

Please stand by for realtime captions. >>

We call this meeting to order. Stephen F. Austin Board of Regents and it is 1:00 p.m., October 31st, 2021. We have a lot of -- today, happy homecoming that we just wrapped up and a lot of great events. Speaker serious. Ribbon-cutting's. A great day of homecoming activities yesterday so a huge thanks to [Indiscernible] and the alumni Association [Indiscernible] fantastic celebrations we have had over the last several days. Thank you for that. Happy Halloween to everybody. I don't think we have had a board meeting on Halloween before but we are having one today and so happy Halloween to everyone. Happy birthday . [Applause] [Captioner cannot get audio--unclear] happy birthday.

With that I will call the role Mack. [Roll Call]

And [Indiscernible] Flores we are happy you are here and we are sad we will lose you during the course of the day. You have some leave and will be gone tomorrow, as well. A federal jury trial, fun for you. [Laughter]

[indiscernible - low volume]

Trick-or-treat.

Exactly. >> Before you travel out of the area, thank you for joining us at this meeting. [Captioner cannot get audio--unclear]. All right, we are going to pick up our board meeting with the academic and student affairs policy revisions.

Thank you, I would like to call to order the meeting of the academic and student affairs committee [Indiscernible] Winston, Spencer coffee, and Karen Gantt. We have a short agenda. The first item is 10 , the advanced program -- dance program is moved to the college of fine arts. >> The call to fine arts recommends moving the dance program out of the department of health sciences within the college of education into the college of fine arts and in the college of fine arts dance will join the school of theater under the new name, school of Theatre and dance. The students in the dance program asked for this move and believe it will better reflect their -- and discipline. The call to find arts leadership and -- share this belief and so do I. I am recommending approval of the move of the dance program to the college of fine arts and that it reside alongside theater and -- the renamed the school of Theatre and dance.

Thank you. Do we have any questions or comments? I think this is a great idea, with a new fine arts remodel and facility and [Indiscernible] placed over there. I think this is an awesome thing. Thank you for that recommendation and if there is no discussion or questions, we will make that recommendation. Our next agenda item is 11, curriculum changes. And the aviation courses. [Captioner cannot get audio--unclear].

The Stephen F. Austin State University , Perkins College of education school of human sciences requests approval for the following two courses. AVSC 3204 and AVSC 3104, commercial flight two. These courses are flight lab courses and have been approved through the curriculum process at SFA. They are part of the degree plan for the aviation sciences which was approved in July 2021 by the Board of Regents and on September 17th, 2021 , by the Texas higher education coordinating authority. I am recommending that the board approved the James Perkins College of education school of aviation sciences courses , AVSC 3204 and commercial flight one AVSC 3104 , commercial flight two.

Any questions or comments from the committee? Any discussion?

Since this is a new program at SFA, aviation, [Indiscernible] full curriculum for the degree as a bachelor of sciences?

It is continuously being updated, but yes.

[Captioner cannot get audio--unclear] [Laughter]

[Captioner cannot get audio--unclear] [Laughter]

I hope it really takes off and doesn't [Indiscernible] [Laughter] .

Any questions or concerns about the tax we will also support that recommendation.

Thank you.

The next item for us to discuss our academic and student affairs policies and revisions. We do have quite a few of those. Many of them are just rewrites and updates, but we do have two that have had significant [Indiscernible] and I think Dr. Frye will address those.

Madam care chair, do you have a preference which I talked about first?

No.

All right. The two policies that oversaw the most revision and updates were

student conduct is the first one. If you remember from our previous meeting we made some adjustments per hour policy [Indiscernible] review that document. Based on bringing in a new director of student [Indiscernible] Dean of student assistant vice Prince of all and the new vice president of student affairs [Indiscernible] student conduct in that area of discipline. The code needed a little bit of love. No offense to the lawyers in the room but it read -- more [Indiscernible] document should not be a legal document that any attorneys can be deciphered [Indiscernible] say I don't think an attorney

[Indiscernible] student conduct processes because that is what it is. We wanted it to reflect that and we updated firms within the document. Every section is some form or fashion needs updated. We codified certain things regarding victims and victims rights . What the violations were, this jurisdiction, but overall if you look at it, the changes were pretty dramatic and we also were more compliant with [Indiscernible] to make sure the records were retained for seven years. A lot of things needed a good dust off and just look and me, Nathan, Andrew got a new product that will be more fair, a new process and less likely to place the university in a precarious position [Indiscernible] .

Okay, and if you are not [Indiscernible] 73 . There again it is pretty lengthy . It has been reviewed [Indiscernible] cabinet members to get us into compliance and more updated , so if you have any questions -- does anyone have any questions or comments?

[Captioner cannot get audio--unclear]

Filing a false complaint. [Indiscernible] addresses this? I don't see it or is it just gone?

We would address it if it was false information. In the 20 some years I have been working up this administration, not that it doesn't happen, but it is not as frequent .

[indiscernible - low volume]

Yeah, that is what I do want to look at. We would take it through [Indiscernible] .

Any other questions on that particular policy? Okay. The next policy was illicit drugs.

That one and students displaying serious psychological problems. Within the illicit drugs, two things [Coughing] [Indiscernible] talked at the cabinet and the board previously about that you issue in which we can better address the dressing office campus [Indiscernible] persons living [Indiscernible] deterrence and the inability to have a glass of wine [Indiscernible] so we revised policy where those that are 21 years of age or older in the residence hall would be able to consume alcohol unless [Captioner cannot get audio--unclear] or less, a glass of wine or beer , hopefully will be an initiative that will allow students to want to live -- those 21-year-olds that are traditionally party animals and focused on [Captioner cannot get audio--unclear] does not mean [Captioner cannot get audio--unclear] choose to have a glass of beer or wine they can do that while they are reading or relaxing in the hall . I have had our team look at the schools within Texas and there are a few to continue to maintain some of those [Indiscernible] private schools, [Indiscernible] Carlton, Easton, Angelo, Texas A&M, Fort Worth Christie, Texas A&M commerce, Texas A&M College Station [Captioner cannot get audio--unclear] Santiago, Bryce, TCU , all allow for 21-year-olds and up to consume alcohol. [Captioner cannot get audio-

-unclear] were Christian affiliated schools. Being consistent with the practice and best practices [Indiscernible] be an incentive for increased morale on campus. The other thing that we codified in the policy , per the alcohol policy would not of been able to have alcohol until [Indiscernible] we corrected that so that it was consistent with our practice and that was a [Indiscernible].

Okay.

I know there are laws against [Indiscernible] providing alcohol to underage minors , but what is part of the legal clarifications of people in the majority providing alcohol to minors and assuming there is, what will we do to police that were at least train -- signage.

The challenge is it is probably already going on. Students on college campuses consuming alcohol or other drugs [Indiscernible] contradict that so we will be [Indiscernible] student code of conduct [Indiscernible] addressing violation of behavior, providing alcohol to a minor [Indiscernible] could not consume alcohol in front of any individual who is underage. If found in violation would be [Indiscernible] educational review probably involves some sort of alcohol [Indiscernible] probation, reprimand, something like that, depending on -- and as far as [Indiscernible] I could not answer the legal side because student conduct [Indiscernible] chief of police but I'm assuming the typical arrest protocol [Indiscernible] other violations of the law.

It would be handled if it was found by a resident advisor [Indiscernible] or found to have occurred and that would be addressed in the student conduct code and not [Indiscernible]. With they have an obligation to pursue legal statute [Indiscernible] ML the question is what are we doing to prevent it, educating people with this new freedom, that it is a violation of the law [Indiscernible] provide alcohol.

We have a number of issues [Indiscernible] goals and objectives that are associated with drug alcohol education. [Captioner cannot get audio-unclear] making sure we are in compliance with that.

Thanks for sending it my way. [Indiscernible] . RA dress and all staff are trained with intensive training on a number of different issues -- so whether it be just an addition to any other item we would do , reflected in their training, and it would be a police matter whether they would make an arrest or make a referral to the student conduct office. I think it would be at the officer's discretion. In the 23 years I have worked in higher Ed [Indiscernible] police offer discretion on how they would handle a criminal matter versus a referral to the student [Indiscernible]. Depending on the severity, we will draw on this to make sure they're educated and they learn from it [Indiscernible].

Also I would note that on page 50 of that policy there is a list [Indiscernible] penalty for abusing that rule and also the Texas law so that will be stated in the policies. It could give clarification on the penalties and punishments.

[indiscernible - low volume]

That is not a law issue. That is support of education.

Any more questions or comments ?

One question and he goes to marijuana, medical marijuana and [Indiscernible] covered in this or other [Indiscernible].

It depends on the state. In my previous state it was legal in the state but there was still illegal federally so we still enforced [Indiscernible] therefore I would assume that would be the case [Indiscernible].

It is nationwide. In Colorado [Indiscernible] criminalizes it. The University [Coughing] [Indiscernible] federal law [indiscernible - low volume] .

Medical marijuana [indiscernible - low volume].  
Arizona, Oklahoma, [indiscernible - low volume]

Any more questions on that?

I would just mention that I appreciate tracking trends and other crimes that might be associated with that , sexual assault or that sort of thing, and getting a report back from you after some period of time to make sure those trends have not been exaggerated because of this policy. >> There is some cross work between this, the code, and the alcohol policy and for lack of better words, the title and policy. I think the challenge is it also rings true that when we typically -- not create a chilling effect. You don't want the fear of a young lady or young man or anyone consuming alcohol under age that they are afraid they will get in trouble when they report sexual assault and they were drinking under age. We will use discretion to make sure that we address the bigger issue , which is the alleged sexual assault . [Indiscernible] less that they were consuming alcohol underage than a victim or survivor. We would address the larger issue. It does not mean we would not have a follow-up conversation and best practice would be to make sure we are doing a bigger drive [Indiscernible]. Again, the key is we have to understand that students on a college campus, some are experimenting. We are just codifying where it says if you are 21 you can [Indiscernible] so whereas in the past they may have been -- not legal in the sense of the law but violations of the code in consuming

alcohol , in fact you could see a decrease in alcohol violations by the fact that they now can legally have it. It is an interesting trend [Indiscernible] .

Okay. The other one we would like a little clarification on is on page 101 in your book and it is students displaying serious psychological problems and policy 10.13 . If you could address that for us please?

Absolutely, that put us into a very precarious position as changes in law. You no longer can look at suicidality -- it is now covered under the students with disabilities act so [Indiscernible] voluntarily withdrawing people for just having suicidal ideation is [Indiscernible] and we were able to do that in the policy and don't want to do things that are illegal and we want to create an environment for all students where we are not violating the ADA, so it is more that you would look at it in a sense of threat levels. They may have a suicidal ideation but the concern is they might be a threat to others, so we removed the reference to the emergency room or non-emergency situation because this policy would only be enacted in extreme cases . Nonemergency cases would not be subject to this policy [Captioner cannot get audio--unclear] put us in a tough position. We created some interim measures around the University [Indiscernible] and also allow for due process, the rights of those students who might be going through this. We added an extra level with the vice president [Indiscernible] to our Executive Vice President -- and the title alone was pretty problematic. When you hear students displaying serious psychological problems, not all students that are a threat may necessarily have a psychological problem that is why

we moved for best practices [Indiscernible] . We also codified some things in there with behavioral [Indiscernible] cross functional group that needs to be discussed. Students that are potentially concerned for themselves and others who may be displaying patterns of concern that we want to keep an eye on.

This is pretty detailed and lengthy. If you have not already, I recommend [Indiscernible] tomorrow's meeting at right now any questions you may have for the session [Indiscernible] [Sneezing] but thank you for the clarifications on that.

Thank you so much. [Captioner cannot get audio--unclear] no reference to [Indiscernible] new name.

Yes sir. In the redline we strike out the old title language and put new one.

[Captioner cannot get audio--unclear] student voluntarily withdrawals. On the first page it shows students displaying serious psychological problems [Indiscernible] revise but not rename . >> That would have to be approved first otherwise [Indiscernible].

Okay.

He is saying should we make a reference on the action item. Just noting it will be renamed.

We can do that.

Any other questions for Dr. Frye?

Thank you for your consideration on those policies.

Madam chair, with no other questions and concerns of the committee we will [Indiscernible] recommendations for approval and [Indiscernible] one minute ahead of schedule. Okay, thank you to the economic consumer affairs committee for your efforts and we will not call on the finance and audit committee.

Thank you. The finance committee is called to order [Indiscernible] including myself, Alders for, Flores [Captioner cannot get audio--unclear] . Update.

This is a report we bring each quarter to update you regarding contracts that require enhanced monitoring and reporting as required by the Texas Government code and the Texas education code. Until July of 2021 we presented this report [Indiscernible] required no action , however beginning with the July 2021 board meeting formal approval is an acknowledgment that the board [Indiscernible] required to make necessary [Indiscernible] General Counsel, internal audit, finance administrators in order to be more compliant. This report is prepared by [Indiscernible] Johnson, director of the procurement services and she is here today in case you have more detailed questions involving [Captioner cannot get audio--unclear]. The first contract on our report is the Aramark contract and the changes to this contract will be updating the final aggregate amount. The contract period ended June 30th and there are no expenditures [indiscernible - low volume]. The second contract is for construction services. We were able to move forward with the contract to complete phase three of the powerplant [Indiscernible] utility system requirement expansion . With your approval in the July board meeting [Indiscernible] 1 million in additional funding to complete this project. The board approvals have been submitted and approved at \$6.6 million and this contract told us now \$6.2 million. The third contract is even concepts company. This is to provide athletic access insurance

and contract in 2017 and was a result of an RFP process . Has four additional one year periods and I think it opened in 2017 [Captioner cannot get audio--unclear] August 1st 2017 until July 31st 2022. The current fiscal year amount is 41,000.

[Captioner cannot get audio--unclear]

Okay.

It allows us, we are a secondary carrier so student athletes are required to have primary insurance -- any injury that they may have, if they don't have it would fall back on [Indiscernible] insurance policy and that is what this is about, making sure our student athletes who have medical issues [Indiscernible].

That could also be defined as supplemental.

[indiscernible - low volume]

Most of the time it is. And typically what we do is if they don't have insurance we goes to [Indiscernible] with a provider. [Coughing]

Okay. The next contract is Faber LLC. This contract is being extended in the aggregate amount [Indiscernible] contract period extended to December 31st, 2021 and there is also a change of the name of the country from [Indiscernible] to Carlsberg LLC. The next item is contract with the Texas General land office and contract is a two-year contract that will set the fixed-price to determine our natural gas -- total estimated aggregate amount is 7.7 million with the current fiscal to date of 764,000. This contract represents a 28.5% increase in our contracted rate that we pay. And we will have approximately 175 million -- 60 >>, \$175,000 increase.

\$3.81. That is incredible. We really worked -- we were nervous about setting a price ahead of it but [Indiscernible] decided it was a safe way to go.

>> If it were legal to do so [Indiscernible] [Laughter].

The next contract is the king Wilson [Indiscernible] also to come back to the report is the description of the file completion date into delays and we now have a substantial [Indiscernible] 2022. And we have a final completion date of April 21st. Are there any questions about the report?

Any questions from the committee members? Thank you. I appreciate that report. We will recommend the acknowledgments [indiscernible - low volume] agenda item 14, annual audit report and audit charter.

Okay, the first thing I have is the audit report and audit charter and the report is required by the internal [Indiscernible] every year recaps all the audit activity for the year. If you go to the executive summary it talks about the purpose and the mission of audit services and with this report and working with our oversight agencies, we made

sure if the state auditors are auditing something we are not [Indiscernible] coordinate the efforts across the state. This year if you will recall, we have been down by one staff person, the retirement of a longtime employee so we operated with a graduate assistance -- our office and if you go on to section 5 it will show you the summary of the audits we have completed this year and I will go into all of those because -- Board of Regents last year.. It also has the list and high-level audit recommendations or observations that we had in the audit report -- tapped 70 tells our non-audit services. Board of Regents policies. We also looked at the policies for consistency and more from an internal standpoint before each meeting. We would do cash counts, continuous auditing activities, the administrators -- hotline reporting system and investigate those reports and work on information-technology risk assessments with I.T. and various other practices -- not necessarily end up as an audit but they are considered the non-audit activities. You also see our quality assurance review, which is the audit we have to have every three years and the audit standards. Our latest one was [Indiscernible] University which showed we are in compliance with the audit [Indiscernible] are required to comply with and then in tab nine, our internal quality assessment so required to assess ourselves every year and you can see some of the things we do on a regular basis to ensure we are in compliance with those quality standards. One of the things this year was we have limited the audit rating system, with a priority low, medium, high, on all of our findings. Hopefully it has added some perspective to the audit reports about what are the most high risk areas in any of our audit reports. Then we also got into our recap of our goals and the goals we set for this year. They were all part of the -- you already saw those. In July we have our five year audit plan and our detailed audit plan and again on September 12th we had the budget project and it was approved at that time and we explained the risk assessment process which is coordinated by [Indiscernible] services and goes out to the entire University and community and we appreciate that everyone always responds to it [Indiscernible] departments respond to help us not only assess risk but to find out information [Indiscernible] specific compliance in their area or risk in their area. Then we detail the external audit services and we are required to get approval for any external audit services that have -- state auditors offices at first right of refusal before any external audit services and so you can see the ones we did this year -- NCAA required -- review the charter school statement and then we used a company that sticks with our internal information-technology and though they are external they are assisting us as internal auditors and [Indiscernible] on our sex review and you will recall we do that for -- 2019 and 20. The next tab is reporting broad abuse and this is the report, the expected report based on -- state auditors office so we detail out our program at the University but we have a fraud policy to report fraud on our website to identify fraud, waste, and abuse. [Captioner cannot get audio--unclear] the University but it gives somebody that has a suspicion or sees something they would like somebody to investigate an opportunity to report that. So investigate those reports along with assistance from the General Counsel's office and we have our ethics policy and [Indiscernible] informed of the program in orientation and also we are required to coordinate certain investigations with the state auditors office depending on what they

are. The last thing in tab 15 is our audit charter and we did not make any changes but a slight recap, the purpose of our audit services is to assist the Board of Regents and the president with an independent appraisal of the adequacy and effectiveness of universities, and the quality of performance and standards. The primary objective is to assist the Board of Regents and the University numbers up and discharging their responsibilities and looking at policies and controls and services and that we do have to comply based on the Texas internal audit app. And the Board of Regents -- we have to comply with -- Government auditing standards and institutes of internal audits which include things like -- objectivity, competence, professionalism that you would expect. One of the big things with the Board of Regents approving our policy is you are approved on a regular basis so we bring it back regularly and reestablishes authority. It says the department of audit services restricts accountability for [Indiscernible] records and information and authorized unrestricted access to any and all SFA records manual and electronic, physical properties, assets, activities, systems and [Indiscernible] engagement. And that the SFA employee should make every effort to assist the department of audit services in any audit investigation or activity. And that the chief audit executive reports to the Board of Regents and so there is that unrestricted access to the Board of Regents when needed. It is just important because as we audit people across campus they may say why do you need that but we just go back -- we have to have our evidence. So, no changes to the charter.

We are extremely fortunate to have [Indiscernible] and her staff [indiscernible - low volume] an incredible job. [Captioner cannot get audio--unclear]

7900 hours in fiscal 22 plan for auditing the various functions and departments . It is interesting to note also there are [Indiscernible] audit services that provides oversight on various [Indiscernible] University. We are extremely fortunate [indiscernible - low volume] so we will be recommending approval of item 14 the audit report and audit charter . Thank you. We appreciate that. Moving directly to agenda item 15 , acknowledge receipt of audit services report .

Thank you very much. I will go into the audit reports we have done this quarter the first being our follow-up audit and you know professional audit standards that I just talked about and our internal charter require us to establish a system to monitor the dispossession of -- not only that we audit but that -- going to be. You can see in our follow-up list we have 64 management action plans that were outstanding and they go back to one audit report from 2014 and hopefully that one will get off soon. 64 management action plans within those audit reports and if you go on over to the objectives of this methodology, our objective was to get [Indiscernible] in an appropriate manner and the audit scope included all of the outstanding extra plans as of August the first so this was action taken as a August 31st but for some of those plans [Indiscernible] like we always talk about [Indiscernible] next related project, we always follow-up on something with contract management so we have that audit every year. We just follow-up within those audits if it makes more sense to do it that way. Some of them were excluded from

this audit so if you go down to the summary of observations you will see of the 33 management plans we reviewed, 18 or 55% rep lamed. 10 were in process but they needed a revised target and for them were verified and one was closed because the department related to no longer existed and they had procedures elsewhere for that area. If you look at the closed -- rolling along, it is a 7% implementation rate which is up from last spring and -- 61%, 66%, affected some ability to implement management action plans so the most recent -- was the one we did in August 2019 and we were at 74%. So that was back up in the 70% range and [Indiscernible] higher but we thought it was acceptable. We generally implement action plans as of that August 31st date and those two I mentioned, the date was extended, the implementation date, nine of those are expected to be implanted by this 31st and only one of them was moved to next August. So there were plans in place to get them done and like our annual audit report, the status of all of those, I will go into those. In detail.

Any questions?

Okay, the next one is our laboratory audit and this was a request from -- early childhood lab due to a change in the department director and just wanted to make sure about the controls that were in place within the early childhood lab and a new director came in and she [Indiscernible] and so if you look at the table and you have a snapshot of the early childhood lab revenues and expenditures it shows that the revenues are 854,000 but the expenditures are \$1,050,000. So it looks like [Indiscernible] but however, as a report on the outcome it doesn't take into consideration the facilitation of all of those 1500 students that had focused our observation requirements within that early childhood lab -- curriculum. Those hours were being recognized [Indiscernible] and not directly allocated to early childhood labs. Just explain that because it looks like they are not covered in the revenues and expenditures by the tuition that is coming in is not being offset from that area. It just helps support it.

[indiscernible - low volume]

We would have to include those. But we can get that -- and then we have a faculty and staff -- 175,000 or so inventory. They do have a lot of student workers and they helped with the lab -- a large number of student workers and the actual child enrollment in the early childhood lab was 74 as of July 26th so that is how many students they are serving. So our audit objective was a little bit less in the dark departmental audits and we were looking at certain areas so we were looking at the policies and procedures and practices of compliance related -- particular organizations and reporting program involvement. We did find that they had procedures in place and they needed to be strengthened in some areas, in particular, information technology and moved into the observation that accounts receivable listing and how the accounts receivable -- collection of tuition and fees, procedures and [Indiscernible] accounts receivable and the receipts were some of the

more unusual [Indiscernible] field trips and receipts and those procedures needed to be strengthened and then for program [Indiscernible] early childhood lab clarified the admission policies and took those policies out. So I plan to have all of this -- try to change that 31st date. So that is the early childhood lab and then we have our public funds and investment act audit and this is the audit that is required every two years by Government code chapter 2256 , requiring the audits -- we bring to the regions just as a note , the University does contract with Texas A&M as of September 2013 to manage some of our investments in those investments are not subject to the public funds investment act. We do have a university policy [Indiscernible] that guides investment activities and the policy states the vice president for finance and administration is responsible for [Indiscernible] decisions and activities and the vice president for -- day-to-day mainstream to other staff and as of May 31st you can see the University -- in place then and operating investments of 123 million quasi-vestments [Indiscernible] and our proceeds around 93 million for total of 200 million . Our audit objective was to get insurance that we were -- and in compliance with the general appropriations act writer [Indiscernible] requirements form and requirements that also been prescribed by the state auditor's office and our schedule as of May 31st for the period from our last audit March 1st 2019 to May 31st, 2021 and if you look at our summary findings we did [Indiscernible] generally in compliance to meet our audit objectives and we did not find -- need to be reported to the state auditor. For the update on our audit plan the state auditor's office is currently performing the audit work , financially, federal funds, to support the state of Texas. Fiscal year 21, that report will not -- until next spring. They released it for all of the state of Texas. However we were notified by the Texas workforce commission -- required civil rights division personnel policies and procedures review -- every four or five -- human resources is currently preparing for that in the spring. The Perkins loan closeout and financial aid, construction closeout audit, we started the NCAA and charter school along with other projects such as finishing our S.T.E.M. closeout , or construction audit, tuition set-aside audit, the finance that comes every year to you all. Endowments audit, and working on some other special projects. I think the other part of my report [Captioner cannot get audio--unclear] chair Mason?

Any questions on the various audit reports?

Thank you. We will have a continuation of our committee [indiscernible - low volume] adjourned early.

We had part of our science and committee meeting [Indiscernible] and with that, at this time we will recess to an executive session [Indiscernible].

What it would take about a 10 minute break?

>> [Session is on a 10 minute break] [Captioners transitioning]