly the location.

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Brigettee Henderson and I don't want to step on your toes or committee meeting but I have a question --

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Are there any questions on the floor or for of the presenter, Paul?

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David?

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Paul, thank you for your information in the work on this and I wanted to ask a point from the student faculty ratio and that effect on pay and I can elaborate on this if you don't mind.

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Sure. Let me return to that slide quickly.

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[ Pause ]

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I actually do not have the details in my prepared remarks here in my notes in terms of how or what the difference is in terms of the number or percentage and I can certainly get that and circulate that to Dr. Gordon after this meeting so he can get that information and make sure it gets to everyone. In particular, what we see as a general trendline, institutions with the higher student to faculty ratio tend to have lower overall faculty salaries and this is a particularly trend we see at the senior faculty and professor rank. The explanation there is, not entirely clear as to why that happens other than on average the possibility of fewer object faculties and things like that being employed as well as potentially a larger number of senior faculty who have been in positions longer .

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Okay and along those lines that your data set give us comparison between the SFA faculty or student faculty ratio and that of the peers and we are or where to the data set show that?

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That is not included in the faculty dashboard other than when you are looking at the predicted average salary you can see it there but it is not shown, it is not shown for all of the comparison institutions individually.

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Okay. Is that a data point possible to abstract from the data set?

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It is, yes.

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I would love to see that information. Also, this is kind of an area where we want to see the forest and the trees and especially at the place called lumberjacks [ laughter ] but we want to see the [Indiscernible] and I am interested in how the aggregate data appears for SFA compared to the peers and in particular in a data point that would be total faculty pay as a ratio to either enrollment by a student or enrollment by semester credit hours and so I would love to see that ratio as well and in other words, identify I think very clearly we are lower than average and our compensation both in faculty and staff but I need a little more info about how efficient we are allocating faculty and staff to our enrollment.

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I can share, and going back to the dashboard, this is a tab on the dashboard that I skipped over in the presentation to focus a little more on the bigger aggregation tabs, but this a piece of available data you will be able to look at when you are, again, reviewing dashboards and this is the one that leverages primarily the IPEDS data and you can see the comparison points for SFA versus the peer group whether you're depending on how you are structuring the peer group and one of the options here is to look at enrollment FTE and of course there is hover over as well that can outline .

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That is a great [Indiscernible] and I want to see the universe and the aggregate of the total pay to the faculty and as a ratio to [Indiscernible] .

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Okay, got it that makes sense.

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I am writing that down and that is something we would be able to produce and I think, reasonably quickly be able to share.

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I appreciate your help.

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Okay. Any other questions?

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Okay. Thank you, Paul and we appreciate the presentation and look forward to receiving other information requested. To make thank you everyone for your time and if you have follow-up questions, please do not hesitate to reach out to me and my email address is P Gibson@HanoverResearch.com and I'm happy to follow up with any responses as you are digging into the data a little bit more. And with that I will leave you to the rest of your meeting and I am sure you have a packed agenda and thank you for your time .

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Thank you.

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Okay Dr. Gordon will have and will notify everyone when it will be available. Something to read on your off time. [ laughter ] it will be a lot of information, just the preview to it is 15 pages that we received this week. And so it will be a lot of information for reading .

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Before we move on I think it is important to note the board has expressed repeatedly how important the issue is on faculty salaries and staff salaries and this is not a one off report we will be looking at this and get this follow-up information and continue to study this because this is critical to SFA moving forward and this is not a check the box exercise and this is a deep dive study that needs to be done to focus on the future and the success of SFA and so this is the beginning of this and not.

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If there are no further business with the Hanover research study we will move on to the next item which is shared government documents and your diligent books that document begins on page 71 and I believe Dr. Gordon you will -- okay Daymond .

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And so

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[ Indiscernible - multiple speakers ] we're being flexible .

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Dr. Smith is not available and so over the course I guess of one year perhaps even more or longer than a year representatives from across campus to include the faculty Senate staff counsel and administration I been working on a document to detail the role of shared governance on the campus and the faculty Senate and staff counsel and I believe [Indiscernible] and the other academic groups have contributed to the document and put in a lot of work and it is gone for review and all the various groups and it has been discussed and what you see in front of you is the result of that effort and the thought is the document will be approved by the board and thus it will be the board approval and it will be reviewed on periodic basis for changes that may come and of course the changes will [Indiscernible] and the policy review process this exist outside policy manual as you know it. I'm happy to answer any questions anyone has or I will defer to the authors of the documents. Any questions concerning the shared government's document?

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Tomorrow we will recommend approval for that document and last on the agenda and those are in the board book beginning, we have an update this morning and so beginning on page 77, all but one is very routine policy updates, we did have a significant addition to this social media the policy 15.11 and basically it was to get us more current as social media grows and of course the policies grow and are need to govern those type things and so it was to get us to the standards where we needed to be on social media. Unless there are any questions or concerns about the policies I would be happy to point you in the direction. Any questions? We will recommend those for approval and it would adjourn.

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We are scheduled to take a break, but we are also 45 minutes ahead of time and the next, it is finance and audit but I believe the first report is not keyed up until 10:15 and so before we get into that meeting, Gina, you can start with that we will not go to a break just yet if that is okay with the board and Regent Mason .

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Yes indeed .

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At this time we will move to the finance and audit committee.

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Thank you, ma'am chair in the finance and audit committee is composed of Judy Olson and Regent Robert Florez and Karen Gantt and myself and after, since we will not go to the a and M investment report, I presume we will wait so Judy is at the podium and we will go directly and flip it over to agenda item number 11 which is to acknowledge receipt of audit services.

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[ Indiscernible - low volume ]

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They have me queued up and ready to go.

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Okay I have a few reports to present to you today if you will recall at a December 12 Board of Regents meeting we reported on the special budget projects and external review we also opened and worked on this quarter and so these will be the other projects and addition to those we reported on and so the first one is of course the benefits proportional by method of finance audit and those of you who have been around or recognize this is what we call routine audit now and it is written into the general appropriations and the audit department will audit every year and so far it says we will audit 2019 and 2020 and 2021 and we expect the next legislative commission for the requirement and we have been auditing this for several years now and have to follow a methodology

approved by the state auditor's office and make sure all universities and state agencies are using the same methodology as they look at the benefits by method of finance in the in the report, you can see the appropriations we get from the state of Texas in the general revenue fund about 38 million the general revenue dedicated 16 million and we have the benefits and retirement benefits of around 3 million and 6 million in group insurance and 3 million in Social Security and so what benefit or personality says is whatever find salary is paid out of the benefits have to be paid from the fund also so it keeps all of the benefits being paid by the state fund and only saris can pay or paired by the state fund can be paid out of the state fund and the objective of the audit is to gain assurance that we comply with the applicable provisions that make sure benefit proportionality is appropriate and we have that as our objective along with following up on outstanding management actual plan from a previous year and we did go ahead and choose an audit FY21 for the controller while she was still here and we worked on this November and December and she retired the sum of 31st and she did the 21 report and so if you will turn to page 3 the summary of findings and observations we did get the assurance we are in compliance with the benefit personality requirement for the previous management action plan the division of finance and administration under the interim [Indiscernible] has said they are in the process documenting the reconciliation policies and procedures related to the insurance and benefit and retirement and with a new target implementation date of May 31 of 2022.

That is the benefit proportionality audit and I will keep going to the construction management closeout audit. This closeout audit related to the STEM building you will recall we received 46.4 million in tuition revenue bonds in 2015 to fund the project and [Indiscernible] was chosen to be the construction manager and the architect he was [Indiscernible] the architect the STEM building actually open July 24, 2018, however additional components and project components were added and so the final payment was not made out of the fence until February 2021 and so it looks like it is a longer time but it was not for just building the building but the related projects for that and so STEM total project cost which included the tuition revenue bond and interest related to it was 47.3 million and the audit objectives were to gain assurance controls and processes existed for construction management and construction closeout such as closeout reports are accurate and timely and sufficient and project payments are made with contract provisions and select terms and conditions and contracts are appropriately fulfilled and closeout procedures are formally documented in the records were taken in accordance with state of Texas record retention requirements and so once, when we started the audit we were made aware the finance administration division had previously contracted a contradiction closeout audit with RL Townsend and Associates in January 2019 however they did not fold the correct procedures so the University, we did not request approval from the state auditor's office the delegation authority for the external audit services and you have heard me talk about that as we give other audit services this year and we had to go back and ratify the audit delegation authority with the state auditor's office and we received the ratification and approval on September 22 2021 and so we contacted Townsend who agreed to wrap up engagement and provide a final construction audit report and we relied on towns and audit work and they had been to our construction manager's offices in reviewed the records and reports and invoices and they reviewed 38.6 million of the construction manager payment and the audit from towns and resulted in 45,893 of audit adjustments in the summary of findings and observations we did have assurance we have the controls and processes for construction management closeout for the objective related to the project maintenance we relied on Townson for that portion of it. They did conclude the cost-plus fee billed were in contract agreements and understanding and we had one opportunity for improvement which was in the physical plant director and interim [ Indiscernible - low volume ] it is just a documented closeout policies and procedures they are very brief and just to make sure someone else could follow up when it came time for closing out a lot more projects and so they are already working on strengthening the documentation and will have that by May 21, 2022. Any questions on construction closeout?

We have already had delegations from the state auditor to do other construction project closeout and I think John branch mentioned that in one of his reports will be working on the basketball performance facility to closeout with the external auditor also. The next report I will bring is the tuition set-aside audit.

For the tuition that we charge whether it is statutory or designated tuition, we are required to set aside certain funds to be used for financial aid for students. I think the best place to see the illustration is on the next page, the second page of the report and the amount of tuition set-aside for the statutory and designated in 2020 was 8.9 million and 2019 was 8.8 million so these are the funds that we set aside and used for financial aid and they go

through the programs like approval [Indiscernible] and lumberjack grant and the internal SFA financial aid programs as well as other matching on some other financial aid programs.

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For example, when you look at the set-asides, for the statutory undergraduate and graduate tuition is \$50 per semester credit hour and we set aside \$7.50 on each of those and for the statutory tuition for the undergraduate and graduate nonresident is 3% so we set aside \$1.50 on each of the \$50 per semester credit hour and on the designated tuition where the set-asides are larger amounts and so for fiscal year 2020 with the designated tuition around 204, we had to set aside 15% of the amount over \$46 and so around \$150 was set aside and 15% of that and it becomes complicated because we have so many fixed-rate plans and cohorts each year and it is not an easy calculation of 15%, it becomes complicated and so the controller's office and Finance and Administration area do that. We did look at for the audit scope 2019 and 2020 with the audit objective to make sure we comply with applicable tuition set-aside requirements and we did find that we were generally in compliance with the requirements but we did notice opportunities for improvement or enhancement and one being award rations, Regents authorizations is the evidence board of higher Ed will establish guidelines determining eligibility and then other requirements of the program and we did not see we had April go back years in the Board of Regents minutes and did not see this specific authorization or a policy that addressed it and we have ranked this observation as a medium with a recommendation for University to submit the guidelines or policy for approval by the Board of Regents and so the VP finance administration and executive director of enrollment management are working together and they will work on that for July 31, 2022 implementation.

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And then since we were working on the University budget special project at the same time we were doing the tuition set-aside audit we also noted there was the Texas public education grant which was set aside the statutory tuition and there was a account of \$2.8 million that has been in existence since the University converted from +2 banner and the documentation was not readily available and we are required to perform excess funds calculation if we build up excess amounts in the higher tuition set-asides that we use now and so we have a recommendation the controller's office review and the set-aside accounts and make any necessary adjustments and coordinate reporting of the amounts for the tuition set-asides.

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The next observation relates to the required reporting designated tuition in the General Appropriations Act and we are required to report on designated tuition for the audit period we were in and it was due January 1 and it fell within our scope and now that we are January 2022 or what was due January 1, 2022 the report is to show how much designated tuition is collected by the University and how we spend they dedicated or designated tuition because those of you have been Airwatch remember when designated it was deregulated in the tuition and this is a report of how you are spending the fans and especially how do we use the set-aside funds and are we using for grants or scholarships or work-study or student loans or Student Loan Repayment assistance and report is due scholarships or work-study or student loans or Student Loan Repayment assistance and report is due to the various departments at the state government level. state government level. We noted that it did not appear that we had prepared appear that we had prepared and submitted the reports that were required and so the [Indiscernible] will work on required and so the [Indiscernible] will work on that and have the reports by April 30, 2022.

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Any questions? by April 30, 2022.

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Any questions?

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Yes we have observation ratings which I assume you are [Indiscernible] ratings which I assume you are [Indiscernible]

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Yes.

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We have orange and I'm concerned about it more than just orange and I'm concerned about it more than just the fact and obviously there is a let down in a let down in the administration and these are both reports that are required run by the higher education reports that are required run by the higher education board and just the legislature is that rat?

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Yes it is that rat?

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Yes it is by the [Indiscernible] and the the Lieutenant Governor and the House Appropriations Committee .

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Are these new reporting Appropriations Committee .

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Are these new reporting requirements or have they been in existence for a while?

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[ Captioners existence for a while?

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[ Captioners Transitioning ].

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So for 11 or 12 years we did everything appropriately.

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We did not see where last ever.

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Oh these reports have never been submitted?

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I think they are still looking to see. Because of the turn over. Within the department. So either the record retention wasn't appropriate, I see Judy shaking her head. They are not aware of the reports required by the again ropeiations act. Now the coordinating board report was prepared. It just did not include the \$2. 8 million sitting in a restricted net position fund balance account, that we think is probably not an appropriate account.

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Surprised we went along for 12 or 13 years and never reported these data points.

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Agree. It would have been every other year. So yes. Reports would have been due.

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Does the coordinating board ever, they don't audit, I mean, they didn't send us any information or any citations?

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Jessica Barrett, has been investigating this for us. And you know, I think what we have found is that we are not the only university that has a report. I think it was a change that went into effect what 2008? I don't know if it was some obscure reporting requirement tagged along with it. But when Jessica reached out to our coordinator, they were like oh, let me check on that. So it is not, apparently, something that has made its way into the mainstream review obviously rewe should be filing a report if it is a requirement. I fine it odd that over that length of time we wouldn't have been notified at some point for a failure to have filed a report. However, we will develop the report and get it filed retroactively as of January 2022 and it will become part of our standard reporting. But it would be nice to know if anyone is using the report if they didn't miss the fact that we didn't file one for 14 years.

---

If you google it you can see UT's they just filed is out there on their website. It is brief and plains all this. So it may just be our size. Or we really cannot say that it has not been filed. It does not appear that it has been filed. There has been turn over in retirements. Just not the record retention for it was filed.

---

I know there are numerous reports required probably certainly Austin and maybe Washington. It seems like there would be a master calendar that would have our reporting requirements listing there and a matter of checking the box. I know there are a lot of them. The reason you assigned is because clearly it is a report that is required by our government.

---

It is legal and required. For the university. And the fact that, it would be different if it was just late. The fact that it hasn't appeared.

---

And then the one on the \$2.8 million, it is high because it is possibly restricted fund, right? Instead of restricted, and that is real important to us right now. So we have assigned both of those as high. Not priority, the highest.

But the next highest ranking in our rankings.

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Thank you.

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Any more questions on tuition set asides?

---

Okay. We will go next to our NCAA financial statement. Agreed upon. This is also a routine audit. We have an external firm in this case Harrington perform these. The NCAA puts out the procedures and their guide to make sure all intercollegiate athletics programs are getting the same review of their information. The financial statement that is reviewed is prepared by the controllers office and we have had lots of questions, I think one even came up in the UV C, when we were present there is the other day about the difference in the numbers and the NCAA report as compared to numbers in the university's report. The NCAA report requires you to take all revenues, expenses, even from your booster organizations. So if your foundation that is not part of your university reporting entity, any other organizations that may have funds on your behalf, you have to them all into one report. So that is why it looks like the expenditures are higher in the NCAA report, because you are combining university and nonuniversity specific expenditures. And then, in addition, in direct cost allocations made, which is not done in your normal university financials, because they are already included overall for the university. So the purpose of this is to evaluate whether the university's intercollegiate athletics program financial statement complies with the NCAA by law 3.2.47417 for the year ended August 21, 2021. This is due every year for reporting by January 15. The president actually has to certify our numbers as of that date. And it has to have an external audit before that time. So you can see the agreed upon procedures that the independent accountant performed. And at the end of each one it will say something like no material exceptions were noted in perform these procedures.

---

So you can see that all the way through the report. When you get to the financial statement, it will detail out the revenues and expenditures for each program that we have at the university, whether it is the five men's programs and the nine women's programs and then maybe some expenditures like trainer or other things that are combined for both men and women's programs. And like I said, it combines from all sources, not just from the university. So this is a report, and when we get questions like how much are ticket sales? You can see in the report it is detailed out for fiscal year 21 it was \$394,312. So it gets down to that detail within the NCAA financial statement. The live ones on the side, student service fee, those are the same in everyone's NCAA report. So any questions? I know Brian Ivy is here too.

---

I have some. Obviously I'm interested in this number. Do you, do you perform this audit every year? As I recall?

---

The external firm does. Yes. We coordinate. And get the approval from the auditor and an external firm proposes this every year. Yes.

---

I'm obviously very interested in tight sales on a one year snapshot but also really interested in seeing what the trend is there. And you know, what we are doing from year to year in terms of ticket sales coming from our big high profile.

---

We can trend this. We can take it and trend it. It is not required from the NCAA but we'll mix a report like maybe a five year trend, is that good?

---

Five year trend would be great to see.

---

I have some information here.

---

Sure.

---

That would be great.

---

So just going back this is total ticket sales for athletics, this goes back to 2009 and 2010. Total ticket sales, 165, 167, 137, 112, 153, 200, 192, 178, 184, 235, 275, last year it was 394. And the forecast for this year is 737,000.

---

Wow.

---

So again, just go back five years. What was it five years ago and what do you forecast to be this year?

---

Five years ago 184.

---

Total ticket sales. Football, basketball, baseball, softball. Everything that we sell tickets.

---

And the forecast this year is what?

---

Our forecast this year 737,000.

---

Last year it was 394.

---

Thanks, Ron.

---

You bet.

---

I would just point out, too, just real quick on the NCAA report the revenue, you'll see in there any guarantees last year alone we are over a million dollars. \$990,000 of that is from football in the fall.

---

Is that trend also?

---

That trend is going to be a little different because of the schedules that are played out. This past year alone we got \$550,000 from football.

---

We will trend it out five years exactly from the report and share it.

---

Anything else on the NCAA? Agreed upon procedures review?

---

The next one is also a required audit in January. It is the charter school annual financial report. We also have to get approval from the State auditor's office for delegation of these services. This actual audit of the financial segments as required by the Texas education agency. Harrington also performed this audit and the audit and financial statements were approved by the charter school board last week on Wednesday. When you attended the charter school board meeting chaired by Dr. Judy over here. Then the report was already due to the Texas education agency last Thursday or Friday, I can't remember the exact date. But it was already submitted. So we are presenting it to the Regents for information and to accept it. So the auditor did conclude that the financial statements present fairly the financial position of the charter school as of August 31, 2021. And if you will turn to the report to the management discussion and analysis on page 5 of the report, they give the financial highlights. So the school we have been talking about net position. The schools combined net position with \$2.6 million as of August 31, 2021. So out of our university's net position, it includes the charter school's \$2.6 million net position. They increased their net position by \$266,000 for last fiscal year, they generated revenues of almost \$2.6 million and a cost of their programs was \$2.3 million. Out of their fund balance at \$2.6 million, they have about a million dollars assigned for future information technology upgrades. And makes it important for the school. So that is an overview of their financial highlights, unless anybody has any questions on the charter school?

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Quick question.

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Sure.

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Remind me how the governing structure charter school, the board and how the board is named, that sort of thing.

---

Judy, do you want to do that? Or I can. It is listed in the audit report either way.

---

Sure. Help me if I.

---

Sure.

---

The charter identifies a representative board. And each board member fills a representation. So the Dean of the college of education serves as the chair of the board. There is a, the chair of the education studies as a position, there is a faculty representative with a position. There is a parent representative, there is a teacher representative from the charter school itself. The CEO prince pal has a position on the charter school as well. And I think I've got them all. Yes. So they are all representative. We do have kind of election appointed, and we reviewed the membership in a staggered way both on accepting the recommended person to fill the position when the position comes open. Or to continue filling that position. I think we are in three-year terms.

---

I think we are in three-year terms that are staggered.

---

And those meetings are also political subdivision of the State of Texas I assume. So it is governed by open meetings laws and all that?

---

Yes. We have quarterly board meetings, not monthly. They are typically held at the noon hour to allow parents and who are stakeholders, teachers, faculty from the institution to attend. We follow-up in meetings, people who are interested in speaking to the board and registered just like any on board meeting. We adjourned to executive session when we have personnel and then return and do public voting just like that. The agenda is posted within the correct number of days prior to the meeting, and I believe posted online as well as physically posted on the doors of the building. We do meet in the early childhood research center typically on the second floor in the conference room of the Department of Education.

---

And our student body there again.

---

256? Judy I'm trying to think from our meeting last week.

---

Right in that 240, 250. I don't have the exact number, as you know, we have two classrooms for each grade level from kindergarten through grade 5. And just as a reminder, this is an open lottery system. Open lottery. We are actually have collected applications for the lottery, which will occur later this week, according to the guidelines and with actually the lottery as pulled by an individual, not associated with the institution, the charter school or anything having to do with S fA, and we go through that process of an open lottery every single year.

---

We typically have the kindergarten in our two classes, we have about 40 slots, maybe 42. We do allow a preference list for siblings, younger siblings coming in. But there is a lottery among the siblings that fit that preference list. And then there is a lottery among the people who have registered, who are interested. We oftentimes have a small handful of positions in the upper grades, when families leave us.

---

So Judy, assume if there is a lottery, there is a maximum number of kids that are expected?

---

Yes.

---

So the two kindergarten classes have 40 to 42.

---

I'm thinking of the whole school.

---

We only, we do the lottery for open positions. We don't redraw for every position. So once you have been pulled in whatever grade level in which you enter, you are able to remain in the charter school until graduation.

---

So again, we typically have 40, we might get up to 50, it is rare. With open, known open positions that are coming from grade levels 1 through 5. But it, most people enter at the kindergarten level, because most people who do enter stay with us through graduation. There are, that I want to emphasize, there are openings nearly every year. Then at least some of those grade levels. And just like any school, any public school, there are times when families move in the middle of the year, when a position opens up, we turn to our lottery list and we go to the next person in line and inform the parents that a position has been available and allow them to make a decision of entering or not, and we proceed through the listing as openings are available.

---

The reporting entity is defined on page 19 of the financial statement. And it is kind of convoluted. It says the chief administrator of the school, who is Lisa Hagan, reports to the charter president in the school secondary reports to the chair of education studies, who reports to the Dean of the college of education who reports to the president who reports to the board of Regents who are appointed by the governors. So that is long.

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What page is that on?

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Page 19 of the audit report.

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Then appointed by the governor confirmed by the state Senate.

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Is that after the financial statements?

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It is, after the financial statement. It should be page 19 in the report. Under notes to the financial statements. Number one reporting entity. Yes.

---

Board of Regents I did hear an error in that last summer. We, the board of last summer, I guess I'm trying to decide who it was that made this request. Probably the Dean of the college of education made this request. As opposed to the chair of the Board of Directors for the charter school. We altered the reporting line for the charter school, and made that report formal request of the provost last summer/early fall to request that the charter school or lab shift from reporting to the chair of the Department of Education studies, to reporting directly to the Dean of the Perkins college of education. That was approved former Libi the provost this last summer/fall. And so we need to make sure.

---

We'll index those reports would that be right?

---

That is true.

---

Okay. Any other questions on the charter school? Annual financial report? So the last thing is just a quick update on our audit plan. The State of Texas financial statements and single audit reports should be coming out the end of February, first of March. So the Regents get those, you should get those before our next meeting. We have started approval for our next construction audits. And some audits we have upcoming working on our endowment audit the safety and security audit required by the state. An IT S follow-up audit that I think Anthony mentioned yesterday. And then we will also be working on our quality assurance review self assessment due every three years.

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Oh our audit of the auditors for our peer review.

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So that is the audit services report.

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Thank you, Gina. Any questions for Gina on any of these topics?

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By the committee or by the board? We will be recommending acknowledgement and receipt of those reports. Thank you, Gina.

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And given time, shall we continue?

---

Yes. I think if we could maybe spotlight a 10-minute report. Is there one of those we could pick out?

---

Katie, are you a 10-minute report? Excellent.

---

You know the parameters. So this is number 12. Acknowledge receipt of contract monitoring report.

---

Thank you. We bring to you each quarter. These are contracts that require enhanced contract monitoring or performance monitoring. We have seven contracts to report to you. At this meeting. The first contract is the Texas general land office, acting through energy Texas. This is our electricity contract that we just have members of the A & M system. There was an amendment to extend the contract to 8-31-22. Our current fiscal year estimated expenditures are 2,000,810 now \$800. And our total estimated contract aggregate with this extended is \$14,395,705.

---

The next contract we have is RF dassociates. Related to the IT software system support. Our current fiscal year expenditures are \$494,712. Our total estimated contract aggregate for this contract is \$1,798,000. And this contract period extends through June 30, 2025.

---

The next contract we have is for construction services of Texas incorporated. There was a Phase III amendment that we processed to extend the delivery date to April 22, 2022. There was no dollar amount changed. So the current fiscal year expenditures are zero, and the estimated contract aggregate remain the same. Of \$6,230,530.

---

Okay the next contract we have is Kirksey architects incorporated. The dining hall and residence hall projects were closed so therefore it changed the amounts. Our current fiscal year expenditure is \$1,394,050. The residence hall commitments were closed in the amount of \$1,012,000. And the dining hall commitments we closed for in the amount of \$372,050. And that makes up the \$1.3 million.

---

Our total estimated contract aggregate for the Kirksey contract is \$4,723,346. Including these reductions.

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Next contract we have is king Dalton Wilson. There was an amendment process to extend the final completion date for our basketball practice facility to January 22 of 2022. And we also closed the dining hall project as well. We have previously, I believe, back in 2020, had already closed the pre construction for the residence hall. So it had already been closed.

---

Current fiscal year expenditure reductions \$59,956. And again, the dining hall commitment was closed for this amount and the contract aggregate with these reductions is \$67,670,779 and 98 cents. The next contract we have is populous incorporated. An amendment processed to update the drawings for streaming service. The current fiscal year expenditures are \$4500 and our total estimated contract aggregate is \$2,116,271. .

---

Okay our last contract to report to you is power school group LLC, people admin. This particular contract is actually less than our threshold. Less than a million dollars. But it is being brought to you for reporting purposes. This contract is for software licensed products, including talent management, training software and associated implementation and maintenance costs. The board previously approved this contract back in may 2021. We are reporting this contract to you as there is a contractual issue regarding product featured delivery and the contract has been referred to our legal office. Our project management office has been working closely with legal and the vendor on this actual product feature delivery issue. There are no current year fiscal expenditures for this fiscal year. The total estimated contract aggregate is \$656,501. The current contract does extend through November 6, of 2025.

---

I also will add total payments that we have made to date on this contract are \$87,900. Which we paid in fiscal year 2021 back in July, we made our first payment. I believe that covered services through November of 21, as well as the implementation costs. So I'm not sure, I believe IT is here. Meredith Bailey, if you have any

questions particularly on this contract, or I'll open any questions you may have for any of the other contracts that I have reported today.

---

Any questions on any of these contracts?

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I have a question on the last one.

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Yes.

---

So are we using the software presently?

---

I'm project management. We are. This one is in that. There are several modules to the software. The listing agreement and existing software we have in production. We added modules to it. We still have in production pieces those that we negotiated out or those that didn't meet the specifications that we needed in order to be in our training needs. And the company was negotiating with us.

---

So we are finalizing that with legal. With the wonderful support throughout. So yeah.

---

So there is no adversarial relationship with the provider?

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No.

---

Any other questions?

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Thank you. , thank you, Kate.

---

So Madam chair, we'll be acknowledging receipt of the contract monitoring report at our full board meeting tomorrow. And we have time to go into grant awards? It is 9:59.

---

At this point that was a solid 10-minute report so that is good. So I think this gets us back on track. We are really ahead of the game. Because what we have just gone through and agenda item 11 and 12 are set for this afternoon.

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So at this time, we are to our original break time. So why don't we take a break, and reconvene at 10:15, when we will do the Texas A & M University investment officer report.

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Yes, ma'am.

---

April, will that work? Okay. Well then, at this time, we will take a break and we will reconvene at 10:15. .

---

We are back from our break. And in this committee meeting. Ands.

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This is Tom Mason. Quickly, we are going to have a report from Texas A & M, which is an invest manager for Steven faustin funds, this is a required annual report. And Dave, we'll turn the floor over to you, sir.

---

Thank you very much. Good morning, everybody. I see you all have the presentation in front of you, so in the interest of getting to the materials, let's turn to slide 2.

---

Slide 2 is an overview of the cash concentration pool, which is our operating pool. Primary objective there is to preserve capital while growing the pool, over time. So as we tend to do we focused on the longer terms. So if you look at the 10-year return 7.7 versus the balance index, still comfortably ahead of the index. Has been tracked since the summer of 1959. So we thought about 25 plus years. Next summer 2 will be 27 years of performance history off that pool and that is what that 3.7% represents of up markets and down markets. Really we focus on what are those long-term returns that we can generate.

---

Turning to slide 3, so shifting from performance to what are we invested in? The far right column shows your current allocations. A pretty healthy weighting toward fixed income, since this is an operating pool. So that provides us the safety, while also providing some positive returns as well, especially in volatile markets. Domestic equity exposure of 23.7% X then a simple already level of allocation to international equity and absolute return as well.

---

Key points here being that we are pretty close to target across the four major asset classes shown.

---

Turning to slide 4, and the Steven faustin dollars that are invested with the pools, I'll start at the bottom, which is the market value as of December 31. You can see there is a balance invested of \$68.2 million. 54 .1 million dollars of that is the book value. You add the unvalued appreciation and that is how you get to \$68.2 million.

---

Turning to slide 5, and we'll look at the quassy there for a second market value is \$8.5 million, which includes \$1.8 million of unrealized appreciation. So overall, 2021 was a positive year, and markets overall were positive in terms of the operating pool.

---

Turning to slide 6, we'll shift gears to the endowment fund. Slightly different objectives, this is a perpetual investment. So it really focused on dependable cash payouts, and trying to grow the pool in real terms, over time, and since this is a permanent perpetual investment, we are really focused very much on the long-term. So this is a pool where you'll see slightly different asset allocations -x that is obviously very intentional. Looking at the performance track record, you can see on the 10-year and 15-year again, 9.3% on the 10-year versus 8.5% on the balance. And then the very long term the 25-plus year track record of the pool, since inception of 8.6%. Which is obviously well above in real terms and out performing the benchmark as well.

---

Turning to slide 7, asset allocation view on the endowment fund two added classes here since this is the endowment. One has the star next to it, which is real assets. And that represents our investments in timber, real estate and energy. You can see that allocation as of the end of the last quarter was 10.9% and the other asset class added over the operating pool is private equity. We have got an 18% asset in private equity.

---

So six different asset classes here. In terms of real assets, we are a little under the target and a part of that has to do with the draw down in energy that we have seen since the pandemic. So we are looking at two ways, adding exposure to that asset class and also we are starting to see a recovery there as well. Then in terms of private equity, that is also an underweight, but really that takes time to build up and find the right managers to build up that private equity portfolio over time.

---

So we did increase that target allocation about two years ago. And it is a work in progress in term of increasing our allocation over time.

---

Turning to slide 8 and the endowment, market value as of the last fiscal quarter was \$17,190,584. And the fiscal year 22 payout the bottom number on that page is expected to be 70 2,000 \$33 for this fiscal year.

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Turning so slide 9, key take away on this slide is the wayout for the endowment is calculated over the 2022 fiscal quarter and the next slide, slide 10, you'll see how that endowment payout has trended over the past six fiscal years.

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So in general, with positive markets, and the way the calculation awards over 20 fiscal quarters, for five years, it has trended up. That has been a positive for the endowment pool.

---

And then turning to the last slide, slide 11, a summary if you will, of the two pool and his where they are invested and see that the cash concentration pool has a significant exposure to fixed income, but is also diversified across domestic equity, international equity, and absolute return. In terms of the endowment which is the last column, about exposure to the same four asset classes, plus real assets in private equity, because those investments take on a little bit more risk. What our experience has been over the long-term, that pays off. So it is

worth it to take on that liquidity premium, because over the long-term, endowment tends to out perform the cash concentration for that.

---

That is a high level summary of Steven f Austin's investments. With the A & M system, happy to take any questions on how they are pooled. .

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Any questions? David?

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Thanks, Dave. So are these two funds the total assets under management by A & M? Are are or are there other pools of funds? Or is this exhaustive of the entire cor pus?

---

In terms of the pools themselves, there are large pools that include A & M. In terms of the operating pool, it includes A & M's operating cash balances and in terms of the endowment it also includes A & M's endowment investments. So in total, the two pools are north of you know, \$6 billion in total.

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Yeah. But our, all the assets owned by S fA, managed by A & M are in these two pools, is that correct? Or these two funds?

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Yes.

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Okay.

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That is correct. [Captioners captioners transition .

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[Captioners transitioning]

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Any other questions for Dave?

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Just one other question. On the real assets portion there, those are liquid equity investments, they aren't in actual full gas partnerships or tangible real estate in words of acres of land or pieces of land, those are liquid investments?

---

They are primarily invested with private managers. Whether it's real estate, energy, or timber, they are invested with managers who have invested those on our behalf. So while we do a do not have any direct exposure to timber, we invest with a manager that, for example, in the case of energy, we invest with the manager who then make investments in the energy sector. But they are not liquid and that's the reason we focus on those investments primarily in the endowment fund.

---

My question is, are they, are they looking investments in the sense are they invested energy companies or are they invested direct we in [ indiscernible ]? Are they invested in acres of different land, warehouses, or some other publicly traded Timberland owner?

---

No, it's more of the former than the latter. In other words, we are investing primarily in private investments. But investments that are managed for an investment manager.

---

Those are a little bit harder to manage.

---

I think things have come a long way. I think in terms of evaluation of private assets, I think the managers themselves are under significant oversight. And so I think even though they are private, there's a third party looking at those evaluations as well.

---

Thank you. Typically, with funds that are managed by third parties, my experience is that there is liquidity available but there may be some restrictions on how frequently or how often you can call for funds. Is that the case here? With the various firms?

---

Yeah. That's right. I think in terms of these investments, the way we think about them is, they are longer dated investments and that's why they are in the endowment. But if you wanted to get liquidity, their options to pay liquidity as well. Exactly.

---

Okay.

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What are the fees for these investments? Do you have that broken down?

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In terms of the real assets themselves?

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Is there a management fee for these investments I guess is the question. And what is the value? It's a percent of the invested dollars.

---

In terms of fees, I think it depends based on the asset class. I think in the case of fixed incomes, the fees are quite low. I think in terms of the value add of a fixed income manager, I think given where rates are and [ indiscernible ] of the investments, I think they tend to be in basis points because it's a fixed income and that's how they are quote quoted. In terms of public markets overall, I think fees have come down because I think there's been downward pressure on fees. I think overall, in terms of asset class by asset class, I think it's very much based on whether or not the manager has generated value over the long term and that's really the driving force.

---

In the case of private markets, the fee arrangements are quite different where you've got a management fee and an incentive to perform. I think it depends on the asset class you are looking at. But if you like, we can certainly have additional information provided on that point.

---

David, just to follow along in full disclosure, do we pay a fee to the Texas A&M system for managing these funds?

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Yes.

---

And is that disclosed periodically or is that something you can address?

---

Yeah. That's presented to you every quarter. So either ourselves or the finance office that SFA can certainly provide that.

---

Is a part of the quarterly investment reports. If you look at the distributions column in the [ indiscernible ] and endowment reports, typically, there are things that are [ indiscernible ] in there, but it shows up there and as part of the distribution outcomes. In the AFR in non-operating expenses, the cost of the connectivity's isn't on a special line available.

---

Is not available, it's not in our board book but it is available online in the resource area? We had that available to us, Judy.

---

Yes. And I can point that out later. I will be bringing copies to the AFR crew if you are interested. Any time, but it shows up as investment activities. Across investment activities. If I remember correctly, the total fees [ indiscernible ] .

---

I would just like to know what's the fees aced on what they have invested. If they are the rates, whatever the value is, we spent X amount for someone to invest \$60 million. We know what it is, how many basis points.

---

And where does the shareholder [ indiscernible ] I don't think our fees are detailed, I don't think they go down below investment class. I think they stop at the we pay them X amount.

---

Thanks. But the components returns, the returns are [ indiscernible ].

---

All performance figures that were shown in the presentation were [ Indiscernible ].

---

Any more questions for Dave?

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Dave, we appreciate it very much. Thank you for continuing to be our partner in these investments and we appreciate your report.

---

Happy to do it and look forward to doing it in person next time.

---

Yes sir, thank you.

---

It says investing activities expenses in 2021, 457,000 and in 2020 376,000.

---

Okay. And that's in the investment report for all investments [ Indiscernible - shuffling papers ] or is that the Texas A&M?

---

It's primarily a Texas A&M because most of the other investments that we have our in cash or [ Indiscernible ] .

---

That sounds like 75 basis points. It's not very cheap, but it's cheap. That's overall.

---

A little background on that, David, correct me if I'm wrong. We were being managed by Merrill Lynch forever. For a long time. And then Merrill Lynch closed their collegiate level. And so we had to look to where to invest our funds and we did an RFQ and a partnership with Texas A&M when we made that move.

---

Do you think we paid Texas A&M more then Merrill Lynch directly? Just for managing it for us?

---

Well, what the decision, and that, was, their pool of money was so large, and we combined with them. So, by combining our monies, the return much much greater. Because we had a much larger pole to drop from.

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[ Indiscernible ]

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And access to asset classes to invest in that we wouldn't have either because our investments would fall under the [ Indiscernible - muffled ] which limits our ability to invest in equity so the [ Indiscernible ] of what we would be able to manage would be much less then what they have because I think it's \$100 million, so if you have endowments and it says \$100 million you received from public funds you can take on riskier investments. Even though you still follow the primary role of reservation capital. But we have the ability to invest in asset classes that can yield more with A&M and what we could [ Indiscernible ].

---

We are going to expand on this subject because we have two policy items that deal with our investment, University investments and we have a couple of agenda items. So we will talk more about what we do with our funds, the restrictions on those funds and the safety of those funds. Our next agenda item, however, is the to to her the audiology and pathology program facilities. So we have a method of doing that?

---

We are a couple minutes ahead of schedule for that and that's okay. But this is technically more of an academic and student affairs committee item and to her. But due to the timing of having the tour and then rolling in the lunch, and fell into the audit committee meeting time saw. So it sort of a combination.

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So we are taking over new responsibilities. We are ready for it.

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So with that, April and second will give us some instructions on our tour and after the tour, we will go to lunch. April can address where we need to go for lunch and we will be back here in this room at 2:00 to reconvene the finance and audit committee meeting.

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If I may, since we just have that little bit of time, dusky Abbott, would you like to give us a little preview of what we are going to see when we get there? Well you have everyone's full attention?

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Sure. I would love that. So, you are going to be seeing community clinics that serve as training clinics that are within the Department of human services and educational leadership which is in the human services and technology, I think that's the formal name of the building. It is right there. And that's apartment is in the college of communications. Surprise surprise. You are going to be seeing two services that we prepare graduate students, and undergraduate students to assist in the services of our professionals who are actually providing the services. We have an audiologist, she has her doctorate and audiology and she runs the audiology clinic. The pathology clinic is run by the team of faculty and the graduate speech and pathology program. They provide services to the community, and audiology with a sliding scale in speech language pathology with a sliding scale. We do not work with, we do not work with insurance. Our clients may apply for their own insurance. But we schedule and serve the entire region and that community services and as I said, as a training that our graduate students and undergrads to its students are involved in. It's exciting. And we have been doing it for way before I got here. [ Indiscernible ] have certainly powerfully supported.

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Thank you. Thank you. So we will do that to her and then we will also tour the sports business program facilities. So with that, April, June to give us a rundown?

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We are going to exit down the building and [ Indiscernible - shuffling papers ] to the human services building where we will start at the beginning. They will divide us into two roots because of the size and took it to her audiology at one to start with [ Indiscernible ] after that as a group we will go to sports business. We will go to the business building and then after that we are going to go to lunch in the student center. We have golf carts along the way if you want to. Also we have umbrellas because the weatherman, it has rained multiple times in the last hour, and [ Indiscernible ] so if you would like an umbrella, we have one available for you.

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We will begin our tours.

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[ Event concluded ]  
Event Description:

SFA Board of Regents Meeting #353 - Day 2-AM

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