

Please stand by for realtime captions.

>> Good morning everyone.

Good morning everyone. Good to see it again. We are going to call this meeting to order. We have a big day ahead. We have a full agenda. So, let's get started. We will begin with the rollcall. Tom Mason?

Here.

David Alderson

Here.

Lar Rectenwald .

Here.

Scott Gordon.

Here.

Gina ogles be.

Here.

Anthony Espinoza.

Here.

Danica land.

Here.

Ryan IV.

Here.

Charles Sullivan.

Here.

Okay. Everyone is here and accounted for. We are going to begin with the presidents cabinet reports.

Dr. Gordon.

Thank you, Madam chair. We have for you today three different updates. As you know, enrollment is our lifeblood and we will hear from [Indiscernible] on our current enrollment and then, also we will hear from Dr. Gallant and update on our budget and wrap up with Dr. Smith who is going to go through and talk about some of the areas of academic

affairs that he is working on and some of the neat and interesting initiatives that will be forthcoming in academic affairs. First up, I will talk about where we are with enrollment. >> Good morning, everyone. April [Indiscernible] present Gordon and Madam chair, members of the board and fellow cabinet members and guests in the room. I will be providing an enrollment update. It is going to definitely [Indiscernible] slide will outline. We will be looking at sharing enrollment updates on summer, 2020-2020 one time and fall of 2021 and some activities and highlights and strategies that has been utilized and implemented for follow-up 2021 and also reviewed [Indiscernible] for the 2022 upcoming year and a quick update in glance at the [Indiscernible]. I will go ahead and asked to go to the next lot. We will have information on the summer 2021 as the last semester session. That is still a process but it is coming to a close. I do want to point out and review , review the headcount and the semester [Indiscernible] for 2021 compared to 2020. You are seeing there was a 674 student drop in headcount and also

a little over 4400 semester credit hours. I do want to point out in regards to that deficit of 674, the biggest population contributing to that was the undergrad enrollment population. Right about, it was about 17.5 percent decrease solely in undergrad enrollment for the summer. And as a reminder, the summer took a little bit different shape this year. Would you change from multiple times and what we consider one term for the summer and it had multiple parts. Students had an opportunity to stop [Indiscernible] and different durations for white fit their schedule

and it might've been a bit better. We had four weeks, six weeks, eight weeks, 10 weeks, [Indiscernible] sessions. I did not take a look at the most utilized part of term for the summer was the 6th week. And that was definitely [Indiscernible] grad students and I will assure you in a little bit, undergrad enrollment to a little bit more. I want to share a couple of things I saw were the decrease came. There is JacksPASS which is an alternative admissions program for students who applied for the upcoming file and did not meet the admissions requirement and had an opportunity to go into it alternative admissions program because of the test optional practice that we've been doing this past year. There was a lot less decline to deny students that would've been eligible to participate in JacksPASS. We saw about 100 less students from the JacksPASS program. Probably the biggest difference for the summer in regards to undergraduate was the file class that came in last year from fall 2020 pandemic. That was first time college students and definitely had less students. We saw less sophomores enrolled in summer and this past may have one of the largest graduating classes and [Indiscernible] also sent a much smaller number and senior classification students taking summer classes. I did want to share that. I think with the graduate population, we did find in regards to the summer and the layout, something that really fit them. With a 5.2 its percent increase in graduate enrollment and along with [Indiscernible] increase and I think is important that almost all of the colleges, five of the six all showed an increase in the summer enrollment. Going to the file. I want to go-ahead run quick and again , over the headcount of the semester credit hours. You will see these registration numbers are as of yesterday. So you should have the most updated in regards to the registration numbers. As of right

now for headcount is that 10,176 which is down 649 students. About a minus 6% in regards to headcount. On semester credit hours, a little less than a drop with about 7100 or 5.5% decrease in semester credit hours. And again, what I want to share is one of the biggest factors contributing to that deficit is the undergraduate population. Particularly the continuing undergrad population. When we take a look at the 649, one of the reasons I wanted to provide the baseline here at the bottom for undergrad enrollment is you will see that from last fall 2020, we brought in, you see that drop and we did bring in 507 less undergrad students. In fall of 20. That definitely has lingered and of the 507, a little over 300 was first time in college. So that would've been last fall, 20 and that is the sophomore classification for this file of 2021 and we definitely have been seeing sophomore classification as the deficit for this coming term.

Leaning over from the fall of 2020 class. I also want to share that what we see in regard to the next four weeks, up to the start of the term, we are going to actually see some activity, still taking place in registration and activity. You look at the headcount for 2020 at 10,800. It was at the same time last year. And ended at about 12,600. So you will see that natural activity that still takes place both with the new students, there is still a new freshman orientation this week. Another new transfer orientation, a catchall. But also, activity for our continuing students as well. We will continue to be pushing in regards to really working with the students. You and continuing preparing for the upcoming start of the term and that is what I wanted to, and you can go to the next lot. What I want to do is share a little bit about where some of our intentional efforts where we are aligning our focus and resources to try to impact or counter as much as possible that undergraduate deficit. It definitely is going to live in both recruitment efforts and retention efforts recruitment. Taking very much a focus in that first time in college. We are going to need to be, of seeing the 2020 that came in last fall. Having an increase in that area and also in new transfers. As of yesterday, our first time in college population was up 2.6% in the new transfer was up 5%. Again, we look at that everyday. We see activity in registrations within the populations. The other reason I think it is a very important reason were focusing our efforts and resources on these particular areas for the population is also because these particular populations are the one that generate the most credit hours on average. The students will register anywhere between 13 to 14 credit hours and that is a good population to make sure we are helping generate SCh and as we look at the first time in college and many of the transfers, there are also students living on campus. The retention is part that I want to focus on that baseline at the bottom. We saw a pretty good uptick last year on our retention of the first time in college students and that is going to be very important that they see that uptick continue. Because we brought in a smaller class, freshman class last fall to make sure the retention of the class stay strong. Those are the things that are going to be critical as we round up our last stretch to the fall 2020 and as we go to the next slide, what I tried to do is a bit of information and where we might see a possible projection. I will be really honest. Not having a history with the pandemic makes an enrollment projection very challenging. I note in the past Dr. Gordon

has shared the description of a [Indiscernible] environment. A volatile and

complex and ambiguous, projecting enrollment right now is definitely a picture perfect example of a [Indiscernible] environment. What I wanted to share a little bit . And making sure we're having very targeted intentional efforts in breaking up the populations into their respective groups. You will see what happened last fall 2020 in each of these areas as well is what is the 5% goal that was established at the beginning of the recruiting season last year. They 55 is a snapshot. This is done on July 16th.

The office of institutional research does provide a report and that just allowed me on day 55 to kind of see where we are. For what I'm looking at and some of the patterns of registration trends on each of these areas, trying to lay out what we will be seeing and again, that has been a challenge but I wanted to try to provide where we are seeing each of those areas. Try to stay pretty conservative. I think the graduate enrollment, 1% or 2%, has opportunity to be larger. And I talked with Dr. Sampson a good deal and last year, the graduate enrollment had a 10.7% increase. So the activity this summer for graduate has been a little bit different. Primarily in the college of education as our K-12 educators are having a very different summer this year as they are preparing for returning I guess back to normal. Or whatever normal might be for the ISDs and we are seeing a very different registration activity from our graduate

educators. I'm going to go ahead and go to the next slide and I wanted to do is provide a little bit of highlights.

I am not going to go over each one of these but I want to highlight a few but I'm happy to answer questions on some of these. These are different strategies that have been used throughout the recruiting season and the cycle. Both in regards to not only new students but also impacting some of our current students. A great deal more of the target communications and we been able to use our customer relations module much more effectively as we continue to implement that. We had an opportunity in April or May

to be awarding housing awards and we've had 177 students at the time of this that I gather for the report in regards to students utilizing that. I think one of the things that I have to really say a big thanks. It was a collaborative effort and still continually. We been doing [Indiscernible] calling campaign since middle of May. Every volunteers from the library and financial aid

and admissions counselor and orientation folks. Academic advisers. Student success Center really looking at targeted groups of students both in a new or continuing situation that can help impact fall. The other thing I did want to point out was for refunds. This is the 3rd rounds of federal emergency funds that we are able to award and we are in the process this month of July awarding those to buy the new and continuing students and those are efforts I did want to point out that we are seeing and it will be continuing all the way up until the start of the term and as we go into the next slide, I want to say thank you to Graham Garner and his team putting together kind of a confidence booster, a pretty thorough list a number of great targeted marketing

strategies and tactics that have been used to impact fall as well and any questions, I guess in regard to that but I want to make sure --

Rachel if you can go to the next one I wanted to share some interesting challenges that we talk with our colleagues across the state in admissions. Some of the things we definitely have all seen. I will say, the 30 years I have done this not having an opportunity to actually go out and share the institution story without recruiters has been a very different change. Most of our recruitment has taken place in a virtual setting. We have also of course seeing a big change with the A.C.T. and S.A.T. and going into test optional. Those are definitely some interesting changes and challenges that we adjusted to that impacted our recruiting season and moving forward, as I go into the next slide, what I want to get is a visual. As we move forward to go beyond, what might be considered a more traditional admissions [Indiscernible] to a much more comprehensive strategic enrollment management final and I think the one someone to put out is from top to bottom, when we look at organizing our efforts in the strategic enrollment management fashion, going from the very top which is brand which is outreach which is marketing and which is really identifying more students that either know about SFA or have expressed interest in SFA all the way down to going to completing their degrees and becoming alumni. We had talked earlier this summer about influencers. And all the way through getting into a strategic manner to the point of alumni, your sink the full circle come back around and helping actually feel the top of the funnel. Really also utilizing the influencers as well. This becomes a full circle and there are strategies in between each one of these color bands from getting a comprehensive or being with marketing plans of the top but recruitment and communication that takes place as students come and visit. Expressed interest and both of the application process. And SFA doesn't have what is considered a traditional deposit practice here. But we didn't utilize that in regards to students securing their housing. Students signing up for orientation. Using those particular factors in that area. But the blue band will be, really important as we also see strategic enrollment management approaches that the retention will be critical as well as we move forward in regard to making an impact. On the next light, really I wrote down in different buckets the undergraduate populations and you will see the different areas that allows them to see what we will be focusing on all of those particular populations. The one I want to pointing out is we have a little bit of a parent but we will be enhancing the parent and family communications and the net slide is going to be a picture of where we are with graduate enrollment. Want to thank Dr. Sampson for providing these this information and in regards to some observations and activities and wanting to be monitoring that very effectively and the last slide I want to share information on is the ax handle. This coming month, in August, the ax handle will be 1-year-old. And a lot has happened in this past year and this provides just a little bit of a picture of the number of calls that come in. The percent of calls that we transfer back to the home office because they are at a complex level and the number of actual phone hours each night that the ax handle has been online serving students with the different calls that come in. And along with the one your birthday, Jack is also celebrating his five-month

birthday. Its 5 per day. And as a reminder, Jack does operate 24/7. It , in the five months is been here, a little over 14,000 questions have been answered with a 3% what is considered I don't know's. Someone stumped to Jack and there was a I don't know response and that allows us, we are constantly doing maintenance on increasing Jack's knowledge to make sure we are enhancing that service. That service will be key going into not only the four weeks for file but as we continue to move forward and make an impact for the future term. I think with that, the last part is just asking if there are any questions if anyone would like me to expand on anything that was shared.

I have a question.

Yes ma'am.

There are a lot of camps that come to campus, volleyball, band, choir. UI L activities. What are we going to capture the hearts and minds of those kids while they are on campus?

A question. Even only [Indiscernible] those are very much in mind. Those are opportunities to help build the influencers. Coordinating across campus, and in an automated fashion and starting discussions with the departments and also working with technology, seeing what will be the best way that we can get those in a more automated fashion as they register so that then we establish communication that is happening was signed but not consistent across all the different campuses. That is one of the things is establishing a process that would just be a given. There is not only the summer camps but also groups that come to visit campus like a UI L or future farmers of America and things like that. Implementing an actual process and capturing it in automated way and putting it into our slight or customer relations module so we can continue to build that relationship with those students. That is something that we see definitely needs to be more, I think set up in a regular process.

We have the opportunity to address them? To put a T-shirt in their hand on the way home? Anything like that?

I think it will depend on [Indiscernible]. Some of them we already do. I will give an example. With music, there will be certain nights, particularly towards the end of the [Indiscernible] when the parents commitment we have teamed up with the music department in an admissions person will be there at that event to be able to have information and address any questions and for the URL for example, we came up with the college of education and coordinates the URL and coming on campus and actually had the information channels they are collecting information so this while they're getting some SFA swag and getting that experience and we actually can make a connection with them to continue a relationship. There are opportunities for us having our presence there where they are able to go away was something to make that SFA experience last longer and I think we can definitely become stronger and actually more intentional and consistent with the type of camps that happen all across the campus. >>

Region Alders? Spent on page 26, there was a table enrollment projection fall of 2021 and the first line is, first undergraduate and the [Indiscernible] since his comparison [Indiscernible] students. There is a note that includes all dual credit. Can you help me figure out, obviously that is a good deal lower for the projection was 900. And if that includes 900 roughly or something toward that, then I don't see a lot of undergraduate left.

That column of 855 is sort of a standalone column. It is all dual credit and first year. It is in that 1456. So, when we take a look at just first time in college. Looking at about 3.5% increase. For dual credit, what I'm looking at is I adjusted and brought them to about 900 and the main reason is because we have received over, I would say the pastoring a couple of months we have received information from a few of our dual credit partner schools that they are going to be going with an area of community college for their dual credit so I took at 970 and projected it

with a 5% goal of 1150 down to 900 in regards to dual credit. That 55 in comparison did not have a dual credit number pulled out. It was all rolled into one.

okay. Help me with that 1653 projection which I hope we on wind up [Indiscernible]

[Indiscernible]

Does that include the 900 projection ?

No sir.

No sir.

Last year undergrad was at 1597 and looking at 1653, would be about a 3.5% increase in just first time college students.

okay.

And that does not include the dual credit students?

That is correct sir.

It seems odd that 1456 would include on something of the order of 900. I'm missing it but we can talk about it later but I'm dismissing [Indiscernible] .

I-55 , there is a significant amount of dual credit students are not registered. Dual credit registration takes place a great deal in August because ISDs are returned.

Then, moving to another question, in January, [Indiscernible] released a report that you may be familiar with that is titled enrollment forecast 2021 through 2023.

Or through 2035.[Indiscernible] in January 2021 is the date of release. I would refer, although I don't have it in front of you and I can't see it on the screen. On page 16 of that report, there is a

table, table 5 that is fall headcount [Indiscernible] forecast. Texas public universities. And he goes from actual 2015 for every public entity

University in Texas in the preliminary numbers for 2020 all the way two projections for 2035. I appreciate all the work that your board represents but the bottom line for me, what I haven't heard is how they stack up against other universities who are operating in the pretty same public context we are operating in. I believe what I want to hear a bit is how were making it versus our peers specifically Lamar and Sam Houston and [Indiscernible]. We know the group. I want to see how we a ranking against those was summary enrollment and when I look at what the Texas higher education board is expecting of us through 2021 as recently as January. That number is 13,444 students. And continuing growth, through 2035, 13,828 students. There are expectations of us which are quite modest. They do show increases, but minimal increases in enrollment. The one just above us at Sam Houston in 21 2021, in 20 35, 25,389 students. Much more dramatic enrollment from Lamar from 16 625 2021 to almost 19,000 in 2035. Again,

what we have to measure ourselves against in my opinion is how our peer institutions are doing and if we are not staying abreast of them in this context of Texas public higher education. And we are doing something wrong. And I want to know how we a ranking against them and I want to know that information frankly as soon as is available.

Okay.

Bo summer 2021 and fall of 2021

I can see if I can reach out and do research on the institutions, they are not required to submit summer data. We will be looking at getting that in a little different way and definitely advise as I have reached out to some of my colleagues, there is a lot more, I think some of my colleagues are a little more tightlipped and I haven't been able to gather. Usually at this time I am able to get more information. At this point, I know one of my only insights I have received was from the University of Houston system and they are seeing drops in freshmen and transfers. But as the census data comes in and being able to start gathering that comparison data, we can provide that to the board.

appreciate it. I would like to, I have sent a link to this report. You're intimately familiar with this report. I'm not presuming you haven't seen it. I do think it is highly relevant by the state and's whether we are competing, I think they will be looking at that pretty carefully. Thank you for your work.

You are welcome.

any other questions?

You mentioned some strategic

[Indiscernible] going on through certain offices. Could you tell us a little of what that is? Is been absolutely. One think we were looking at, it can be, [Indiscernible] and one of the things we wanted to make sure students were being bombarded with a lot of people calling

them. But we didn't want to cause confusion so literally , in financial aid we were looking at students who were awarded the Texas grant. But hadn't necessarily accepted that Texas Grant. We get a very intentional reason to be calling as outreach and indicating you been awarded this and this is your next step to move forward. Working very closely. With the orientation to in regard to the student so maybe had accepted their aide. Had submitted housing. But they hadn't signed up for orientation. [Indiscernible] for example. Working with continuing students who have been awarded their financial aid. If they hadn't gone and except it. It was there [Indiscernible] as the semester starts they're not getting those of not being able to be applied to the can't. So those particular things. The most recent one that just happened in the past two weeks is identifying . There was a group of about 889 students that enrolled this past spring.

Not eligible to return for the file but had it registered yet due to a prior balance. Those emergency funds I mentioned, this go around are able to be applied and we wanted to let the students know so communications plan went out and we also complemented with a phone call [Indiscernible] the emergency fund will be there for you. You awarded it to make sure they are aware [Indiscernible] those particular type of strategies were focusing on different groups. Hoping to not do a lot of two or three calls to that same person all at the same time for different reasons. The academic advising team across the campus were calling their continuing students and new students throughout and then literally complementing some of the other targeting efforts. That help a little bit?

That is more like student specific. I was wondering if the [Indiscernible] , calling on specific campuses . That make sense.

Beach call the ones that are not coming back and ask them why?

Yes. We call those . There have been two different things. There was a campaign for what we consider returners. We polled everyone from the past five years he was enrolled. And they would be eligible to return and we had a communications campaign and outreach campaign to those students. And the other , this past year. They were registered for safe all of 20. But did not move forward with returning and making those calls. And there is a mix. Some of it is, I am having to work right now. Life is a little crazy to because we also wanted, we intentionally had the students so they knew they could receive emergency fund a. If they had been enrolled. So, we also utilized it as an educational phone call as well and that was helpful because we were seeing some students that did not know about that and see if that would help them take steps to go ahead and enroll. We took at in two different approaches to be able to share some different messaging.

Other questions?

I have one can you perhaps explain, do we have any type of exit surveys when students either graduate or they transfer out or they just don't

come back? The send out mailers heavy duty emails? And you quantify this number to try to determine what are we missing. What did students like or dislike.

Great question. I think we don't have that. Is a campuswide gathering survey. It happens a little bit in the department. But that is an area where we have an opportunity to make sure we are gathering that will consistently. When students would row. [Indiscernible] we are capturing some of that information that a lot of times because it is done, I think we need to incorporate that survey [Indiscernible] they are withdrawing of course through , electronically. I think is a process we need to implement in a more automated fashion rather than just capturing [Indiscernible] what I can do is try to gather the information we have and share that.

I think that is what the board, we need the information. We need to have it and the more you can get when a person leaves or graduates. I think it will take about what their experience is at

SFA. What they like or dislike or some of the issues that may have had and we can focus on those and try to put things in place and follow-up. The key would be to get good reviews back saying, if they are willing or are they communicating to other students or peers or someone or siblings or friends or whatever. If they are out giving bad information and not promoting SFA because they had a bad experience we don't fix it, were going to have it happen over and over again. Thank you.

You are welcome.

Any other questions? We appreciate your department's efforts. And understanding of the urgency of continuing full-court press to get the students on campus. Thank you.

You are welcome. >> Up next is Dr. Gallant and as you can tell the enrollment is not where we would want it to be and that will have some budgetary consequences and Dr. Gallant will talk a little bit about those consequences.

Good morning, Madame chair and members. I'm going to take this off really quickly. I want to recognize [Indiscernible] Smith and thanked her for her collegiality and patience. You are not aware of all the sausage making and we have to do a lot of back-and-forth [Indiscernible] in getting prepared for this. [Indiscernible] was able to put this together. April, thank you. And this allows us to read the information a little more clearly. [Indiscernible] as scheduled , revenue and expense analysis and it can roll back around and I will work through it. We take where we are and project the 22 budget. Madame chair, let me say this. If I need to move quicker and I'm getting too monotone or too far out of reach, just give me a signal. We start with where we are right now. And what that means for us relative to 22 is we take a look at the one time [Indiscernible] we used in 2021 which we have to either go through with additional revenue or carryforward . You have seen this tuition fee changing and that is a reduction. It is a budget estimate and he is and estimate based on a 5% change on the actual 2021

revenue it is not based on semester credit hours or [Indiscernible] there are a lot of things was semester credit hours that don't translate into revenue. There are some exceptions. So the 5.3 million is 5% reduction in the revenue estimate for FY 22.[Indiscernible] we use that to balance the FY 21 budget and [Indiscernible] and the negative means we will have to replace all of those usages and/or account for them. If you go to budget and development support, at the 11th hour the legislature came through and wanted this in addition to [Indiscernible]. We were now about 2 million before that. So that is certainly very welcome and we appreciate it and I have shown you the distance Ed fee and how we have some funds there. We can allocate to balancing the FY 22 budget. The higher education group insurance, you know the acronym. Would call that [Indiscernible]. That is reduction in our state supported general revenue. We can project [Indiscernible] 998 on that. Expenditure increases. I think all of these, maybe this will increase the University insurance. We were asked to develop a budget and we got confirmation that we would have a definite increase in the institutional experience. General liability, et cetera. Although the expenditure changes. Projected shortfall of 11.3. When you bring in auxiliary, and adjust the shortfalls, go back to 19 million structural [Indiscernible] that we were talking about before. With the application. Of the American rescue plan and [Indiscernible] 14.9 million. We still have a deficit of 4.3 million. And as you will see in a few minutes, the recommendation is to support that with the use of a [Indiscernible] or reservist. I will start there and ask if there are any questions. Anything that you need clarification on?

Just that last comment about the fund balances. This is an anticipated question probably. I would like to know what the fund balances are and how accessible they are. And the accessibility?

We are north of 100 million in our unrestricted fund balance that means we could access that. Primary reserve ratio, excluding gas at 60 and 75. Still pretty good. But obviously, payback from last year, the revenue that we lost [Indiscernible] 3.9 million. That is impacted with the fund balance. We are between about 100 and I would say 150 [Indiscernible] and that is our projection.[Indiscernible] in terms of liquidity, we have cash on hand that we are actually having [Indiscernible] because we have a lot of employees on state funds and we have a lot of [Indiscernible] women have. At this point, we are Okay. For me Okay means, to be in good shape means we have a lot of cash. We are just not there yet.

What strikes me here is the American rescue plan \$50 million Band-Aid. I referred to it to you privately as a Band-Aid. We have one Band-Aid in the box.

And to the conversations we've had in the cabinet. Or that this is merely an opportunity to online this type of budget. I think [Indiscernible] we immediately have to target 19.2 million deficit and we are. We kept the discussions. There are a lot of discussions taking

place. Under Dr. Smith that has come up with some solutions. To try to become more efficient.

I wouldn't suggest it.

And how does the state of Texas want us to treat [Indiscernible] issue with respect to our fund balances but how restricted are those fund balances based on that?

We haven't received any direction from the state per se. I have talked to the industry [Indiscernible] stakeholders from the bond industry. I'm awaiting the agency to understand. And's it is based on the most extreme that can happen.

They are our real claims on the funds. In the form of [Indiscernible] , right?

If the same personnel stay in place. It is reflected in this.

There are a lot of people employed with the University who want get help and if it's.

Just so I have a background on the issue, if we take a conservative approach to accounting for those Gatsby rules, and identification of the funds, at the end of the day and account for that, my reflation was we don't have any reserve funds.

And I guess my problem in trying to figure this out is our week consisted with every other state agency in the way we regard our reserve funds? What are other universities doing in this respect? What are their reserve funds in light of the Gatsby rule?

And terms of accounting with SBA 6875 we are consistent with all other public institutions. We have to be. That is a Gatsby rule. Governmental accounting standards. We operate under Gatsby as opposed to [Indiscernible] and private industry. We are operating exactly, when you look at situations like additional revenue, increase in fees, that is what the difference would be between us and other institutions. It would really be an allocation for Gatsby rules.

The difference , and again, the difference between us having [Indiscernible] is what. You mentioned that there is a slight difference in the way we are handling that with other institutions or did you?

There it was. If you have Texas A&M or Sam Houston or South Texas school that is growing about leaps and bounds. They wouldn't be as hypothetical. They would not be as challenged financially as we are when we've had losses [Indiscernible] in terms of application, it has to be the same. So

Just like with our \$30 trillion national debt growth if the economy, so in our little world. That is the key to lessening the impact of Gatsby and what was the is revenues are [Indiscernible].

I would think it will be a combination of revenue and targeted [Indiscernible]

In a world of tricking revenues, what the enrollment numbers are bringing us.

Your corner of the 3rd floor has to be [Indiscernible] with cutting expenses to match with revenues. Which is a daunting task.

It has heavy consequences.

And we've had the serious conversations and we are certainly focused on that. I don't want to imply and I have used the Band-Aid as well. We don't want them to fly. Is been something we can use that we are good. And we are to start on this for five weeks ago.

We definitely have to pass a budget for this meeting. The problem is, [Indiscernible] we have to be super conscientious starting now. On taking care of that deficit or, I don't know if somebody will look at this.

You are echoing the same conversations we've had.

I have a question.

On this ledger with the appropriateness change, how is that determined?

It comes through the state through a formal process. The state of Texas and legislative budget Board takes on the extra credit hours from the respective institution and places them in a bucket with whatever percentage, whatever the percentages on the whole. That is our allocation. That is distributed to us to inform the process which is based on [Indiscernible] to have a separate conversation and what kind of a summary level, academic discipline and courses have to wait and the value. That is attached to semester credit hours and takes place [Indiscernible] also we have [Indiscernible] and those would include tuition revenue bonds funding which is on top of [Indiscernible] corporations [Indiscernible] is a combination of things. I have a real comprehensive budget presentation can share with you if you like . If you would like to get together we could go over the details. This is kind of a summary were a cursory review.[Indiscernible]

There are two components to the appropriation. General revenue which is generated from the state and sales tax and in addition to that, the appropriation deal, is the education tuition. Which is \$50 per semester credit hour for students. That is what will determine so a real

[Indiscernible] explanation is that the LBB legislative budget board [Indiscernible] tuition \$50. And that former bucket and then [Indiscernible] it is a very complicated process but [Indiscernible]

Thank you.

And I mentioned , this is at a fairly high level. The 18th is here, Eric Johnson and Judy [Indiscernible]. We can drill down at any level . Any more questions on this?

Okay. So, what this represents and a lot of important elements in here. This is a budget and record in schedule. The proposed budget to the Regents which is \$262 million. Before we delineate here, if you look at all of the buckets designated for education grant 20 most of the different funded buckets and you will see in the respective columns the various types of revenue. One thing that you might want to point out is the other tuition fees, they are significant for sales and services. The [Indiscernible] money that we talked about a few minutes ago . Transfer and investment funds in FY 21 [Indiscernible] and work through the present to get \$465,000 per year for payout and allocated some of that for academic additions on campus. To contribute its 363,000 of his [Indiscernible] funds residual to the budget. And we have the transfer and fund balance. [Indiscernible] 4.3 million [Indiscernible] . That is in terms of revenue. The best estimate with the various levels of income. Mandatory tuition fees and if there is a 5% resumption.

And I will stop right there if there are any questions.

The state appropriations on this lot. 60,500,000. And that number is 2.7 million higher.

Includes consideration.

So the elements of that would be, the regular state [Indiscernible] that were generated and include the higher education insurance funding because energy or education general points are funded around 75% of the state. It also includes optional retirement funding. Teacher retirement. Is all about appropriations. >>

Something else [Indiscernible] . >> Danny, on mandatory tuition and fees, is that bill on the projection that we heard earlier?

Yes. For us, for bucket it is less than 5% of the [Indiscernible] . And we will see this in just a minute. The revenue today, mandatory [Indiscernible] is about 110 billion. We have reduced the estimate 5%.

So, -- spent if it is over 6.5 short. Then we have another million and half deficit.

Here is a way I would use that. If you look at just that credit semester hours you have about [Indiscernible] . We have a lot of semester credit hours . Hazelwood's big one credit is significant. Rather than use semester credit hours, it is more important for us to use actual revenue which will be the net of all those to project.

And back to the fund balance, and I'm wrapping my head around the context of operating with respect to other institutions hours. Today's catch budgeting or school budgeting spent as far as the cash budgeting.

If you can slide it a little bit, we will take a quick look at expenditures.

Here are the proposed expenditures in the budget. And education in general. [Indiscernible] interestingly, I don't know what percentage or the benefits lie in. 30 years ago. You would have seen very little on this. And education and the reason for that is, state funding declines. And departmental transfers. To point that out, we will referred of those and campus IDs. What that would be is, procurement in particular guests who want to sell to the department on campus. And would charge that to that department. [Indiscernible] is that exchange in assets.

[Captioners transitioning]

We can look at this and will look at these changes. You notice, with that pay babka the initial paydown and in addition , the savings of approximately \$2 million or for five years.

Madam chair, is this kind of going the way you want to go ?

I think we are right on track .

Okay. So, if you could kick us in .

For we move on, good we touch base on the fourth line from the top. The grant scholarships and fellowships?

Huge numbers, 53 point nine million dollars .

Huge numbers, but the federally funded and government program is a big part of that, and I would guess that the \$24.9 million is primarily a grant to the student .

This is a baseline it's revenue we would have expected to receive because of tuition, but, because the student has a grant or a scholarship, we are not getting that .

We actually are. So, what we do is, federal funds we have to expend the funds first and then we draw down the funds. So for \$25 million, we would award grants to students

So, and they qualify for that and then we can credit their bill for \$5000 , and as a result of the expenditure we will [Indiscernible - low volume]. So, it actually represents an eventual cash infusion .

The revenue side is mandatory tuition fees .

Exactly .

I may have missed your point .

I think your salary and the wages are about \$85 million, and if I recall they took the actual salary for \$102 million or so, what is the difference between the 85 in the 102? >> [Indiscernible - low volume]

I noticed it's about \$15 million, so, that's why I was asking the next question .

Let's go to the next line and I can show them .

We can run through this quickly and this is just an analysis and 22 compared to 21 , you know the big difference will be the funding , cares funding .

Tuition fees, that represents a budget reduction of 4.4 million dollars, so, this budget to budget and expenditures go down , so, if you take a look at that you will see where there's a decrease which would contribute to what we just asked. And so, the change and I think it's a great change. He pulled in a lot of budget , and he's can allocate, so, some of that which is put in the proposal. Once we send it through various initiatives, could be in salary, and goes into those kinds of things. So .

So I guess, this is a request and not a complaint, you have those types of deviations. If you could put footnotes specific that people could easily read and there's a significant deviation or change in there's a reason behind it and if you see those kinds of changes , I get confused. Then I should spend an hour trying to figure out where they are and where the footnote is if you could just make a note of that I would appreciate it .

Absolutely. Work in the detail .

Okay .

I guess just from a practical point, at least when I am evaluating the numbers and maybe some of the others, I am always trying to find the center point, last year this was the budget and what you doing and where the changes? Significant changes, and to be honest I'm not gonna look at a \$22,000 issue I probably should Femina look at a \$3 million issue are \$15 million issue thus of those are footnoted you could at least explain to yes it could be a change in something you're required to do but let us know that because otherwise we will spend a lot of hours trying to find an answer that you may can give us in one minute .

So, one answer to that is it for looking at this change, if you go down to transfers you see an audible dollars, and that's a result of the auxiliary action going down for one year , about \$2 million and for the energy programs that are down. So, that's what we describe . >> Said that answer it?

So, this is just a comparison for tuition and fees and this is budget to budget, so what were looking at for FY 20 actual, this is budget and what we are budgeting is to and for. >> Can go ahead with that schedule. So that is the schedule, budget FY21 we saw and actual FR 21, this is a snapshot and a snapshot of a certain point in time and 104, gives us a decrease of 5%, but we actually have the change, so, the budget for mandatory tuition and fees, increase 5%.

And, we can swing right around and if you want to talk off-line I can certainly get you that information.

Any questions?

We include this and again what we are doing, there's a lot of restrictive guidelines and a lot of records but what we've done is we've taken this more conservative approach, using lost revenue as a result of COVID, so, when we fund the budget, were getting the balance for the total and infusing some cash to be brought in.

We get this information, transferring, \$2000 and again.

So in last year's budget, 5.7 million was transferred?

Yes, and of that is a total rate of [inaudible].

It's not sustainable?

Any questions about the previous slide quit

Any questions about the previous slide?

What do we usually hear?

We figure out the reports and the status. >> I think there's been some changes in the past few months. >> So depending on where comes in, that's a big percentage,

that's a big percentage of the \$360 million budget, and, are there any pending actions in the state legislature regarding funding or any pending conversations?

There are some federal funds that are still out there to be determined as far as distribution, we see we are at least 94 million that's going to be released in a way we have to compete for those funds through a grant, and, the other amount of federal funds that are out there, there is some thought that it could be used for institutions for capitol projects, but that has not been decided yet, so, the next special session of there is some hope in that conversation that we will be having.

When we were talking about liquidity of those investments, should we have a penalty should we need the funds ?

[Indiscernible - low volume]

Is that a percentage of what the amount is or? >> Is just part of what the balances .

The last balance was 60 \$5.5 billion [Indiscernible - low volume].

>>

>> I have an observation or two, spent some time looking at the financials and, obviously, looking at other institutions and so forth, and I think that the real issue that I see is that we are closing the gap and we have to put both sides, the revenue setting the expense side and we try to build a model to say hey okay, what kind of enrollment in order to maintain and I'm looking at 15,000 students , and I don't know which ones because of the financial aid or the other programs that are really valuable . I don't see us doing that after what David has said and stated is the objective, it's difficult. But, on the other hand you look at the current enrollment and I'm looking at \$235 million budget somewhere close to that and able to maintain and that's our challenge and the other question I have, and I hope that maybe I get this answer later, not today, big component obviously are the benefits and are not comfortable and I know it's tied to the employees and what the benefits are and they want to do such things. A lot of things on the statement that we can reduce they want to get the enrollment up and, I'm afraid the enrollment to get more difficult because I think other universities like ourselves are in a challenging environment right now. On the expense side it's going to be very difficult to remove that much expense because it's not sustainable and having to go into the Journal fund and that would've been devastating this year, and that was a gift that we can't count on. Next year, that's great it's an issue but we have to it's very concerning and, I've looked at some of our operating metrics and, we are just not operating efficiency I don't know how better to say, but we need to focus . Were going to have to make some small corrections to be more efficient. That's just my observation .

Speaking of that, that's different than what part of what's for low based in the expenses when you have that big an effort ?

That reduces the total expenditures , in terms of cash . The challenge is this. But the challenge with that is, people continue , so, will take a look at that, but my guess is , any vacation, reduces the application .

I think, we in general want counsel , do not try to solve this problem [inaudible], but with chainsaws . [LAUGHTER]

One thing I think I should've been more -- when were looking at [inaudible] or those who have come to take a look at our [inaudible], but we have APS, performance situations and that is used to assess the faculty needs and assess efficiency , but, you have to compose it, we

charge to assess all of our staff, academic staff , all the staff, and, with the lens of efficiency. What can we do to improve efficiencies ?

I see there's lots of pressure to figure this out , it's got to be figured out and I just want to add my voice to that that we can't let it day go by , it's a serious, serious issue. It's not going to be done without pain. We have to a jumped hurdle. It's not gonna be easy, it's going to be tough. So, we can't kick the can, the federal government [inaudible] .

Agreed .

One last question, when you're preparing the budget, he looking at the prior-year were you looking at each operating function and you go out and you ask for what they feel like their budget should be a what their needs are , even this year, if you go in saying okay, it's a directive or this movie this year or this next year and hopefully we have monies coming . >> It's a big change in the budget.

>> .

Thank you, Dr., we got this information last month . They figure out how to move a \$20 million needle , thank you.

Next up, Dr. Smith is going to talk a little bit about some of our academic initiatives and some of the ideas and thoughts and processes for helping to chainsaw our way through the \$20 million structural deficit

.

Thank you madam chair for the opportunity to speak to the board this morning. I think you all have in your screens my hand out, this does not lend itself very well to the popcorn presentation, so I have hard copies for those of you who might want to have those.

Okay, so, I've spent a lot of time over the last few months working with staff, faculty and the administrators on campus, focusing on two areas in particular, one is a zero-based budget model for academic repaired nest so I think that working with the college deans and really just starting from scratch, we spent a lot of time over the last couple of weeks just asking, specifically, how much do you need just to live on for the next year, and then we moved forward with discussing the performance-based aspects of the budget. But, we did learn that through that process, indeed, academic repaired nest this is something that's consistent everywhere in the country, that is that the faculty, staff are really working under very lean circumstances. There is not a lot of room , of course there are opportunities, we will talk about some of those areas, but, generally speaking, the colleges are I think, making very good use of the money that they've been allocated. The big difference is that they've mentioned for the colleges this year , that we are going to half perhaps a much more transparent model and how they are distributing or allocating resources to the Dean's. The reason why is because I want to empower the Dean's a little bit more, give a few

more levers to pull , so, were stepping through a process where we have an Excel spreadsheet and the Dean's now have a very predictable model that they can use , just exactly how much money they are going to have every year. And, it's going to be a work in progress and I think it will probably take two or three years to refine the model, but, the idea is that I want to give the Dean's the lump sum amount of money in their hands and quite often, get out of their way and let them do what they do best. They know what they do best for their colleges and my job is to support the Dean's and the staff in those colleges.

So, we will talk a little bit about that. The second part I've been working on is the four step process and you have a copy in your hand out . I am very optimistic about the attitude in the spirit of the staff in the faculty on this campus. Everyone seems to understand the gravity and the difficult year that were going to have in front of us, so I'm very optimistic because when I listen to the faculty and staff, they bring up some difficult questions , sometimes I don't even have the answers to those questions but it tells you they are thinking it tells you they care about the University greatly and they want to be a part of the solution. So, having gone through the process, the zero based budget modeling exercise with the Dean's, who have been consulting with their chairs and their faculty and having gone through many discussions of the faculty and staff in the areas of the four step process, as I said, the biggest thing and the confirmation is the revenue generation and it's going to have to be a very, very significant part of the solution, and we are not going to get to our answer and I think everyone knows that. So, I have some ideas

about how we can generate more revenue. I want to preface my remarks by saying, and I actually wrote this in red on the top of the document that you have, a lot of the ideas and I'm gonna share with you have not been fully vetted by the staff and faculty , even the Dean's. I talked to the Dean's all the time but I just realized that I sought to continue my consultation with the F faculty and I don't want to suggest that what I am saying here today has been approved or comes up for the faculty, I just wanted to point that out. Let me draw your attention to the last page of the document, it's actually page 13 , okay. It may not show up very well on the screen and, that's perfect , you can start there. This four step process is the means by which we can associate the consultation with the staff and the faculty , to try to come up with as Dr. Gordon says, a transformative solution or SFA. And, originally at the very top step, I actually had the faculty Senate as the first step. But through the discussion, it was suggested that they would prefer that the Dean's actually get the first that. So what you see is different from what you may have seen about a month ago, the differences that the Dean's are actually going to be the first step of the process. So I'm just going to step through this and please feel free to ask questions as we go along. >> If you don't acknowledge that there's a problem you can't solve the problem, so I'm very confident that the faculty and staff understand that there is a significant problem , and with that problem we always have a couple of implications of the problem. So, this four step process is going to go with the Dean's and they are going to affirm the problem statement , a draft version of it, with the Dean's will work with that and are in the

problem statement and the implications, then, the next step is that they're going to take the recommended language and it's going to be one of the chairs and the academic unit. They're going to take the recommended language from the Dean's and they are going to work on it . And, every step of the process

all the stakeholders are going to have a team called the academic resource team to they can to provide to all the different stakeholders, the data that they need to make an informed decision, so, for example , mentioning the APS solution, we have a team that's going to work with them to provide information for them so they can make quick calculations, what is it mean

if you were to eliminate a course or program, what is that mean in terms of the cost and you can use this to kind of get an idea what this means financially if you work to eliminate a program or if you were to increase the number of enrollment by X amount. I wanted to try to put in their hands the tools that they can use. So it goes from the Dean to the chairs, then the chairs are gonna work on that. They might disagree and if they disagree significantly with the Dean's, it's going to go back, it's going to go back to the Dean's and they will have a very organic discussion to make sure there's an agreement between the Dean's and the chairs. Now, the wisdom of this comes from the faculty, they want to make sure that the people that are making the initial recommendation and we really understand the future of the big colleges and I'm very supportive of that. It makes a lot of sense . >> If there is consensus it will go back to the faculty Senate, the faculty Senate will take a look at what's been recommended by the Dean's in the chairs and they will grapple with that and the problem statement. This whole process should take no more than two months , so this is why been working very hard this summer to make sure that when we get back to the Senate were going to hit the ground running. They've seen all of this many times, so, you take this information, act on it aggressively to get through the entire process and in no more than two months . After the Senate works on it , it's going to go to a town hall, that is again, after the little diamonds here, and is that solution meaningful , if there's a solution that comes from the shares or the Dean's or the Senate we will see if we can save the University and \$50,000 it's not gonna help us get out of our whole. So, the data resource team is looking at our solutions and make sure that whatever the solutions are will contribute to a process for us getting out of the deficit.

Probably one of the most important areas for me, when I think about the allocation of distributing resources, I'm always thinking about priorities, what are my priorities . So for the problem statement on the priorities, we could then get to the real solution and that is how are we going to transform so we can get out of the financial deficit and how we can continue to prosper. So, that's going to take a bulk of the time, six or seven months but that's the general process, and what I want to put in front of the faculty Senate is so we can start the process of consultation. I'm going to stop for a second to ask if there are comments or questions on the four step process ?

Okay. So with that four step process in mind I want to talk about the Center for applied research and innovation. And, I just have to tell you

that I believe that for academic affairs, the biggest hammer is going to be in terms of revenue and growth , the center for applied research and rural innovation. And, I think you have a chance to read through this, can a read this but I wanted to point out a few different points . April, if you could go to five -- go up.

This is a tentative mission , you need to look at this, but basically the mission, I initially wrote it, to these small businesses through community center collaborative activity . That is draft language. We've not looked at this carefully, were going to get that approval soon. But that is generally what we are going to do with the mission. . I'm not going to read through all of these steps , but I want to really stand up to this area.

But this is to establish a committee. And it's faculty led and, the faculty working with the Dean's are front and center and really coordinating and managing this care and my role is to provide the resources, provide the vision and let the faculty and let the Dean's work their magic

Up to action 2, or down to action 2, next, I believe that it's really nice, when we have, by the way, \$1 Million, we have \$1 million per year that we can use

for O&M and we have \$2.5 million in an EDA grant that we can use for capitol investment and the infrastructure and I think it would be unfair to say here's \$1 million but not of the faculty and staff are the personnel that they need to make this successful. They are already teaching and working with the community, we have to have people working to make this successful, not the staff and faculty from here. So, I'm proposing that we bring in an executive director. I made up these numbers but we bring in and a full-time executive director who will manage in consultation with the faculty led committee. And then, action 3, this is interesting, this is an opportunity, we talk about driving up the revenue . Here, we can take our current resources and perhaps introduce faculty. These faculty fellows can work with the community, they will be compensated and we need them out connecting with the community . Going to community colleges, into high school Scott working with grants to make sure that we raise the visibility of the fantastic things that were going to do. And so we need to raise our faculty and I would like to compensate them for their support in the faculty fellows program, for the lack of a better term. I'm going to stop for a second ask if there any questions before I continue .

Okay. >> I believe there should be some administrative support , a tech specialist, tech transfer specialists. This is going to encompass entrepreneur activity. And it's very important to have someone like a tech transfer specialist to support that activity and specialist. So, the tech transfer specialists, then, post docs, these are people who have their doctorate, experts in their field, why not bring in a few postdocs who can really dig into the scholarly activity and also provide mentoring and support for students . But, these are the people who are going to publish papers , the name is going to be out nationally. They're going to publish papers and engage in research and

they are going to help write grant proposals , we want to continue to write grant proposals. Those are the workhorses, they are very important. I want to emphasize again that these are just my ideas at this point. But all of this has to be checked over by the Dean's and the faculty .

Okay. So I think I won't continue with those, those are just different areas but I believe that this center is going to be front and center for revenue, it's very important. Let me explain why am so excited about the possibilities. Let me go back to some of the pictures now okay? So, you can see there, there are three thrust areas that I'm proposing for the center. The first one has to do with, and you see a picture of the example of so-called tiny houses. These are well-established , actually there's private industry involved in building tiny houses, there are student organizations all over the country within the context of universities where they compete and build the tiny houses, they are truly tiny and they are very, very small. They are designed to be exceptionally energy-efficient so there's a lot of science and engineering that's involved in the design of these tiny houses. IOT, they are loaded, state-of-the-art and the idea is that it could be a solution, perhaps , for some of the difficulties or problems that we have right there . So, that is why I am so excited because you have social work students, it's not just for science and engineering, you have also to didn't you can get involved in the design and construction and deployment of these tiny houses in the community, if that's part of the mission and part of what they want to do. So, it's a very, very interdisciplinary activity. This is why I would like to have this type of project . By the way, we have local industry who can be involved in this, there might be someone in the county that specialized on the top of the roof, or they might be something to do with the system. They can develop, learn and work with postdocs and work with faculty and then take that and spin off the company or grow the company so that they can actually to sell some aspect of a tiny home. Might be someone in the county who says I want to start a business like this. This is where they can draw and learn from FSA to work with her students and it's a fantastic area of synergy that we can have right there. So, that's the first area of the tiny homes. The students will compete nationally . They can a roll this to wherever, Denver or wherever and they're going to stand in front of the tiny houses and they can to be able to explain why you have every type of feature is so very excited about that.

There's a few pictures of the interior, you can stop there for a second. So, it's a national organization , and I've been talking much about the formula, but the idea is it's just a student organization that I think is very, very interdisciplinary. For these students, they literally start with a motorcycle engine, and they will run their analysis, they will design their frame using whatever software they're using. They will design the frame around the motorcycle engine, they will put on all their suspension system, they will do all of the airfield ratios, still building a racecar and eating the skin, and I'm working with someone who's making great connections in local industry. This I think it's going to be a home run. It's a little more specific toward science and engineering, but, businesses also involved in the students have to be able to defend how they spend their money to build

that car, and so the business units are very much involved. It's a competition. If you scroll to the bottom or the next page, but it's major, it's an international organization and they have great events, I think that maybe twice per year they are in Europe or in the United States but fantastic for students to build connections, this is something that we want to advertise. Imagine those fellows going to community colleges and they are pulling behind in the truck the SFA racecar, and talking to prospective students, engineering students, science students, say you can be a part of this.

There's a place for everyone of those students. Think about what it would be like to have that racecar right out there during orientation. Now, working so hard bringing all those students, raising the visibility of the campus to have the racecar right out in front of the building. All the beautiful students at the purple shirts hovering around our racecar. It's a great opportunity to bring in revenue for enrollment and growth. So, that's the second area I propose. First, tiny houses. And again you can see it better on your screen. And living the life and here's the idea. This is nothing new.

Web demonstration community, so right there on that space, I think it's 15 acres Guscott, we have plenty of space. It's something fantastic, we can use that to eventually get to this. So, we have this community, demonstration community and the idea is that perhaps we could demonstrate going down here, where we have food waste and so, we have the food waste that we can demonstrate we have all these ideas thinking it's nothing new, standard research and a these through all the countries. We take our food waste and we can compost it. And then we might choose to use the Verma composting process. So for this process we can actually sell the castings, so, if you go to Lowe's and by the castings, the pretty expensive and that the commodity. Now, how can we work in a business model to sell castings? So, you take those and you harvest them and you can feed them to your fish. So, now we have environmental science students, biology students, agriculture and, it's a demonstration community that we have

So, through the Aqua panic system, it's nothing new, we do this all over the country, you can harvest the vegetables, you can harvest the fish and demonstrate how that can be put back into the tiny house community. Again, all of these houses here are loaded with the latest IOT's, so we have science students, engineering students, involve students with introducing and studying and publishing papers at postdocs, right there within the community. Then, we have construction management students, we are very much involved in the interior design and construction of these homes. Then, finally, at the very top you have yard waste that's produced in a community that can be fed into [inaudible] gasifier. So through the gasification process you can create a micro greater, living off the grid. So, it's the idea of the community where you can have this demonstration piece, we can bring in college students and bring in high school students and retain our students, let's not forget that, a big part is keeping our students. Now, we can increase the semester credit hours. All of this is clue for our students, holding onto our students, these are the centerpieces that I envision being at the center. I wanted to emphasize again, these

are my ideas and I want to continue to discuss them with the faculty and staff and to revise some of those ideas.

Before I go onto the last part I want to stop and ask if there are any questions or comments?

I was going to ask where is the 15 acres?

So it's about 2 miles north of the city. I don't remember the exact name of the area but it's about 2 miles north of the city, so, it's off-campus, but, with the tiny home, it's on a trailer. You can bring it to the campus. You could show it off to the world, bring it anywhere and there's a trailer also for the racecar.

Okay, let's talk about the last one, that's the enrolling target, there's a slight on the second to last page. As I mentioned, I think and I apologize that it sideways, that you have a copy of it on your screen. This is the biggest challenge, how do we increase our enrollment? Possibly? Okay.

>> [Garbled audio]
>> [NO AUDIO]
>> TEST TEST TEST
>>

We are back on again .

At this time I like to call to order the meeting of the academic and students in fairness committee . Committee members, just a reminder , myself, [inaudible], Winston, coffee and [inaudible] . The first item of business is agenda item number 15, low producing programs .
>> , A copy may not be necessary .

So, there are a total of six six different programs of discussion , and the first one PhD and forestry , VA and philosophy, BA in Liberal studies, BA in economics, be a BS in public administration , and MS in school mathematics teaching. And, it is proposed that we continue with five of those low producing programs and closing out one of them, the one being school mathematics teaching , the Masters program. So, just a really quick snapshot of the rationale for continuing with the VA philosophy is that the faculty have reimagined that program. There is great promise in a and, there is no net gain by eliminating the program itself in terms of financials, so, they spent a lot of time re-visioning the program, and we didn't feel it was appropriate at this time to close that out.

If I'm going more quickly or if I need to go into more detail, please let me know.

Behavioral studies, it's a very important FSA, is used to attract transfer students, and, in the rationale they just continue to justify that it would be a good idea to hold onto the program, there is promise in growth .

BA in economics, the program requires no additional resources to deliver and poses no additional cost to the University of Texas , and, it's just an opportunity, again, to grow. We think that it's an important part of the solution . So, what we are looking at when we looked at the low producing programs , it wasn't just the costs, but it was also the impact on the students with the capacity to attract more students and staff .

And, for the be a BS in public administration, all of these are very similar . It's undergone some restructuring and they've invested a lot of time in developing an outreach arm of that, they are reaching out to the community college and they feel it is appropriate to hold onto the last program . Forestry is a small program, the doctor philosophy of forestry. It's a small program but it nationally recognized. It's a well-known secret that we want to continue try try to actually increase the capacity of the program so it would be a good idea to close that out, in spite of the fact that it falls under the definition of low producing, we definitely want to keep that program. And then, the faculty and staff, for mathematics and teaching of the Masters are requesting to close the program and, one student was enrolled in it, and it didn't really meet the criteria that they were looking at. So, that is kind of a summary of those closures and continuations of the programs that are low producing .

Are there any questions or comments? Dr. Smith ?

I do have a question. Do we have any historical data ? Are these the same programs that continue year after year after year to be presented to us to decide on that ?

Many of them are. Many of them aren't so I am looking at some, I think forestry has probably been here for quite some time but their strategic reasons why they are there. I would invite additional remarks on that from a Dean .

I would say that the Masters of science degree, that was developed to address the nation's [inaudible]. Since then we've had another program in the Masters of science in natural and applied sciences, it will compensate for most of that . So, it's efficient and cost-effective as a measure .

Thank you .

Okay .

I have a question, do we have or do we know the formula funding reimbursements for these different programs ? As they relate to maybe another program? I would assume that forestry is probably funded

because of the pay it Steve but I would like to know, do you even look at that when you are determining if we maintain a are not?

That's a great question. We are really looking at all the programs and, in fact, the way that we might define low producing programs, may or may not be the way that the state defines them, that's part of the four step process. We will talk to the deans and faculty and discuss things that are perhaps not captured in the way that the board finds it. So, it could be even higher .

Okay and I guess second question , are there others outside of that three-year window, are there others that are not quite at that bubble , that maybe we need to focus on now versus waiting?

Absolutely. We will look at that throughout all of next year. We're really doing it now but it really speaks to the importance of looking at low performing programs and defining that for us, not necessarily using the definition that comes but what is low producing for us, giving our constraints. So, it's not always the financials, and I know there's a lot of other aspects in the capacity to reach out to and it could potentially grow. For example, for street probably would grow, a lot more and I think they're not alone in that .

So, to like the economics , offered at other schools are are those also being removed, maybe we can go out and analyze that? >> .

Any other questions or comments?

Our only competition in the state of Texas is A& M, and, I think reemphasizing and so, there may be some fertile ground there, people that want to be University educated Borchers, in Texas, it's not really an alternative, to be honest with you. And so, I would hope that we would do what we can .

Absolutely. You bring up a good point that and that is often times we think about the four step process, many of you are thinking about how we can, and that has to be part of it but there has to be certain pockets where it might take a little bit more investment, because of the long-term strategy to grow. So, I expect her to be certain pockets of investment, that could be one of them.

>> If there are no further questions, the administration will recommend the agenda as it's presented , the agenda item as presented. And, the Texas to agenda item 16, curriculum changes for fall of 2021 .

Okay .

So, the first one is in accordance with policy , the program to propose for board approval, grant certificate and early college mathematics teaching, the second one is analysis of functions, and gradual, and abstract algebra for educators. And, these the mathematics, the noon mathematics are focusing on other areas, attracting high school mathematics teachers , it's technical is written there and I just want

to point out that this is a good example, for finding the sweet spots and so we get more student wait for the graduate level programs. So, we are just recommending some new forces in that area. And then, we see there we have a bachelor of science in aviation, 120 hours. They are working hard with other stakeholders on getting that stood out. We are accelerating the initiation and we are going to look at beginning formally in 2022. So, they've been working with the Dean to try to make that happen, and that we are on track for that. So, this is, again. I appreciate this because it reflects how people feel that sense of urgency. We don't want to wait another year to get this going, so it will come in online in fall of 2022 .

Okay .

Any questions or comments on these curriculum changes?

Okay. Second in the administration , the board will approve these changes to agenda item 16 .

Okay, agenda item 17 , agreement between Stephen F Austin State University and James I Perkins College of education the school of human sciences, construction management advisory committee. That's a big mouthful . And that discussion will be led, I believe by Dr. [INAUDIBLE] . >> Dr. Smith, oh okay, I'm sorry.

Okay. Sorry about that .

As you may know, the school sciences is in the college [inaudible] and construction management degree program that watched last year, is a growing, thriving new degree and, the faculty are requesting to establish an advisory committee that will work with that particular degree and certainly with construction management as establishing this ongoing relationship with leaders in the community . So, this is the MOU , back of the MOU agreement, from , the loosely connected group that had been working with them, wanting to formalize the committee , the advisory committee . Questions?

Any questions or comments?

We will present agenda item 17 as presented .

Then we get Doc to her fry with agenda item number 18, Aramark unamortized buyback they are revocation of amendment .

That's a mouthful .

That is a mouthful .

Good morning everyone and hopefully you all have enjoyed the food from a new contract that Chartwell's, over the last few days. This leads to that, as we are sunsetting our relationship with Aramark, our

previous vendor. Over the course the contract , the University's agreement with Aramark to provide food service and provisions for financial commitment , for multiple infrastructure investments of the terms of the agreement. The previous amendments to the agreement were improved by the board and the financial commitment for food service. The agreement was recently amended and the provision of that agreement is terminated by any party for any reason whatsoever prior to complete amortization of the aggregate re-financial commitment reimbursed agreement of both parties will contract -- balance and as of today, the termination

amount was \$4,259,555 . This is excessive food contractors selected [inaudible] division will reimburse SFA for the amount of this buyback as is the provision in the new agreement. So, in layman's terms, Aramark made some investments and our capitol investments in the dining hall . At the end of that contract then either us or the new vendor will take that over. The new vendor will take it over and so, as we stated in the contract, SFA will be flushed .

Thank you. Are there any questions or comments? Okay. Tomorrow we will make the recommendation to sign the purchase orders and associated contracts for agenda item 18 . And, with that we moved to agenda item 19, the holiday schedule for 2021-2022.

And [inaudible]?

Madam chair, [inaudible]. [LAUGHTER] So, yes, the holiday schedule, we have 14 holiday scheduled for 2021-2022. The following schedule, three days for Thanksgiving, 70s at Christmas, five working days for spring break , Memorial Day, Juneteenth and totaling 19 days. So, the opportunity we have, certainly during Christmas when all buildings are closed to have some savings, but this is the schedule that's been agreed on institutionally and presented for consideration .

Any questions or comments on the holiday schedule?

>> I have the recommendation for approval as presented . >> Agenda item 20 are the policies and revisions for the academic and didn't affairs committee. I did reach out to Dr. Smith, Dr. Frye, Dr. [INAUDIBLE] and our legal counsel and, if anyone would like to bring up anything out of the presentation that out of the ordinary, please do so . >>

I mentioned for the most part they are standard changes but you will see some updates, we just got out of legislation session. You will see some of policies updated on the board meetings and some changes . I will point out, one of the policies to make the change is policy 11 for nondiscrimination. We added an informal complaint process which was requested we've also streamlined [inaudible] over the last several years. You can expect to see another policy coming back in October, that would be conduct. Traditionally we always review that in July at the start of the some under. We have a new administrator and he is going to go through and streamline. We find this to be a much needed update effort. And, for October, those are the ones I thought were [INAUDIBLE]

.

Any questions or comments?

Okay, with that being said, we will make a recommendation for approval and, that concludes [inaudible] .

We are catching up now .

With that we will move to the finance and audit committee .

Madam chair, we will chair the finance and audit committee. Representatives are [names listed] stuck we will go to item 27 the audit services report, just a reminder the real estate that the chief executor will assist in carrying out for oversight responsibilities as they relate to the universities boarding practices and ethics. [inaudible] the Board of Directors on the status of the annual plan and internally and external reports, risk assessment and audit and compliance issues. So, this is an ongoing task and our chief executive is here.

Sure, thank you, the first route board I have for you is the payroll expenditures audit report. If you'll recall in April, we presented an audit report that's exempt and faculty type employees and now this is an audit of the not exempt student employees. Just for some background information, it's kind of the same as before , the University process for paying payroll, we use the Banner system for employees, most of the employees that are in this category are not exempt for student use of the timeclock

less reporting system. And if you look at the salary information there, you can see for classified wages, the budget form was \$21 million and net wages were another \$4.5 million. Then, as of the start of last year, in those categories we had not exempt staff, FTEs of 516, graduate assistants, 90 and student FTE calculation of 341. So, just like the other audit , the objective was to gain assurance that control is in process for University payroll that existed and, we are up rating is intended to include that the payroll expenditures are authorizing and supported by documentation and compliance. They are confidence is protected and opportunities for fraud are minimized. The audit goes through the fiscal year 2020 payroll for that category of employees. So under the summary of findings and authorizations, we did gain the assurance that most controls were in place and operating as intended. So, we found that they do appear to be accurate and authorized and all of the other objectives previously mentioned. We did have a couple of opportunities for improvement that are included , starting on page 4, which included the University uses an electronic personnel action form to record, in our system and for appropriate approvals, when an employee is hired or terminated or changes positions, so, we did note that we have some in active student employees that were created after higher dates and some untimely terminating E pass, so the University recommended to strengthen procedures divided in those areas and enhance continuing monitoring procedures and, Dr. Glenn responded to this that they would have

these additional continuous monitoring procedures in place by December 31, but it's not just human resources, it's all the areas

responsible for creating these E paths, it's done within the departments so, it's not just a human resources project, it's across the University. Then, now related to the University timeclock plus, we have an observation, just to make sure that we are formally reconciling between the time clock plus and the Banner system on a regular basis. And, again, the new strength of procedures will be in place by December 31, and, then, related to information security, the object of of protecting confidential information, just to make sure that we strengthen our security controls related to defining and documenting and reviewing shared accounts or privileged accounts to make sure that they are based on the principle of required access. And then, making sure that there is access logs being Where available. Again,

an implementation date, and then, as far as the graduate assistants and looking at the approvals and authority of the graduate assistant salaries, we notice that 23% of them did not fall within the range for the salaries recommended by the office of research and graduate studies costs though, the office of research and graduate studies is going to formalize the graduate assistant salary ranges for the summer and, there are appropriate reasons where they could be either one covetousness documenting the reasons. And then,

to make this available for use by all University departments, the graduate assistants will strengthening the monitoring procedures and the implementation date is August 31, 2021.

She has already started to work to implement. So, that is the payroll expenditures audit. I will keep going unless anybody has any questions. The next one is the benefits proportional by method of finance audit, we will recognize this topic and less you are new on the board, this is an audit we've had to do for each of the last fiscal years it's about since 2012.

Again, the audit each year, the Texas code specifically mentions contracting and requires the chief auditor for higher Ed Danieli assess whether the institution has adopted the rules and policies required and submitted a report of findings to the state auditor. At the University, the Procurement and Property services department generally has oversight of procurement and contracts, so all department heads that are entering into contracts, and those with responsibilities for contract monitoring have a role in these processes. There is an estimated 1000 contracts negotiated, and, the University has reported about 23 contracts over \$1 million to the Board of Regents for the contract monitoring. So, the doctors were to gain assurance at University adopted the rules and policies, that we administer contract management functions for selected contracts in a is with the requirements and that the University implemented previous contract management audit plans. And, the contract program and as of April 30, 2021, for the previous year. So, you are compliant and

we found that contracts for construction projects do not follow all of those adopted rules and regulations, thus, we were partially in compliance with administering the contract management functions for the contracts that we selected. And, the management action plans for the previous audit were implemented. So, if you look on the audit report on page 284, it details out each of the requirements and required to have certain standards and the contract management handbook and policies for

contracts and contracts over \$1 million, again, the internal audit requiring the audits each year and so, we do certify we adopted the policies and procedures. But like I said, based on some of the construction contracts not following, we did have opportunity for improvement. One of them relates to observation 1, the Board of Regents policy a policy 14, it's very confusing, with regard to what items required and, it was a section related to construction and details out some of the requirements. Then, as Arnie mentioned, we have to follow Texas education code that says the higher institution when I enter into agreement more than \$1 million including an amendment renewal that increases the value of the original contract no more than \$1 million, and that the board must approve the amendment and renewal for contract that exceeds 25% of the value. I'm summarizing, you all have it all in front of you. So the Board of Regents approval policy is more restrictive because it's a \$500,000 limit instead of 1 million, so a little more restrict the then state law. Then, the Texas administrative code has procedures for a coordinating board review of certain projects for education and institutions of higher education. So, the recommendation is that we review and update the policy and also, along with the coordinating board of requirements, submit the final extension contract to be reviewed by the coordinating board. And, Dr. DeLand has responded with an implementation date of the project of July 31 and just a week or so or maybe this week. Then January 31, 2022 for the policy and observation to related to a construction project for basketball, this is one of the contracts that we talked about and that we looked at. We did notice that the board had of proved some actions back and not Tober 2018. The board did not specifically approve a project budget and the University entered into two contracts it is unclear as to the specific approval by the Board of Regents. In the big differences that prior to the implementation of these Texas education codes, the way the policy is written, we had project budgets to approve but we didn't have the extra part about if the contract is \$1 million over 25 percent, so, like I said there's brought some confusion into the actual steps to take within the policy. So, I think that you will see, over and under the recommendation and working controls for construction management, and have phase 2 GMP for the -- back basketball practice facility in one of the contract amendments for the Board of Regents, that is considered a high observation rating and I think that you will see that on the building and grounds committee. So, the implementation date is July 31.

At the end, moving and observation 3, since the back the ball practice facility as part of a larger bond issue, we also looked at some of the other projects for project budget approval and we have a recommendation to clarify the project budget related to the dining facilities and submit to the board for approval. And, since some of the project budgets relate to the types of bonds and projects that can be used, the implementation date for that is November 30, 2021. Then, final observation in the street or are related to, and the observation is also considered high, the final observation related to training, we looked at the 305 office employers of the University who were involved in the procurement process, meaning they either create or approve requisitions and have work contracts and, we did find that, we has a university effectively provide training to employees with a 95% completion rate,

but we did have some training that needed to be taken in those have already been taken and we have already followed up and reviewed that they were taken. That's the contract management audit .

Any questions or comments?

Just clarification on the observation rating, when you say hi , I assume that there's a second word here, high risk Lexus

Yes, high risk.

It's a high risk area for the University, yes. In the back of the audit reports we found yes, the audit observation. If other actions were taken or other actions also happened , it just says, I think it uses not the word priority, not immediate action but, quick action is needed. If I could get back, contact. So there we go, the contact that's needed in those areas because we are expending funds in the area and we've done contracts .

[inaudible]

On the basketball facility, with the retroactive words of action .

So, that's is the best thing to do at this point .

Along with adopting new procedures . >> [inaudible]

Just to clarify that, we do have the contact checklist , so it's really the part before you get to the contract and relating to the board's action and what contract language and provisions have to be there. So, this is just the other procedures that go along with it. >> Authorized to sign and so representing through procedures .

We did have a good discussion at the time and with the additional projects on campus and maybe you didn't get to the step of actually authorizing and approving budgets So, I do think there's a lot of discussion that you can clearly follow the letter process and so now, hopefully these new procedural matters will make a great clear and get a good checklist

Yes, the action clearly shows the intent was for the Board of Regents and to these projects and move forward I was just making sure of the right steps that show that in the board minutes and project budgets . Specs and moving on we did's surprise cash count in the bursar's office in May and we have to of abort because the cats had to agree with the general ledger. And as far as the update on the audit plan, state auditors are auditing and following up on the financial aid audit as part of the state of Texas single audit for fiscal year 21 , so that report won't be released until next February, 2022 because it's for the

whole state of Texas. We are moving forward on the agreed-upon procedures review and have had the initial kickoff or insurance conference meeting with the audit firm was going to do that. In the other projects we have continue to be the public investment act on the audit plan to finish up this year, the construction audit that one of the annual audit reports and the follow-up audit. We've been working with information technology on the application survey, to be able to address

some of the management action plans for different areas across campus to have their own applications. So it's a security survey just for applications. So we feel like that's a good collaboration and we've already seen some departments complete the survey, so that's been good. Then, just the other continuous auditing and special projects. So, that is all I have under agenda item number 27 and under number 28 I have the annual audit plan .

First we will take item 27 and ask if there are more questions? Second if not then the committee will recommend approval for receipt of those audit service reports .

Let's move on to agenda item number 28. .

Okay, under the board rules and regulations it does require two annually submit the audit plan and work schedule and staffing plan to the president. And then to the Board of Regents for approval. So, I have been over it with various people that provided input , so, if you will turn to page 302 of the diligent book it shows the five your audit plan , we have so many required audits that we schedule it out to make sure that we are meeting the requirements for the five years. So you can see, like I mentioned the state auditors, every year we provide assistance to oversight agencies that are doing the audits. We have to do the public funds investment act audit, every other year , we have to do audits every other year except it's so big that we get audited all the time and we have to take it in pieces because you couldn't do it at one time. The charter school is annually audited and the NCAA, financial state -- statement compliant is annual, the follow-up audits are annually and what I just went over his annually and then the benefit proportion and all audit is required through 22 but with the new GAA we expected to be wired , subsequent years. And then the safety and security audit is every three years, so that comes up during fiscal year 22 and, then, you can see the other department and the risk-based audits. One of the thing is the office has to have our auditor while the assurance review approved every three years, so we will be due for that in fiscal year 2022 also. So, they detailed audit plan for fiscal 22 is on the next page and it includes the audits that I've just mentioned that her he wired , the contract management, but we've also added a section for compliance audit and it's about a risk assessment for certain compliance areas and it could be an academic compliance area or NCAA, whatever it is. We are also in audit resources, we have external construction audits and getting the contracts in place and we have departmental audits . It's really the federal funds , the COVID and all those funds . And in the safety and security audit and the audits and projects, they were on external assistance

and from the audit projects. Then, the other department activities, you can see under quality assurance there are no hours this year because of having the internal review. So for the total audit out is for the University is 3000 hours for our staff. >> It's incredible to be able to schedule so precisely all the activities and we thank you very much that haven't been undertaken for a year. We thank you for your diligence. Are there any questions about the audit plan? >> Your professional judgment, did you feel like that this audit plan adequately covers the risk of the institution, measuring the risk of the institution?

Yes. Yes, especially the five your audit plan if I could say that, there's no way we could audit everything in one year, so you won't see this passion with payroll audit that doesn't mean we won't do continuous auditing of payroll,

we may not look at every policy and procedure but we make sure that it reconciles her that it's included in the follow-up audit. So, to have some kind of coverage, same with expenditures, we may not do a full expenditure audit built and operational audits we pick up expenditures and we are picking up expenditures. So, we try to make it where we have appropriate coverage over a period of time if that makes sense.

Yes, the construction management audit was an ad hoc.

Construction audits, that is new on here to use resources. In the contract management audit we've selected construction contracts for the past couple years and then back on the audit plan, thinking back the state auditors, they audited stem construction, so we take into consideration other assurance, audit insurance so, state auditors in 2017, then, we have a history of what we've done. We tried to be able to cover different areas three, four, five years depending on risk, it just depends on what ends up being required that year. But as you know, since you been on here a while, we dedicated a lot of resources to IT auditing over the past few years, because of significant risk and so we try to be agile and where we need to develop the resources. We do have the University wide risk assessment that we do from the University community to build our audit plan and then, input from the president having to know this year in the finance audit, So, as you know, you've been in that position to, so we feel like we are bringing a plan that we can make progress on and this is just a block of time for special projects as needed. And we don't know in advance what the state auditors are the coordinating board call the oversight entities may choose the audit during the year, so we have that to. >> Is a risk are thoughts that come out throughout the year, the audit and board and we can request special attention.

Adjustments are approved by the financing so the plan doesn't come back to the board,

We will recommend approval of the audit plan for fiscal year 2021-2022

.

Thank you .

Thank you .

Moving on to agenda item number 29 which is the fiscal year 2021-2022 institutional operating budget . Dr. Grant ?

Thank you Mister Chairman .

Number 29, references the adoption of the fiscal year 2021, 2022 institutional operating budget. Some of the information that I should with you earlier today is reflected in the explanation here and the actual revenue is in estimate for FY 22 but the budget also includes the \$14 million and [inaudible] from the American rescue plan .

Do you have any questions or clarifications?

Any questions? He did go through a fair amount of detail in the sessions earlier this morning regarding this budget . >>

Agenda item number 30 .

This particular item used to be invented in policy, and, it's certainly needed pulled out, he pulled out the structure that was in policy, but we have to make a change that we don't have to redo the policy and no changes that are proposed to regions, and you will find on the next page, we have delineation of various fees, so no changes whatsoever, it's just pulling them out of policy so inaudible as presented with the associated schedule. Questions ?

Thanks, Tom. What's the general revenue ?

Parking and fines . >> That doesn't make much morning -- difference , it's not a big number but it does seem like an area where we have this refined static for number of years, and it seems like a really easy place to add revenue. And I'm not talking about on the backs of students, I'm talking about on the backs of offenders, people who are not following the proper policies and who are breaking the rules . So, it seems to me that I will just mention that, I'm not offering any terms and in a revenue crunch .

I'm trying to get some stats for you as well to show a different number of offenders if you will and different levels in we will get the rest .

And consistent with that thought I'm trying to decide , we want to encourage to come to campus . [inaudible] .

Many times, all of the students get to bark and premium spots .

That would indicate the rate survey to low .

Any other comments or questions on this agenda item .

We will move on to agenda item number 31. Acknowledgment and receipt of contract treatment .

Thank you Mister Chairman, this is also a departure from what we previously wrote to regions that they required by law to report to you the contracts with certain thresholds, and I've always provided that to you and I still have that as an item of this is the recommendation of counsel, [inaudible] courtesy architects and [inaudible]. So, if you turn to the next couple pages, you will see [inaudible] and, first it's construction, and, the total estimated aggregate amount for that report or the contract, rather is [inaudible] and for the Chartwell's , the total estimated aggregate amount is \$73,000,000.07 point to 571, with the current fiscal year amount of \$745,000. The next vendor will be Aramark with the total estimated aggregate amount of \$149 million, \$772,574 . This is over a period I believe of 36 years . [inaudible], the total estimated aggregate amount 6,000,396. And then lastly, [inaudible] and Wilson , the total fiscal year amount is \$41 million 159 676 37 , for a total estimated aggregate amount of \$67 million \$736,000 . So, Mr. Chair the recommendation to you is that you acknowledgment of the report required by statute.

On the contract number, does that include the money back?

We approach that at the next meeting .

Just to clarify, since it has been an issue. All of these contracts have been fully and legitimately authorized by the board? All of these contracts have been?

Will some things that were going to get ratification in the action item. So, the ratification or approval. But this is just a report for the contracts that we have so , too will be the action items .

Any other questions?

The receipt of the contract presented by Dr. Grant .

Moving on to agenda item number 32 which is the Carl Berg marketing contract extension.

Thank you Mister Chairman. This particular item is to request your approval to extend the contract from May 31- through December 31, 2021. There is additional work they've been doing from the University, but there's no increase in the contract .

I just wanted to acknowledge that delays on the agency side in the institutional side to make sure that the work they are doing, particularly for the website for the college of fine arts is up to snuff and that there's no additional cost or no other negative impact, just the formality that will take a little longer. >> I can't remember how many years it's been, this entire website, construction project, better be completed.

Their portion will be completed within the term that we are discussing it within the next couple of months but we want to move forward for December so we don't have to come back again and ask another extension.

Another extension.

We extend the dates to December 2021, no increase in the budget, and the deductible.

Outsource for medical insurance billing.

Him I will turn this around and introduce this, but this is to outsource the insurance medical billing and to get feedback and options for the particular service. The recommendation is to provide medical billing services with an option to extend. Second we have been partnering decently for the past 10 years and so, it provides an opportunity and insurance that we have for student athletes for the lapse in this types of things. And to make sure that student athletes insurance are up-to-date and this helps us and cost containment measures as well [inaudible].

I would like to add, that just for the board's knowledge there is an outstanding issue where working out right now that's gonna have to be resolved before we can enter into this agreement. So, we are asking for the board to go ahead and approve it to see that the issue is resolved in they can turn around and enter into the agreement, without too much delay. >> We will recommend approval pending any questions for item number 33. We will be extending the contract we will extend for a four-year period and, we will authorize the purchase orders from any associated contract documents. >> In this is to ask you to ratify the random orders that come in and to summarize this particular item. Multi-year -- and a file to \$105 million 526,000. Of this total fiscal year 21 concurrently, [inaudible] can increase of \$15 million. So, we are asking you to ratify and to come in for a total of \$15 million then, for more detail on an associated schedule one action.

I'm excited to be here to present agenda item number 35, quasi-endowment shall be conducted by the Board of Regents with an addition student affairs have received funds in the forms of payments for goods and services and they would like to utilize the funds for the discretionary account in the office is requesting to move 25,000 to establish of bonsai endowment -- [inaudible].

How will the decision be made .

They have a scholarship committee that moves through .

Great. Any questions ?

I will recommend approval of the \$25,000 for the QAS I endowment .

Let's go to agenda item number 36, text full resolution amending authorized representatives .

Thank you Mister Chairman, this particular item covers a couple of things. Let me give you a little background , because I don't know if some of the new Regents , it's authorize by [inaudible] act that we can invest money in. And we can use this somewhat like [inaudible] but it is actually approved of funds that of put together and invested. It's very liquid , we can get money in and money out quickly, so use it as an opportunity, many times do we know were going to need the cash, two or three weeks, months, six weeks in advance, cash meetings and [inaudible] and a method of which we can invest and, if we were going through this long-term, we would invest in Texas and now. But, on a short-term basis, this is a vehicle that allows us in many cases

for [inaudible]. But again it's authorize by the Texas funds investment act , for institutions and for agencies to be able to invest in. And, we have reason to believe at this point in time to have control of the net sales he's retiring in August so

so the changes we can continue to invest. So, it's a proactive measure . So we recommend that you approve that resolution so that we can get the changes . You note on the next page , Jessica Barrett, Michael Green, Johnson, were on the list of to approve [inaudible] .

So, I recommend to approve the revolution -- resolution .

This is basically a signature card item for those authorized to make changes to the fund .

Are there any questions on this topic ? >> If not we'll you recommending approval of the resolution .

Now we go to our last agenda item number 37, this is the finance and audit policy revision. There are number of items here set forth and [inaudible] . Auditing and course tuition, central stores, computer purchase and replacement , external bank accounts, financial exigency, physical plant charges, post bond issuance federal tax compliance measures, procurement training, purchasing from officers or employees , purchasing ethics and confidentiality.

>> We know that the ethics and confidentiality 17 point to to, as well as the computer purchase and replacement 17 .4 initiates the policies.

17.for is relying on the appropriations act which already covers it, it's procedural policy anyway. Then they are being merged and the policies tend to overlap in some areas anyway to the point when you're

looking for certain information and you didn't know which one you had to go to so you end up going to both. So Kay and her group took the necessary steps to go ahead and avoid the problem altogether, so that's kind of an ongoing revision that they've been doing, streamlining the policy .

It looks like each one of the policy and provisions is scheduled for review So, minor changes. Any questions? >> [inaudible] .

No, that's [inaudible] .

[LAUGHTER]

Still lost the spelling bee one time in eighth grade .

Okay so

It was oxidation and I remember it .

I miss mediocre . [LAUGHTER]

It's true so,
any questions? .

With that we've gone through two of our committee reports and we are going to break for lunch and, we will return at 1:30 PM for the building and grounds committee .

>> [event concluded]

Please stand by for realtime captions.

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[Event Concluded]