

AGENDA

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS
Standing Committee/Regular Remote Teleconference Meeting**

Date: Thursday, August 13, 2020

Time: 8:30 AM

Place: Texas Southern University
Texas Southern University
3100 Cleburne St.
Houston, TX 77004

Chair: Albert H. Myres
Vice Chair: Marc C. Carter
Second Vice Chair: Pamela A. Medina

I. Call to Order

II. Prayer

III. Roll Call

IV. Open Forum

V. Conflict of Interest Statement

VI. Board Business

A. Approve Minutes for past meetings of the Board of Regents

Action Requested: Approval

B. Chairman's Comments

VII. Administration and Finance

A. Fiscal Year 2021 Operating Budget

Action Requested: Approval

B. Purchase of Audio/Visual Equipment from Troxell for Sterling Student Center, Fairchild and Rollins-Stewart Music

Action Requested: Approval

C. Renewal of the Banner Software Maintenance Agreement with Ellucian

Action Requested: Approval

D. Domestic Student Health Insurance

Action Requested: Approval

E. Debt Policy

Action Requested: Approval

F. Approval of Endowed and Non-Endowed Investment Policies

Action Requested: Approval

G. Endowment Performance (June 30, 2020)

Action Requested: Information

H. Addition of HD Supply for Purchase of Kitchen Appliances

Action Requested: Information

VIII. Academic Affairs, Research and Student Life

A. Candidates for Rank, Promotion and Tenure FY 2020

Action Requested: Approval

IX. Development and Legislative Affairs

A. No Agenda Items

X. Personnel and Litigation

A. No Agenda Items

XI. Physical Facilities

A. Contract Renewal with General Land Office for Natural Gas

Action Requested: Approval

B. Agreement Renewal with Johnson Controls Inc. for Campus Life Safety Systems Inspection Services and Preventative Maintenance

Action Requested: Approval

C. Power Restoration Update

Action Requested: Information

XII. Athletics

A. No Agenda Items

XIII. Audit Committee

A. Tasks in Progress Report

Action Requested: Information

XIV. President's Report

-Student/ Student Services Highlights

-Faculty/ Academic Highlights

-Staff Highlights
Action Requested: Information

XV. Executive Session

- A. Texas Government Code - Section 551.071 - Consultation with University Attorney(s).
- B. Texas Government Code - Section 551.072 - Deliberations concerning Purchase, Lease or Value of Real Property.
- C. Texas Government Code - Section 551.073 - Deliberations about Negotiated Contracts for Prospective Gifts or Donations.
- D. Texas Government Code - Section 551.074 - Personnel Matters, including Appointment, Evaluation or Dismissal of Personnel.

XVI. Reconvene in Open Session to Consider Action on Executive Session Items as Necessary

XVII. Adjourn

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Board Business

ITEM: Approve Minutes for past meetings of the Board of Regents

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approve minutes for:

- Remote Board Meetings on June 25, 2020

**SUPPORTING
DOCUMENTATION:** Draft Minutes

FISCAL NOTE: No Fiscal Impact

ACTION REQUESTED: Information



BOARD CHAIR

Albert H. Myres
4

8/4/20
DATE

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEES/REGULAR BOARD MEETING**

Thursday, June 25, 2020 8:30 A.M.

Present

Mr. Albert H. Myres, Chair
Mr. Marc C. Carter, Vice Chair
Ms. Pamela A. Medina, Second Vice Chair
Ms. Marilyn A. Rose
Mr. Wesley G. Terrell
Mr. Joseph Johnson, Student Regent

Absent

Mr. Ron J. Price

I. Call to Order

The Remote Standing Committees/Regular Board Meeting of Texas Southern University Board of Regents was called to order by Chairman Myres at 8:32 A.M.

II. Prayer

Chairman Myres announced that Deacon Terry Garner would deliver the prayer.

III. Roll Call

Attendance and a quorum were confirmed by roll call. The meeting was live-streamed from the campus of Texas Southern University, Houston, Texas, via IBM Cloud Video Streaming: <http://www.tsu.edu/about/board-of-regents/live-stream.html>

IV. Open Forum

Chairman Myres reminded the speakers of the open forum rules that govern speakers addressing the Board.

The following individuals participated in Open Forum:

- Khaniya Burley, SGA President
- Ms. Melanie Jackson, TSU Staff Council Chairperson
- Dr. Edith Wu, TSU Faculty Senate Chairperson
- Dr. Henry Ford, Alumni Involvement
- Ms. Victoria Grey
- Ms. Georgia Provost
- Mr. Wendel King
- Ms. Anita Hughes

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEE/REGULAR MEETING
Thursday, June 25, 2020 8:30 A.M.**

V. Conflict of Interest Statement

Chairman Myres reminded the Regents of the Conflict of Interest statement and to acknowledge any conflict by completing the form and submitting it to the Board Relations office at the earliest practicable time.

VI. Board Business

- A. Approve Minutes for past meetings of the Board of Regents

Action: Regent Myres motioned for approval, seconded by Regent Terrell. Motion passed.

- B. Chairman's Comments

- C. Vice Chairman's Comments

VII. Consent Docket

- A. Fiscal Year 2021 Holiday Calendar

Action: Regent Myres motioned for approval, seconded by Regent Carter. Motion passed.

VIII. Administration and Finance Committee

- A. Contract Amendment with Michelle Rahman for Consulting Services

Action: Regent Myres motioned for approval, seconded by Regent Medina. Motion passed.

- B. Contract Renewal with Arthur J. Gallagher for Student Health Insurance Plans

Action: Regent Myres motioned for approval, seconded by Regent Terrell. Motion passed.

- C. Purchase of Kitchen Appliances from Indoff Inc.

Action: Regent Myres moved for approval, seconded by Regent Carter. Motion passed.

- D. Subscriptions and Databases Renewal with EBSCO and ProQuest

Action: Regent Myres moved for approval, seconded by Regent Carter. Motion passed.

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEE/REGULAR MEETING
Thursday, June 25, 2020 8:30 A.M.**

- E. Request to Contract with McConnell & Jones LLP and Weaver and Tidwell, L.L.P. for Professional Financial and Assurance Services
Action: Regent Myres moved for approval, seconded by Regent Medina.
Motion passed.
- F. Contract with IR+Media LLC for Reputation Management Services
Action: Regent Myres moved for approval, seconded by Regent Terrell.
Motion passed.
- G. Affiliation Agreement Renewal with the Houston Academy of Medicine-Texas Medical Center Library
Action: Regent Myres moved for approval, seconded by Regent Carter.
Motion passed.
- H. Banking Resolution and Signatory Changes
Action: Regent Myres moved for approval, seconded by Regent Rose.
Motion passed.
- I. Student Accounts Receivable Write-Off
Action: Regent Myres moved for approval, seconded by Regent Terrell.
Motion passed.
- J. Contract with CenturyLink as Internet Service Provider
Action: Regent Myres moved for approval, seconded by Regent Carter. Regent Terrell abstained. Motion passed.
- K. Purchase of Cloud-Based Library Management System from OCLC, Inc.
Action: Regent Myres motioned for approval, seconded by Regent Medina.
Motion passed.
- L. Contract with Ellucian L.P. for Additional Managed Services in Support of Renew 2022
Action: Regent Myres motioned for approval, seconded by Regent Medina.
Motion Passed
- M. Emergency Purchase of HP Computers & Equipment from Lyncverse Technologies
Action: Information
- N. Emergency Purchase of Computer Hardware from Apple, Inc.
Action: Information
- O. Emergency Purchase of Microsoft Azure Software from SHI Government Solutions

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEE/REGULAR MEETING
Thursday, June 25, 2020 8:30 A.M.**

Action: Information

P. Emergency Purchase of Unified Student IDAM from Campus EAI

Action: Information

Q. Emergency Purchase of Adobe Software Licenses from SHI Government Solutions

Action: Information

R. Legal Management System Presentation (ServiceNow) by Precision Task Group

Action: Information

S. Endowment Performance (May 31, 2020)

Action: Information

T. Endowment Update

Action: Information

IX. Academic Affairs, Research and Student Life

A. Updates to Freedom of Expression Policy and Procedures

Action: Regent Medina moved for approval, seconded by Regent Carter.
Motion passed.

B. Candidates for Rank, Promotion and Tenure FY 2020

Action: This item was tabled.

C. Admissions Criteria: Admission Appeals Committee

Action: Regent Medina moved for approval, seconded by Regent Myres.
Motion passed.

Chairman Myres stated that he would like to be sure that this policy is simplified so that the Parents and Students understand clearly what the admissions' criteria is to get into school.

Regent Johnson wanted it clarified that there will not be any additional fees for the appeal process.

Dr. McKinney confirmed both statements would be made clear to the Parent and Students

X. Development and Legislative Affairs

A. Donor Planned Gift (Real Estate)

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEE/REGULAR MEETING
Thursday, June 25, 2020 8:30 A.M.**

Action: Regent Myres motioned for approval, seconded by Regent Carter.
Motion passed.

B. Gianna Floyd Scholarship

Action: Information.

XI. Personnel and Litigation

No agenda items.

XII. Physical Facilities

A. Contact Amendment with PBK Architects, Inc for Engineering Services

Action: Information

B. Contract with Floors 2 Adore, LLC for Renovation Services

Action: Regent Myres motioned for approval, seconded by Regent Carter.
Motion passed.

C. Contract with Sea-Breeze Roofing and Atlas Universal for Roofing Services

Action: Regent Myres motioned for approval, seconded by Regent Medina.
Motion passed.

D. Naming of the Library Learning Center

Action: This item was tabled.

E. Athletics

No agenda items.

XIII. Audit Committee

A. Tasks in Progress Report

Action: Information

XIV. Executive Session

A. Texas Government Code - Section 551.071 - Consultation with University Attorney(s).

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEE/REGULAR MEETING
Thursday, June 25, 2020 8:30 A.M.**

- B. Texas Government Code - Section 551.072 - Deliberations concerning Purchase, Lease or Value of Real Property.
- C. Texas Government Code - Section 551.073 - Deliberations about Negotiated Contracts for Prospective Gifts or Donations.
- D. Texas Government Code - Section 551.074 - Personnel Matters, including Appointment, Evaluation or Dismissal of Personnel.

The Board adjourned for a five-minute break, immediately followed by executive session at 12:01 P.M.

XV. Reconvene in Open Session to Consider Action on Executive Session items as Necessary

The Board reconvened in open session with a roll call to reconfirm a quorum at 2:16 P.M. A quorum was present.

XVI. President's Report

- New Student Regent
- Newly installed SGA officers
- Remembering Faculty
- Faculty Experts
- ODEI Office
- LGBTQIA+ Pride Center
- Covid Response/Support
- Rec Center and Student Life Center Renovations
- Virtual NSO
- Virtual Outreach
- Staff Support
- Tiger Market
- Virtual Alumni Call

XVII. Adjourn

Regent Rose motioned for adjournment, seconded by Regent Medina. Motion passed.

The remote standing committees and regular meeting adjourned at 3:29 P.M.

(Please note that the full agenda was addressed; however, certain items were addressed out of order).

**MINUTES OF THE
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS
REMOTE STANDING COMMITTEE/REGULAR MEETING
Thursday, June 25, 2020 8:30 A.M.**

Others Present:

Kenneth Huewitt
Hao Le
Tereasa McKinney
Faith Ruiz

Kendall Harris
Anita Lockridge
Charla Parker-Thompson
Melinda Spaulding

Melanie Jackson
Alfred Norris
Melanie Patrong

SIGNATURE OF APPROVAL

I CERTIFY that the foregoing minutes constitute a true, correct and complete record of the remote regular board meeting of the Board of Regents of Texas Southern University, held in Houston, Texas on June 25, 2020 . However, due to technical difficulties some parts on the livestream video is inaudible and at a very low volume.

Faith Ruiz, Executive Director for Board Relations

Date Approved by the Board

Albert H. Myres, Chairman

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance
ITEM: Fiscal Year 2021 Operating Budget
DATE PREVIOUSLY SUBMITTED: August 2019

SUMMARY:

Approval is requested for the Fiscal Year 2021 Operating Budget for the period September 1, 2020 through August 31, 2021.

SUPPORTING

DOCUMENTATION: FY21 Operating Budget (Under Separate Cover)

FISCAL NOTE: N/A

ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 1, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

Kenneth Huewitt (Aug 1, 2020 13:29 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance

ITEM: Purchase of Audio/Visual Equipment from Troxell for Sterling Student Center, Fairchild and Rollins-Stewart Music

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested to purchase and install Audio/Visual equipment in the Rollins Music Building, Sterling Student Center, and the Fairchild Building. This upgrade will enhance multiple teaching classrooms and auditoriums.

The purchase will be made through Troxell, an awardee of the Buy Board Cooperative Purchasing Program. Contracts available through the program are competitively bid and made available to State agencies. This purchase qualifies as a cooperative purchase and is exempt from competitively bidding according to the Texas Government Code Chapter 2156.181.

This purchase is part of the University's comprehensive Capital Expenditure Plan: Year III Priorities.

SUPPORTING

DOCUMENTATION: Troxell Proposal (Under Separate Cover)

FISCAL NOTE: Cost not to exceed \$984,217.00
University FOAP: 9110-61200-7374-38627

ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Aug 3, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 3, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 3, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

[Kenneth Huewitt \(Aug 3, 2020 13:50 CDT\)](#)

Aug 3, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance
ITEM: Renewal of the Banner Software Maintenance Agreement with Ellucian
DATE PREVIOUSLY SUBMITTED: August 2019

SUMMARY:

Approval is requested to renew the Banner Software Maintenance Agreement with Ellucian. Maintenance includes all Banner modules, updates/upgrades, as well as regulatory/compliance releases. The term of this annual agreement is September 1, 2020 to August 31, 2021.

Texas A&M University Corpus-Christi administers the statewide contract with Ellucian as part of the Texas Connection Consortium (TCC). Texas Southern University is a member of the TCC through the interagency agreement with Texas A&M University –Corpus Christi. The TCC and Ellucian work together to provide Texas-specific solutions saving time and money for the members of the Texas Connection Consortium. The TCC association comprises 41 state universities, colleges and community colleges.

This purchase qualifies as a “Co-Op Contract” and is exempt from competitive sourcing as provided in Chapter 771 of the Texas Government Code. The agreement is an interagency contract and Form 1295 is not required.

SUPPORTING DOCUMENTATION: Texas Connection Consortium Quote (Under Separate Cover)
FISCAL NOTE: Total cost not to exceed \$466,407.97
University FOAP: 1104-31200-7262-50
ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Aug 3, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 3, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 3, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

Kenneth Huewitt (Aug 3, 2020 09:10 CDT)

14

Aug 3, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance
ITEM: Domestic Student Health Insurance
DATE PREVIOUSLY SUBMITTED: June 2013

SUMMARY:

Approval is requested to purchase a Domestic Student Accident Insurance Plan underwritten by National Union Fire Insurance Company (AIG) with the A.M. Best Rating of A (Superior) and the Financial Status of XV.

The Domestic plan will be extended to all (U. S. citizen) students attending Texas Southern University who are enrolled in either full or part time credit courses. Students will be afforded the option to accept or decline the coverage.

Plan benefits include: \$5,000 per injury in Accident Medical coverage. It also includes a \$2,000 Intercollegiate Sports benefit which would dovetail with the 2020-21 Intercollegiate Sports Accident policy – seamlessly creating a \$0 deductible for student-athletes. There is an Accidental Death benefit of \$5,000, as well.

The plan will be professionally administered by Gallagher Student Health & Special Risk with claims managed by AG Administrators.

Coverage term is 8/11/2020 to 8/10/2021.

SUPPORTING

DOCUMENTATION: 2020-2021 Student Accident Insurance Proposal (Under Separate Cover)

FISCAL NOTE: Total cost not to exceed \$336,000. (8,000 Students x \$42) The students will bear the \$42 annual fee.

ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 1, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 1, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

Kenneth Huewitt (Aug 1, 2020 13:30 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance

ITEM: Debt Policy

DATE PREVIOUSLY SUBMITTED: August 2019

SUMMARY:

Seeking approval of an annual update to the policy to govern the use of debt to finance capital projects for Texas Southern University. The policy was initially implemented based on the recommendation of the Bond Review Board during the underwriting process for Tuition Revenue Bond, Series 2016.

Additionally, the policy is being updated to reflect Ms. Anita L. Lockridge, Interim Vice President for Administration and Finance/CFO as a contact for questions regarding the Debt Policy.

SUPPORTING DOCUMENTATION: Debt Policy

FISCAL NOTE: No Fiscal Impact

ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 1, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 1, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt
Kenneth Huewitt (Aug 1, 2020 13:29 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE



Texas Southern University
Debt Policy

August 2020

I. OVERVIEW

This statement is made with the purpose ~~of governing to govern~~ the use of debt to finance capital projects for Texas Southern University. The prudent use of debt can help the University achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital.

Commented [RKD1]: Reword to with the purpose "of governing the use"...

Texas Southern University dated 1927, whose legal address is: 3100 Cleburne Street, Houston, Texas, 77004, will hereafter also be referred to as the "University". Chapter 55 of the Texas Education Code was established to "acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure at an institution, branch, or entity of the University".

The Board of Regents of Texas Southern University may pledge irrevocably to the payment of these bonds all or any part of the revenue funds of Texas Southern University, including student tuition charges required or authorized by law to be imposed on students enrolled at the University.

This statement of objectives and guidelines is intended to provide meaningful guidance in the management of the University's debt burden while achieving its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital.

II. STATEMENT OF RESPONSIBILITIES

All debt incurred by Texas Southern University will be issued or incurred pursuant to resolutions approved by the Board of Regents and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 of the Texas Constitution, Chapters 55 of the Texas Education Code, and Chapters 1207 and 1371 of the Texas Government Code. Before any debt can be issued Texas Southern University must obtain an opinion from bond counsel that the issue complies with applicable Texas Public Finance Authority guidelines, Texas ~~and~~ federal laws. The University must also receive the necessary approvals from both the Texas Bond Review Board and the Texas Attorney General.

Commented [RKD2]: Insert comma here

A. The Board of Regents on behalf of Texas Southern University are responsible for:

1. Approving the debt policy.

~~2.~~

~~3.~~ Approving resolutions for debt issuance subsequent to Legislative Authority, and in accordance with general laws of State of Texas.

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III. FINANCING PROGRAMS

The University issues debt through the Revenue Financing System (RFS), Higher Education Fund (HEF) and Private Placement loans or notes. This policy will govern the issuance of all the University debt.

A. Revenue Financing System (RFS)

The Revenue Financing System was created by the Board of Regents of Texas Southern University on October 19, 1998 and on October 21, 1998 the Board of Directors of the Texas Public Finance Authority adopted a joint resolution establishing a consolidated revenue financing system to maximize the financing options available to the University. Bonds and eligible debt instruments are issued in accordance with general laws of the State of Texas, specifically Chapters 54 and 55 of the Texas Education Code, including sections 55.13(c) and 55.17891, and Chapters 1232 (the "Authority Act") and 1371, Texas Government Code and additionally pursuant to a Master Resolution as amended and supplemented from time to time.

B. Higher Education Fund (HEF)

Article VII, Section 17 of the Texas Constitution authorizes the Board to issue bonds and notes secured by pledged revenues consisting of up to 50% of the money allocated annually to the Board. Bonds issued under this authority are typically referred to as HEF bonds or Constitutional Appropriation Bonds. The proceeds from the sale of HEF bonds notes may only be used to finance eligible projects as described in Article VII, Section 17 of the Texas Constitution including (i) acquiring land, constructing and equipping permanent improvements, major repair and rehabilitation of permanent improvements, acquiring capital equipment, library books and library materials, and refunding previously issued HEF indebtedness; and (ii) major repair and rehabilitation of leased buildings or other permanent improvements, provided there is clear and adequate consideration to the University in the overall transaction, such as the existence of a lease of sufficient length to provide expected benefits which would justify the expenditure.

The Texas Constitution prohibits the issuance of HEF debt for maintenance, minor repairs, operating expenses, student housing, intercollegiate athletics, or auxiliary projects, except to the extent of a project's use for educational and general activities. HEF bonds must be competitively bid. HEF notes do not require competitive bidding.

C. Private Placement Loans or Notes

The Texas Constitution prohibits the issuance of Educational and General debt for student housing, intercollegiate athletics, or auxiliary projects, therefore the Board of Regents of the University may consider financing through the Historically Black College and University Capital Financing Program financed among the Federal Financing Bank, the Secretary of Education, and Rice Capital Access Program, LLC. The University must also receive the necessary approvals from the Texas Bond Review Board, Texas Public Finance Authority, and the Texas Attorney General.

IV. DEBT GUIDELINES

Any debt must be issued in strict compliance with applicable law. The following debt guidelines will apply:

1. Project Funding

Texas Southern University will borrow money, through the issuance of debt, to finance only those projects that have been approved for financing by the Board of Regents. Capital projects are generally evaluated and prioritized through the University's long term strategic plan. For construction projects that require debt financing, bond proceeds will be provided only after design development approval and appropriation of funds by the State of Texas or the project is self-supporting and demonstrates adequate net operating cash flow to service annual project debt service with a minimum 1.25x coverage.

2. Interest Rate Exposure

The University Treasury Office will work with the University Financial Advisor to evaluate and determine the appropriate amount of its interest rate exposure, defined as the possible increase in capital costs resulting from rising short-term interest rates. The University will limit its fixed and variable rate debt in accordance with rating agency guidelines for assessing the debt structure of peer institutions of higher education with comparable credit ratings.

The University Treasury Office will work with the Financial Advisor of the University to evaluate the level of variable rate assets that may be available to provide a natural hedge to interest rate fluctuations. The University will seek to minimize its cost of capital within a prudent level of exposure to interest rate volatility. The University shall broadly target variable rate debt of 30-50% of total outstanding debt.

3. Amortization

The amortization of tax-exempt debt will be based on the types of assets financed, the expected availability of cash flows to meet debt service requirements, and tax regulations. Generally, the amortization of tax-exempt debt should not exceed the useful life of the financed asset and may never exceed the Internal Revenue Service limit of 120% of the useful life of the financed asset. The maximum maturity of RFS debt is limited to 50 years by Chapter 55 of the Texas Constitution. The maximum maturity of HEF debt is limited to 10 years by the Texas Constitution promulgated by the Securities and Exchange Commission.

4. Financial Ratios

The Revenue Financing System will use selected actual and pro forma financial ratios, consistent with the criteria of major credit rating agencies to ensure the System is operating within appropriate financial bounds. Although other ratios may also be evaluated, the primary financial ratios to be analyzed include the debt service coverage, the debt burden, and the leverage ratio. Individual revenue streams considered for proposed debt service must meet a 1.15x debt coverage ratio test.

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5. Refunding Opportunities

The Treasury Office will consider refinancing of outstanding debt issues when net savings for that refinancing measured on a net present value basis are positive. Since there are limitations on the number of allowable refinancing, it is important to use refinancing opportunities wisely. The following requirements must be met in the case of refunding:

- Policy - a current refunding must have net present savings of at least 3%
- Policy - an advance refunding must have net present savings of at least 5%
- Target - negative arbitrage should be no greater than 30% of present value savings unless other business reasons so dictate
- Issuance costs - should strive to realize economies of scale by combining refunding with new bond sales where possible.

~~In evaluating refunding opportunities, the Treasury Office will consider the value of the call option to be exercised, including the amount of time to the call date and the amount of time from the call date to maturity. Based on these and other factors, the Treasury Office will determine the minimum savings threshold for any particular refunding transaction. Refundings that do not produce savings may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the University. Refundings that do not produce savings or meet the minimum net present value savings thresholds may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the University.~~

6. Reporting Requirements

The Annual Financial Report (AFR), prepared by Texas Southern University, presented to the Board of Regents, will discuss the status of all outstanding bond and note indebtedness. The AFR presented to the Board provides detailed information on University bonds and notes including, by series, the amount outstanding, interest rates, maturity dates, a summary of the changes in outstanding indebtedness, and the associated debt service requirements.

V. RELEVANT FEDERAL AND STATE STATUTES

- Texas Constitution Article VII, Section 17 - Colleges and Universities: Appropriations and Funding
- Texas Education Code, Chapter 55 - Financing Permanent Improvements
- Texas Government Code, Chapter 1207 - Refunding Bonds
- Texas Government Code, Chapter 1371 - Obligations for Certain Public Improvements

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VI. APPROVAL

This statement will be reviewed annually by the Board of Regents of Texas Southern University and any appropriate modifications will be made. It is the responsibility of the Board of Regents to communicate such revisions, in writing to all University stakeholders. The Texas Southern University Debt Policy is hereby approved by a majority of the Regents of Texas Southern University.

Commented [RKD5]: Insert "the"

Chairman, Board of Regents of Texas Southern University

Interim President, Texas Southern University

Date of Board Approval _____

VII. CONTACT INFORMATION

Questions or comments regarding this Rule should be directed to

- ~~Kenneth R. Huewit~~~~Anita Lockridge~~ – ~~Interim~~, Vice President for Administration and Finance: ~~kenneth.huewit@tsu.edu~~~~anita.lockridge@tsu.edu~~
- Alfred L. Norris - Associate Vice President for Administration and Finance: ~~alfred.norris@tsu.edu~~

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VIII. REVIEW AND RESPONSIBLE PARTIES

Responsible Parties: **Treasury Department**

Review: **Annually**

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance
ITEM: Approval of Endowed and Non-Endowed Investment Policies
DATE PREVIOUSLY SUBMITTED: October 2019

SUMMARY:

Approval is requested for endowed and non-endowed investment policies. The endowed policy relates to the management of the TSU Endowment. The non-endowed policy is related to TSU funds governed by the Public Funds Investment Act. Changes to the endowed and non-endowed investment policies are recommended by the University's investment consultant based on current best practices and current and future market conditions.

SUPPORTING DOCUMENTATION: TSU Endowment Investment Policy and TSU Investment Policy
FISCAL NOTE: No Fiscal Impact
ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 1, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 1, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

Kenneth Huewitt (Aug 1, 2020 13:28 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

TEXAS SOUTHERN UNIVERSITY, TEXAS INVESTMENT POLICY

PREFACE

The purpose of this document is to set forth specific investment policy and strategy guidelines for the Texas Southern University (the "TSU") in order to achieve the goals of safety, liquidity, yield, and public trust for all investment activity. The Board of Regents of TSU shall review its investment strategies and policy not less than annually. This policy serves to satisfy the statutory requirements (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

It is the policy of TSU that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal regulations, applicable Bond Resolution requirements, adopted Investment Policy and adopted Investment Strategy.

Effective investment strategy development coordinates the primary objectives of TSU's Investment Policy and cash management procedures with investment security risk/return analysis to enhance interest earnings and reduce investment risk and aggressive cash management to increase the available "investment period." Maturity selections shall be based on cash flow and market conditions to take advantage of interest earnings as viable and material revenue to all TSU funds. TSU's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore, specific strategies shall be implemented considering the fund's unique requirements.

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Attachments:

- A. Glossary of Terms
- B. Certification Form

INVESTMENT POLICY

1. **PURPOSE.** The purpose of this investment policy (the Policy) is to set forth specific investment policy and strategy guidelines for TSU in order to achieve the goals of safety, liquidity, achieving a market rate of return and maintaining public trust for all investment activities. The Board of Regents of TSU shall review the investment strategy and policy at least annually, and the Board of Regents shall annually approve the Investment Policy, including any revisions.
2. **POLICY.** It is the policy of the Texas Southern University (the "TSU") that after allowing for the anticipated cash flow requirements of TSU and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for TSU funds. TSU's portfolio shall be designed and managed in a manner designed to maximize this revenue resource, to be responsive to the public trust, and be in compliance with legal requirements and limitations. TSU will invest TSU funds in a manner, which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of TSU.

Investment shall be made with the primary objectives of:

- Safety** and preservation of principal
- Maintenance of sufficient **liquidity** to meet operating needs
- Obtaining a market rate of return (yield)
- Public trust** from prudent investment activities

3. **INVESTMENT STRATEGY.** TSU maintains a portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolio. TSU maintains a comprehensive and proactive cash management program, which is designed to monitor and control all TSU funds to ensure maximum utilization and yield a market rate of return. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. The composite portfolio will have a dollar weighted average maturity of two (2) years or less. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The allowable investment instruments as defined in Section 7 of this Policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification.

3.1 **The primary investment strategy and objectives** of TSU as specified in this Policy (See Section 2.) are listed below, in their order of importance:

- Safety and preservation of principal;
- Maintenance of sufficient liquidity to meet operating needs;
- Achieve a market rate of return on the investment portfolio; and
- Seek at all times to maintain public trust by adhering to the above stated objectives.

3.2 **The list of investments authorized** by this Policy intentionally excludes some investments allowed by state law. The restrictions limit possible credit risk and provide the maximum measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to TSU. To increase the interest earnings for funds identified as being available for investment over longer periods of time based upon a cash requirements projection, TSU will consider the following strategies:

3.2.1 **Strategy No. 1.** Diversifying TSU's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the Board of Regents. An investment pool is an entity created to invest public funds jointly on behalf of its participants and whose investment objectives in order of priority match those objectives of TSU. Funds are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. The strategy of TSU calls for the use of investment pools as a primary source of diversification and supplemental source of liquidity. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

3.2.2 **Strategy No. 2.** Building a laddered structure of Investment Policy authorized securities with staggered maturities for all or part of the longer term investable funds. The benefits of this ladder approach include the following:

- It is straight-forward and easily understood;
- It represents a prudent diversification method;
- All investments remain within the approved maturity horizon;
- It will normally allow TSU to capture a reasonable portion of the yield curve; and,
- It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

3.2.3 **Strategy No. 3.** Pursuant to the Public Funds Investment Act (Texas Government Code 2256.003), TSU may, at its discretion, contract with an

investment management firm registered under the Investment Advisors Act of 1940 (15 U.S.C. Section 80b-1 et seq.) and with the State Securities Board to provide for investment and non-discretionary management of its public funds or other funds under its control.

An appointed Investment Advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy. At no time shall the Advisor take possession of securities or funds or otherwise be granted authority to transact business on behalf of TSU. Any contract awarded by TSU for investment advisory services may not exceed two years, with an option to extend by mutual consent of both parties.

Duties of the Investment Advisor contracted by TSU shall abide by the Prudent Expert Rule, whereby investment advice shall, at all times, be given with the judgment and care, under circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence in such matters exercised in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker, but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

Chapter 2263 of the Texas Government Code mandates certain actions by governing boards of state entities involved in the management and investment of state funds and adds disclosure requirements for outside financial advisors and service providers. Ethic and disclosure requirements for outside financial advisors and service providers are in Chapter 2263.01 through 2263.06 of the Texas Government Code.

3.2.4 **Strategy No. 4.** TSU will maintain portfolio(s), which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund group(s) represented in the portfolio(s):

3.2.4.1 Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure that will experience minimal volatility during economic cycles through diversification by security type, maturity date, and issuer. All security types, as authorized by this policy, are considered suitable investments for the operating and pooled funds.

3.2.4.2 Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s). These funds have predictable payment schedules.

Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date, or funds shall be maintained in an investment pool or money market mutual fund to be available for debt service payments.

- 3.2.4.3 Investment strategies for bond funds and debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund with low degree of volatility. Managing the Debt Service Reserve Fund's portfolio maturities to not exceed the call provisions of the bond issue will reduce the investment's market risk if TSU'S bonds are called and the reserve fund liquidated. Except as may be required by the bond ordinance specific to an individual issue, securities should be of high quality, with short to medium term maturities. No investment maturity shall exceed the final maturity of the bond issue.
- 3.2.4.4 Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately.
- 3.2.4.5 Investment strategies for special projects or capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. Market conditions and arbitrage regulations will influence the investment of capital project funds. When market conditions allow, achieving a positive spread to applicable arbitrage yield is the desired objective; although at no time shall the anticipated expenditure schedule be exceeded in an attempt to increase yield.

Strategy No. 5 - Hold until Maturity. The strategy of TSU is to maintain sufficient liquidity in its portfolio so that it does not need to sell a security prior to maturity. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the Investment Officer may authorize the sale of those securities.

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- 4. **SCOPE.** The Investment Policy shall govern the investment of all financial assets considered to be part of TSU entity and includes the following funds or fund types: Operating, Auxiliary, Unexpended, and Plant Replacement Funds, ~~Endowment~~ and Loan Funds, Debt Service Funds, and any other funds which have been contractually delegated to TSU for management purposes. TSU may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of TSU by outside agencies under retirement or deferred compensation programs. Additionally, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

Commented [RKD1]: The highlighted words need to be removed since the endowment policy specifically covers the Endowment Fund, per Cyril of Consequent

5. **INVESTMENT OBJECTIVES.** TSU shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, yield, and public trust.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to public trust and consistent with all applicable Texas statutes, this Policy and any other approved, written administrative procedures.

TSU shall maintain a comprehensive cash management program which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum yield on short-term investment of pooled idle cash.

The four objectives of TSU'S investment activities shall be as follows (in the order of priority):

- 5.1 **Safety of Principal.** Safety of principal invested is the foremost objective in the investment decisions of TSU. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this Policy, by qualifying the financial institutions with whom TSU will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on TSU'S investments.
- 5.2 **Liquidity.** TSU'S investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, the portfolio will also be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.
- 5.3 **Market Rate-of-Return (Yield).** TSU'S investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objective described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.
- 5.4 **Public Trust.** All participants in TSU'S investment program shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction which might involve a conflict of interest or otherwise impair public confidence in TSU'S ability to govern effectively. All officials of TSU having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust.

6. **INVESTMENT RESPONSIBILITY AND CONTROL.** The authority for investing funds rests with the Board of Regents. As provided in this policy, the daily operation and management of TSU'S investments are the responsibility of the following persons. These individuals must be qualified and capable in making investment decisions.

6.1 **Delegation of TSU.** The Board of Regents delegates the authority to invest TSU funds to the Chief Investment Officer. Therefore, the Chief Investment Officer is authorized to deposit, withdraw, invest, transfer or manage in any other manner the funds of TSU. In the management of the investment program, the Chief Investment Officer shall establish written procedures for the operation of the investment program consistent with this Policy. Such procedures shall include explicit delegation of TSU to persons responsible for investment transactions. All persons involved in investment activities will be referred to in this Policy as "Investment Officials." No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Chief Investment Officer. The Chief Investment Officer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that ensures the assets of TSU are protected from loss, theft or misuse.

The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived;
- and,
- (2) the valuation of costs and benefits requires estimates and judgments by management.

The Chief Investment Officer shall be designated as the primary investment officer for TSU and shall be responsible for investment decisions and activities under the direction of the Board of Regents and President. The Chief Investment Officer may delegate any phase of the investment program to the Investment Officer. Both the Chief Investment Officer, and Investment Officer are responsible for daily investment decisions and activities, however, ultimate responsibility for investment decisions will rest with the Chief Investment Officer. Commitment of financial and staffing resources in order to maximize total return through active portfolio management shall be the responsibility of the Board of Regents and President.

6.2 **Prudence.** The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

6.2.1 The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and,

6.2.2 Whether the investment decision was consistent with the written investment Policy and procedures of TSU.

6.3 **Due Diligence.** The Investment Officer acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes. All Investment Officials involved in investment transactions will be bonded.

6.4 **Ethical Standards and Conflicts of Interest.** All TSU Investment Officials having a direct or indirect role in the investment of TSU funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to TSU shall file a statement disclosing that personal business interest. Investment official shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of TSU.

An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to TSU shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Regents.

6.5 **Training.** Each member of the Board of Regents shall attend at least one training session related to the person's responsibilities within six months after taking office or assuming duties. The training will include education in investment controls, security risks, strategy risks, market risk, diversification of investment portfolio, and compliance with the Public Funds Investment Act.

The investment officers shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the Public Funds Investment Act within twelve (12) months after assuming duties, and attend an investment training session not less than once every two years, receiving an additional ten (10) hours of training. The investment training session shall be provided by an independent source approved by the Board of Regents or a designated

investment committee advising the investment officer. Such training from an independent source shall include the Texas Higher Education Coordinating Board, the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, the University of North Texas Center Public Management, or any other professional organization, institute of higher learning, or any other sponsor other than a business organization with whom the Board of Regents may engage in an investment transaction.

6.6 **Internal Control.** The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this Policy. TSU, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to TSU's established investment policy. The internal controls shall address the following points.

- Control of collusion.
- Separation of transactions authority from accounting and record keeping. Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation for telephone (voice) transactions for investment and wire transfers,
- Development of wire transfer agreement with the depository bank or third party custodian.

7. **AUTHORIZED INVESTMENTS.** As stated previously, safety of principal is the primary objective in investing TSU funds and can be accomplished by limiting two types of risk-credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as TSU's primary objective, only certain investments are authorized as acceptable investments for TSU. TSU is not required to liquidate investments that were authorized investments at the time of purchase. The following list of authorized investments for TSU intentionally excludes some investments authorized by law. These restrictions are placed in order to limit possible risk and provide the maximum measure of safety to TSU funds.

7.1 **Authorized and Acceptable Investments.** The authorized list of investment instruments are as follows:

7.1.1 **Obligations of the United States** or its agencies and instrumentalities.

- 7.1.2 **Direct Obligations** of the State of Texas, or its agencies and instrumentalities.
- 7.1.3 **Other Obligations**, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities.
- 7.1.4 **Collateralized Certificates of Deposit**. A certificate of deposit issued by a depository institution that has its main office or a branch office in this state, and is:
- guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - secured by obligations that are described by Section 2256.009(a) of the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Act; or
 - secured in any other manner and amount provided by law for deposits of TSU.
- 7.1.5 **Eligible Local Government Investment Pools**. Public funds investment pools which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code, provided that:
- the investment pool has been authorized by the Board of Regents;
 - the investment pool has an advisory board as specified in the Public Funds Investment Act.
 - the pool shall have furnished the Investment Officer an offering circular containing the information required by Section 2256.016(b) of the Texas Government Code;
 - the pool shall furnish the Investment Officer investment transaction confirmations with respect to all investments made with it;
 - the pool shall furnish to the Investment Officer monthly reports containing the information required under Section 2256.016(c) of the Texas Government Code;
 - the pool is continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;
 - the pool marks its portfolio to market daily;

- the pool's investment objectives shall be to maintain a stable net asset value of one dollar (\$1.00); and
- the pool's investment philosophy and strategy are consistent with this Policy.

7.1.6 **Repurchase Agreements, Reverse Repurchase Agreements, Bankers' Acceptances.** Fully collateralized Repurchase Agreements. The agreement must have a defined termination date and must be secured by obligations of the United States or its agencies and instrumentalities.

7.1.6.1 The agreement must be pledged to TSU, held in the name of TSU, and deposited at the time the investment is made with TSU's custodial (safekeeping) agent, and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the state of Texas.

7.1.6.2 No repurchase agreement shall be entered into unless a Master Repurchase Agreement has been executed between TSU and its trading partner.

7.1.6.3 All repurchase agreement transactions will be on a deliver vs. payment basis.

7.1.6.4 Securities received for repurchase agreements must have a market value greater than or equal to 102 percent at time funds are disbursed.

7.1.7 **Bankers' Acceptances.** These investments are authorized, under the following condition:

- has a stated maturity of 270 days or fewer from the date of its issuance;
- will be, in accordance with its terms, liquidated in full at maturity;
- is eligible for collateral from borrowing from a Federal Reserve Bank and
- is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, of a bank holding company of which the bank is the largest subsidiary, are rated not less the A-1 or P 1 or an equivalent rating by at least one nationally recognized credit rating agency

7.1.8 **Regulated No-Load Money Market Mutual Funds.** These investments are authorized, under the following conditions:

- the money market mutual fund is registered with and regulated by the Securities and Exchange Commission;
- the fund provides TSU with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- the fund has a dollar-weighted average portfolio maturity of sixty (60) days or less;
- the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.00) per share; and
- the fund is continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service
- TSU may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

7.1.9 **Regulated No-load Mutual Fund** is an authorized investment if the mutual fund:

- is registered with the Securities and Exchange Commission;
- has an average weighted maturity of less than two years;
- is invested exclusively in obligations approved by this Policy;
- is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent.
- complies with the information and reporting requirements for investment pools as prescribed in the Public Fund Investment Act.
- TSU may not invest funds under its control in an amount that exceeds 15% of the total monthly average fund balance, excluding bond proceeds, reserves and debt service funds.

7.1.10 **Commercial Paper** with a stated maturity of 270 days or less from the date of issuance that either: is rated not less than A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies; or is rated at least A I, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.

7.1.11 **Obligations of States, Agencies, Counties, Cities**, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.

7.1.12 **Securities Lending Program** in accordance with Chapter 2256.0115 of the Public Funds Investment Act.

- 7.1 **Investment Instruments NOT Authorized.** State law specifically prohibits investment in the following securities:
- 7.1.1 Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal.
 - 7.1.2 Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
 - 7.1.3 Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
 - 7.1.4 Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
8. **EFFECT OF LOSS OF REQUIRED RATING.** The Investment Officer will take all prudent measures that are consistent with this Investment Policy to liquidate an investment that is downgraded to less than the required minimum rating.
9. **DIVERSIFICATION.** Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities, as authorized in this Policy, and authorized local government investment pools, no more than seventy percent (70%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- 9.1 **Diversification by Maturities.** The longer the maturity of investments, the greater their price volatility. Therefore, it is TSU's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates, except for endowment funds. TSU will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, TSU will not directly invest in securities maturing more than ten (10) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. TSU shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire TSU portfolio, including funds at TSU's depository bank, shall comprise one pooled fund group, and the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio is two (2) years or less. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use are longer-term, may not exceed ten (10) years.

- 9.2 **Diversification by Investment Instrument**, Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

**Percentage of Portfolio
(Maximum)**

U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	80%
Authorized Local Government Investment Pools	100%
Fully Collateralized Certificates of Deposit	100%
Fully Collateralized Repurchase Agreements	10%
SEC-Regulated No-Load Money Market Mutual Funds	70%
SEC-Regulated No-Load Mutual Funds	70%
Commercial Paper	20%
Obligations of States, Agencies, Counties, Cities	20%

**Percentage of Portfolio
{Minimum}**

U.S. Treasury Obligations	50%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	20%
Authorized Local Government Investment Pools	0%
Fully Collateralized Certificates of Deposit	0%
Fully Collateralized Repurchase Agreements	0%
SEC-Regulated No-Load Money Market Mutual Funds	0%
SEC-Regulated No-Load Mutual Funds	0%
Commercial Paper	0%
Obligations of States, Agencies, Counties, Cities	0%

10. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS. Financial institutions (federally insured banks) with and through whom TSU invests shall be state or national banks, which have main offices or a branch office in this state. No public deposit shall be made except in a qualified public depository as established by state laws. Broker/dealers authorized to provide investment services to TSU may include only those authorized by the Board of Regents. All banking services will be governed by a depository contract awarded by the Board of Regents. In addition, the Chief Investment Officer or Investment Officer shall maintain a list of authorized security brokers/dealers, and investment pools that are authorized by the Board of Regents.

10.1 **Financial Institutions.** All financial institutions and brokers/dealers with whom TSU does business must supply the following as appropriate: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) proof of state registration; (4) completed broker/dealer questionnaire; (5) certification of having read TSU'S investment policy signed by a qualified representative of the organization, acknowledging that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between TSU and the organization.

10.2 **Annual Review of Bidders Financial Conditions.** An annual review of the financial condition and registration of qualified bidders will be conducted by the Chief Investment Officer. The review may include, but is not limited to, review of rating agency reports, review of call reports, and analyses of management, profitability, capitalization, and asset quality. Financial institutions and brokers/dealers desiring to conduct business with TSU shall be required to provide any financial data requested by the Investment Officer. Upon completion of the annual review by the Chief Investment Officer, the financial institutions and brokers/dealers desiring to conduct business with TSU shall be approved by the Board of Regents.

Selection Criteria for federally insured financial institutions shall include the following: (1) the financial institution must be insured by the FDIC; (2) the financial institution must be incorporated under the laws of the State of Texas or of the United States of America; and (3) the financial institution must be located within the corporate boundaries of TSU. Depositories located outside TSU limits, but within Harris County may be eligible to bid on investments, provided the financial institution maintains a place of business within the State of Texas and offers within the State the services required by the depository services contract; and the Board of Regents, has adopted a written policy expressly permitting the consideration of applications received by TSU from a financial institution that is not doing business within TSU, after taking into consideration what is in the best interest of TSU in establishing a depository.

Monitoring Investments. The Investment Officer of TSU is responsible for monitoring the investments made by a financial institution and/or broker/dealer to determine that they are in compliance with the provisions of the Investment Policy.

11. **DELIVERY VERSUS PAYMENT** It is the policy of TSU that all security transactions entered into with TSU shall be conducted on a "DELIVERY VERSUS PAYMENT" (DVP) basis through the Federal Reserve System, with the exception of investment pools and mutual funds. By doing this, TSU funds are not released until TSU has received, through the Federal Reserve wire, the securities purchased. TSU shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of TSU. The notification may be oral, but shall be confirmed in writing.

12. **SAFEKEEPING AND COLLATERALIZATION**

12.1 **Safekeeping.** All securities owned by TSU shall be held by its safekeeping agent, except the collateral for bank deposits. The collateral for bank deposits will be held in a Federal Reserve Bank account in TSU's name or a third-party bank, at TSU's discretion. Original safekeeping receipts shall be obtained and held by TSU. TSU shall contract with a bank or banks for the safekeeping of securities either owned by TSU as part of its investment portfolio or held as collateral to secure time deposits.

12.2 **Collateralization.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of TSU to require full collateralization of all TSU funds on deposit with a depository bank. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest on the deposits or investments reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC) unless otherwise noted in this section. Securities pledged as collateral shall be held in TSU'S name in a segregated account at the Federal Reserve Bank or by an independent third party with whom TSU has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to TSU in the event TSU has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of TSU are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to TSU and retained by TSU. Any collateral with maturity over five (5) years must be approved by the Investment Officer before the transaction is initiated. Release of collateral or substitution of securities must be approved in writing by the Investment Officer. The total market value of the eligible security must be reported at least once each month to the Board.

12.2.1 TSU may accept the following securities as collateral for bank deposits (V.T.C.A., Government Code, Section 2256.001, et. seq., formerly Article 842a-2, Section 2, V.T.C.S., as amended);

- FDIC coverage;
- U.S. Government securities; including bonds, certificates of indebtedness, or Treasury Notes of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States,
- Debt obligations, including letters of credit, from government sponsored enterprises limited to the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), the Federal National Mortgage Association (Fannie Mae") and the Federal Home Loan Mortgage Corporation (Freddie Mac"), or other high-quality Agency collateral.
- State of Texas bonds; including obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas,
- Bonds issued by other Texas governmental entities (City, County, school district, or special districts) with a remaining maturity of twenty (20) years or less. Bonds must be (and must remain) investment quality: that is, with a rating of at least "A" or its equivalent; or
- A surety bond that meets the requirements of the Public Funds Investment Act.
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities.

12.2.2 For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.

12.2.3 Financial institutions with whom TSU invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to TSU, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. TSU and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

12.2.4 **Collateralized Deposits.** Consistent with the requirements of State law, TSU requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as TSU depositories will be required to sign a "Depository Agreement" with TSU and TSU's safekeeping agent. The collateralized deposit portion of the Agreement shall define TSU's rights

to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and TSU contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors of the Loan Committee of the Depository and a copy of the meeting minutes must be delivered to TSU; and,
- the Agreement must be part of the Depository's "official record" continuously since its execution.

12.2.5 **Competitive Pricing.** In making investment purchases, the Investment Officer shall compare yields on potential investments to yields on US Treasury Bills and Notes, money market accounts at TSU's depository bank, and local government pools.

13. **PERFORMANCE.** TSU'S investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective to obtain a market rate of return on investments commensurate with investment risk constraints and cash flow requirements of TSU.

14. **REPORTING.** The Chief Investment Officer shall submit a signed quarterly investment report that summarizes the investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter.

14.1 **Annual Report.** The reports prepared by the Chief Investment Officer shall be formally reviewed at least annually by an independent auditor and the result of the review shall be reported to the Board of Regents by that auditor.

14.2 **Methods.** The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner, which will allow TSU to ascertain whether investment activities during the reporting period have conformed to the investment

policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the Board of Regents. The report will include the following:

- 14.2.1 A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
- 14.2.2 Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
- 14.3.3 Additions and changes to the market value during the period;
- 14.3.4 Fully accrued interest for the reporting period;
- 14.3.5 Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
- 14.3.6 Listing of investments by maturity date;
- 14.3.7 The percentage of the total portfolio which each type of investment represents; and
- 14.3.8 Statement of compliance of TSU's investment portfolio with State Law and the investment strategy and policy approved by the Board of Regents,

15. **INVESTMENT POLICY ADOPTION AND AMENDMENT.** TSU's Investment Policy shall be adopted by resolution of the Board of Regents only. It is TSU's intent to comply with state laws and regulations. TSU's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of TSU. The Board of Regents must adopt a written instrument that it has reviewed the Investment Policy and investment strategies and the written resolution so adopted shall record any changes made to the Investment Policy or strategies.

**TEXAS SOUTHERN UNIVERSITY
INVESTMENT POLICY**

August 13, 2020

By:

Adoption Date

Chair, Board of Regents

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance
ITEM: Endowment Performance (June 30, 2020)
DATE PREVIOUSLY SUBMITTED: June 2020

SUMMARY:

The current endowment performance report is presented as information based on the requirements set forth in the Texas Southern University Endowment Investment Policy.

SUPPORTING DOCUMENTATION: Consequent Capital Management TSU Endowment Report – June 30,2020 (Under Separate Cover)
FISCAL NOTE: No Fiscal Impact
ACTION REQUESTED: Information

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 1, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 1, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt
Kenneth Huewitt (Aug 1, 2020 13:30 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Administration and Finance

ITEM: Addition of HD Supply for Purchase of Kitchen Appliances

DATE PREVIOUSLY SUBMITTED: June 2020

SUMMARY:

The original contract was granted to Indoff, Inc. after being approved by the Board of Regents at the June 25th Board Meeting. Indoff, Inc. contacted the University afterwards stating that due to a COVID-19 outbreak at their plant, delivery of appliances would be delayed until September 2020 at the earliest. Because of the older appliances being removed and students who will be residing on campus returning the week of September 7th, another vendor was necessary to acquire the new appliances.

HD Supply was selected as the added vendor based on being 2nd in the bid process for pricing slightly higher than Indoff, Inc. HD Supply informed the University that their current appliance stock was sufficient, and they could fulfill the order in the required timeframe. The purchases include 128 refrigerators, stoves and dishwashers now coming from HD Supply and the remaining 85 appliances packages coming from Indoff, Inc.

SUPPORTING DOCUMENTATION: HD Supply Quote (Under Separate Cover)

FISCAL NOTE: Original cost \$249,937.00 (Indoff). Revised cost not to exceed \$262,929.62 (HD Supply: \$165,477.12 and Indoff: \$97,452.50)
University FOAP: 1620-41602-7334-60

ACTION REQUESTED: Information

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le _____ Jul 31, 2020
GENERAL COUNSEL **DATE**

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge _____ Aug 1, 2020
INTERIM CHIEF FINANCIAL OFFICER **DATE**

Anita Lockridge _____ Aug 1, 2020
VICE PRESIDENT Ms. Anita L. Lockridge **DATE**

Kenneth Huewitt _____ Aug 1, 2020
Kenneth Huewitt (Aug 1, 2020 13:28 CDT) **INTERIM PRESIDENT** Mr. Kenneth R. Huewitt **DATE**

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Academic Affairs, Research and Student Life
ITEM: Candidates for Rank, Promotion and Tenure FY 2020
DATE PREVIOUSLY SUBMITTED: June 25, 2020

SUMMARY:

Request for the Board of Regents to approve and authorize the change in rank, and/or award of tenure by the various academic units of the university. These actions are based upon the recommendation of the faculty with the approval by the Provost and President of Texas Southern University.

SUPPORTING DOCUMENTATION: 2019-2020 Rank, Tenure, and Promotion Candidates

FISCAL NOTE: The fiscal impact of approving the recommended list of rank, promotion and tenure candidates is \$70,000. This total represents \$55,000 for promotion and \$15,000 for tenure awards.

ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le July 27, 2020

GENERAL COUNSEL **DATE**

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

INTERIM CHIEF FINANCIAL OFFICER **DATE**

Kendall T. Harris

VICE PRESIDENT Dr. Kendall T. Harris **DATE**

Kenneth Huewitt

INTERIM PRESIDENT Mr. Kenneth R. Huewitt **DATE**

Signature: *Kendall T. Harris*

Email: kendall.harris@tsu.edu

Signature: *Hao Le*

Email: hao.le@tsu.edu

Signature: *Anita Lockridge*

Email: anita.lockridge@tsu.edu

Signature: 
Kenneth Huewitt (Jul 28, 2020 14:53 CDT)

Email: kenneth.huewitt@tsu.edu

2019-2020 Rank, Tenure, and Promotion Candidates

College/School	Name	Tenure and Rank Request	Departmental Committee's Recommendation	Department Chair's Recommendation	College Committee's Recommendation	Dean's Recommendation	Provost's Recommendation	President's Recommendation	Tenure Amount	Promotion Amount	Tenure & Promotion
College of Liberal Arts and Behavioral Sciences											
Music	Dr. Brian Perez	Promotion to Associate Professor with tenure	Yes	Yes	Yes	Yes	Yes	Yes	\$3,000.00	\$4,000.00	\$7,000.00
College of Education											
Curriculum and Instruction	Dr. Ingrid Haynes-Mays	Promotion to The Rank of Full Professor	No	She is the Department Chair	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
Curriculum and Instruction	Dr. Holim Song	Promotion to The Rank of Full Professor	Yes	Replaced by College Committee	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
Educational Administration and Foundations	Dr. Bernell Peltier-Glaz	Promotion to The Rank of Full Professor	Yes	Replaced by College Committee	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
Health and Kinesiology	Dr. Dwalah Fisher	Promotion to The Rank of Full Professor	Yes	She is the Department Chair	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
College of Science, Engineering and Technology											
Chemistry	Dr. Bruce Prince	Promotion to Associate Professor with tenure	Yes	Yes	Yes	Yes	Yes	Yes	\$3,000.00	\$4,000.00	\$7,000.00
Biology	Dr. Mario Hollomon	Promotion to Associate Professor with tenure	Yes	Yes	Yes	Yes	Yes	Yes	\$3,000.00	\$4,000.00	\$7,000.00
Mathematics	Dr. Nancy Glenn Griesing	Promotion to The Rank of Full Professor	Yes	Yes	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
Engineering	Dr. Yuhong Zhang	Promotion to The Rank of Full Professor	Yes	Yes	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
Barbara Jordan-Mickey Leland School of Public Affairs											
Administration of Justice	Dr. Jasmine Drake	Promotion to Associate Professor with tenure	Yes	Yes	Yes	Yes	Yes	Yes	\$3,000.00	\$4,000.00	\$7,000.00
Political Science	Dr. Sarmistha Majumdar	Promotion to The Rank of Full Professor	Yes	Yes	Yes	Yes	Yes	Yes	N/A	\$5,000.00	\$5,000.00
College of Pharmacy and Health Sciences											
Pharmacy Practice and Clinical Health Sciences	Dr. Ya Fatou Njie Mbye	Promotion to Associate Professor with tenure	Yes	Yes	Yes	Yes	Yes	Yes	\$3,000.00	\$4,000.00	\$7,000.00
								Total Amount(\$)	\$15,000.00	\$55,000.00	
								Total Fund Needed	\$70,000.00		\$70,000.00

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Physical Facilities
ITEM: Contract Renewal with General Land Office for Natural Gas
DATE PREVIOUSLY SUBMITTED: June 2017

SUMMARY:

Approval is requested to renew the agreement with the General Land Office (GLO) to provide volume(s) of natural gas supply to Texas Southern University. Under the terms of the contract (September 1, 2020 to August 31, 2022) the university shall pay to the GLO an amount not to exceed the sum of \$1 million. The cost of the natural gas supply is based on the Index Gas Price and measured by the British Thermal Units. CenterPoint Energy is the only supplier of natural gas within the Houston area. The GLO negotiates with CenterPoint based on the combined volume from all Texas entities. The resulting discount is made available to the GLO, but would not be available directly from CenterPoint.

This contract will allow the university to purchase natural gas, pursuant to the authority granted by and in compliance with the provisions of the Interagency Cooperation Act, see 771.001 of the Texas Government Code without having to solicit bids for natural gas.

SUPPORTING DOCUMENTATION: GLO Interagency Cooperation Contract (Under Separate Cover)
FISCAL NOTE: Cost not to exceed \$1,000,000
University FOAP: 1000-31001-7502-80
ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Jul 31, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Aug 1, 2020

Kenneth Huewitt
Kenneth Huewitt (Aug 1, 2020 13:28 CDT)

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Physical Facilities
ITEM: Agreement Renewal with Johnson Controls Inc. for Campus Life Safety Systems Inspection Services and Preventative Maintenance

DATE PREVIOUSLY SUBMITTED: October 2014

SUMMARY:

Approval is requested to renew the agreement with Johnson Controls Inc. to perform annual maintenance and inspections of Campus Life Safety Systems – fire alarm, access control, suppression, and sprinkler systems. The agreement provides for routine repairs of system deficiencies and inspections of the Life Safety Systems to maintain compliance with National Fire Protection Association Codes.

This renewal is considered a proprietary purchase according to TX Gov. Code 2155.067. Johnson Controls is not a HUB and Form 1295 is not required.

SUPPORTING DOCUMENTATION: Johnson Controls renewal proposal (Under Separate Cover)

FISCAL NOTE: Cost not to exceed \$220,250.00
University FOAP: 1000-31001-7367-70

ACTION REQUESTED: Administration recommends approval of this item

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Aug 1, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Aug 1, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Aug 1, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

Kenneth Huewitt (Aug 1, 2020 23:11 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Physical Facilities
ITEM: Power Restoration Update
DATE PREVIOUSLY SUBMITTED: February 2020

SUMMARY:

During the February 2020 Board of Regents meeting, approval was granted to negotiate and execute contracts to ensure continuity of operations and service restoration due to the major campus power outage that occurred on January 24, 2020. Expenditures included the requisite analyses, designs and repairs to damaged cabling and peripheral extensions, equipment, temporary power services, and emergency services for students, all associated labor and supplies. The campus was restored to a status of "Provable Reliability" under normal utility power on May 5, 2020. An insurance claim was duly filed.

SUPPORTING DOCUMENTATION: Vendor Payment Summary (Under Separate Cover)

FISCAL NOTE: Total Impact \$13,103,493.67. Westwood Restoration: \$10,704,662.75, Saber Power: \$2,306,761.52, Other: \$92,069.40.
University FOAP: 1413-61000-7266-80 and 1413-61000-7253-80, respectively.

ACTION REQUESTED: Information

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le

Jul 31, 2020

GENERAL COUNSEL

DATE

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge

Jul 31, 2020

INTERIM CHIEF FINANCIAL OFFICER

DATE

Anita Lockridge

Jul 31, 2020

VICE PRESIDENT

Ms. Anita L. Lockridge

DATE

Kenneth Huewitt

Kenneth Huewitt (Aug 1, 2020 13:26 CDT)

Aug 1, 2020

INTERIM PRESIDENT

Mr. Kenneth R. Huewitt

DATE

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: Audit

ITEM: Tasks in Progress Report

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

A copy of the Tasks in Progress Report is presented for your information. The Report details activities and tasks of the Department of Internal Audit, Assurance and Compliance Services as of August 13, 2020.

SUPPORTING

DOCUMENTATION: Copy of the Tasks in Progress Report

FISCAL NOTE:

ACTION REQUESTED: Information

Legal Certification: This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation.

Hao Le 07/30/2020
GENERAL COUNSEL **DATE**

Fiscal Certification: This fiscal note shown above details the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.

Anita Lockridge 07/30/2020
INTERIM CHIEF FINANCIAL OFFICER **DATE**

Charla Parker-Thompson 07/29/2020
VICE PRESIDENT Ms. Charla Parker-Thompson **DATE**

Kenneth Huewitt 07/30/2020
INTERIM PRESIDENT Mr. Kenneth R. Huewitt **DATE**



**TEXAS SOUTHERN UNIVERSITY
DEPARTMENT OF INTERNAL AUDIT, ASSURANCE & COMPLIANCE SERVICES
TASKS IN PROGRESS REPORT
AS OF AUGUST 2020**

TASK

STATUS

SPECIAL PROJECTS:

***Texas State Auditor's Office (SAO)
Federal Portion of the Statewide
Single Audit Report – FY2020***

The SAO has selected TSU as one of the entities for the Annual Single Audit (of the Student Financial Assistance Cluster) in accordance with the Single Audit Act Amendments of 1996; Title 2, U. S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. TSU's prior year audit findings in the areas of Cost of Attendance, Verification and General Controls will be revisited. Data requests supporting the planning and preparation phase are in progress and continue throughout July 2020. Onsite fieldwork has been planned for October 2020.

***The Peer Review Team (PRT) of the
Texas Higher Education Coordinating
Board -Facilities Space Utilization Audit***

As TSU continues to work through its comprehensive plan of action regarding Campus Space Planning, Utilization and Reporting, the Campus Space Planning team continues to make progress through its established plan of action. Completed milestones to date commensurate with the plan include: Establishment of the Campus Space Planning Committee and Subcommittees, Implementation of the Change Management Policy and training of Executives, Building Managers, ADSOs; and a Facilities Condition Review. Currently in progress are the noted tasks: Space Inventory; Ad Astra implementation/utilization. The PRT from the THECB has approved TSU's request for March 2021.



**TEXAS SOUTHERN UNIVERSITY
DEPT. OF INTERNAL AUDIT, ASSURANCE & COMPLIANCE SERVICES
TASKS IN PROGRESS REPORT
AS OF AUGUST 2020**

<u>TASK</u>	<u>STATUS</u>
<i>Third Party Service Provider FY2020 Financial Statement Audit External Auditor</i>	The third-party service provider for the (external) audit of the University is BKD, LLP for fiscal year 2020. The BKD team worked through its data gathering, planning work and risk assessment in June/July 2020. They will commence in October 2020 with testing to affirm the integrity of the financial statements.
<i>Fraud Prevention Training Program</i>	Ethics and Fraud Awareness/Prevention Training is included in the HR suite of mandatory trainings offered online to employees in FY2020. Fraud Awareness, Detection and Prevention is also one of six (6) mandatory requirement training areas for employees annually; employees have until August 31, 2020 to complete training in the mandatory training requirement areas.
<i>Investigations</i>	Selective items are in the due diligence or investigative phase of evaluation in the Investigative component of the Office of Internal Audit & Assurance at this time, and as disclosed on the Due Diligence/Investigation Log. The Office is available to discuss these items in Executive Session at the BOR's convenience.

DEPARTMENTAL 'IN PROGRESS' ITEMS

Internal – Internal Audit & Assurance

Admissions, Enrollment reconciliatory activities
Formula funding, State and Federal funding testing activities (Phase 2)
Risk Assessments and FY2021 Internal Audit Planning Process

Information Security

Submitted the Information Security Plan to the Texas Department of Information Resources (DIR) on August 1, 2020 to comply with TAC § 202

Internal – Institutional Compliance

Title IX Compliance activities
Research Compliance facilitative support and design of Time & Effort Reporting/monitoring approach
Records Retention/Records Management Program (Vital records inventory in progress)

**TEXAS SOUTHERN UNIVERSITY
BOARD OF REGENTS AGENDA**

COMMITTEE: President's Report

ITEM: President's Report

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

President's Report Topics:

- New Student Regent
- Newly installed SGA officers
- Remembering Faculty
- Faculty Experts
- ODEI Office
- LGBTQIA+ Pride Center
- Covid Response/Support
- Rec Center and Student Center Renovations
- Virtual NSO
- Virtual Outreach
- Staff Support
- Tiger Market
- Virtual Alumni Call

SUPPORTING DOCUMENTATION: President's PowerPoint Presentation

FISCAL NOTE: N/A

ACTION REQUESTED: Information



PRESIDENT

Mr. Kenneth R. Huewitt

6/17/2020

DATE



TEXAS SOUTHERN UNIVERSITY

President's Report
Board of Regents Meeting
August 13, 2020



TEXAS SOUTHERN UNIVERSITY

Student/Student Services Highlights

Dr. Teresa McKinney

Vice President, Student Services & Enrollment Management



TEXAS SOUTHERN UNIVERSITY

Faculty/Academics Highlights

Dr. Kendall Harris

Provost / Vice President of Academic Affairs & Research



TEXAS SOUTHERN UNIVERSITY

Staff Highlights

Yolanda Edmond

Senior Associate Vice President of Human Resources



TEXAS SOUTHERN UNIVERSITY

Closing Remarks

Kenneth Huewitt

Interim President