

## AGENDA

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### TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS Standing Committees/Regular Meeting

Date: Tuesday, August 31, 2021  
Time: 8:30 AM  
Place: Texas Southern University - Library Learning Center, 5th Floor  
3100 Cleburne St.  
Houston, TX 77004

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Chair: Albert H. Myres  
Vice Chair: Marc C. Carter  
Second Vice Chair: Pamela A. Medina  
Secretary: James M. Benham

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**I. Call to Order**

**II. Roll Call**

**III. Prayer**

**IV. Open Forum**

**V. Conflict of Interest**

**VI. Board Business**

A. Approve Minutes for past meetings of the Board of Regents 4  
Action Requested: Approval

B. Chairman's Comments

**VII. President's Report 21**

**VIII. Administration and Finance**

Presenters: Regent Mary Evans Sias, Dr. Lesia L. Young, President & Ms. Anita L. Lockridge, Vice President for Administration and Finance/CFO

A. Request Approval Regarding Fiscal Year 2022 Operating Budget 22  
Action Requested: Approval

B. Provide Information Regarding Endowment Performance (June 30, 2021) 23  
Action Requested: Information

C. Request Approval of Endowed and Non-Endowed Investments <u>Action Requested:</u> Approval	27
D. Request Approval Regarding Annual Update to Debt Policy <u>Action Requested:</u> Approval	112
E. Request Approval to Upgrade Remaining Life Safety Systems to Align with Upgraded OIT Infrastructure <u>Action Requested:</u> Approval	125

**IX. Academic Affairs, Research and Student Life**

Presenters: Regent Pamela A. Medina, Dr. Lesia L. Young, President & Dr. Lillian B. Poats, Acting Provost/Vice President for Academic Affairs

A. Request Approval Regarding Candidates for Rank, Tenure and Promotion FY 21-22 <u>Action Requested:</u> Approval	126
B. Request Approval Regarding Proposed Bachelor's and Master's Degree Program <u>Action Requested:</u> Approval	128

**X. Development & Legislative Affairs**

Presenters: Regent James M. Benham, Dr. Lesia L. Young, President & Ms. Melinda Spaulding, Vice President for University Advancement

A. No Agenda Items

**XI. Personnel and Litigation**

Presenters: Regent Caroline Baker Hurley, Dr. Lesia L. Young & Mr. Hao P. Le, General Counsel

A. No Agenda Items

**XII. Physical Facilities**

Presenters: Regent Marc C. Carter, Dr. Lesia L. Young, President & Ms. Anita L. Lockridge, Vice President of Administration and Finance/CFO

A. No Agenda Items

**XIII. Audit**

Presenters: Regent Marilyn A. Rose, Dr. Lesia L. Young, President & Ms. Charla Parker-Thompson, Chief Audit Executive

A. No Agenda Items

**XIV. Athletics**

Presenters: Regent Stephanie D. Nellons-Paige, Dr. Lesia L. Young, President & Mr. Kevin L. Granger, Vice President of Intercollegiate Athletics

A. No Agenda Items

**XV. Consent Docket**

A. Request Approval to Purchase Audio Visual Upgrade Integration Services to Thurgood Marshall School of Law <u>Action Requested:</u> Approval	166
B. Request Approval to Extend Contract with Southwest Precision for Printing Services <u>Action Requested:</u> Approval	167
C. Request Approval Regarding Banking Resolution and Signatory Changes <u>Action Requested:</u> Approval	168
D. Request Approval Regarding Fiscal Year 2022 Holiday Calendar <u>Action Requested:</u> Approval	169
E. Request Approval to Update Uniform State Accounting System Voucher Signature Card <u>Action Requested:</u> Approval	176
 <b>XVI. Executive Session</b>	
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.	
 <b>XVII. Reconvene in Open Session to Consider Action on Executive Session Items as Necessary</b>	
<b>XVIII. Adjourn</b>	

**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

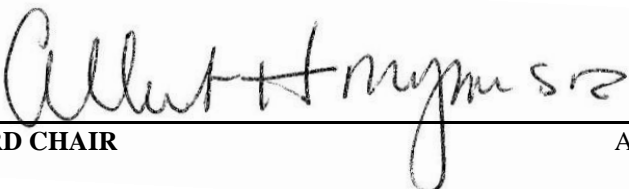
**SUMMARY:**

- Standing Committee/Regular Meetings on June 17, 2021
- Virtual Special Called Meeting on June 29, 2021
- Virtual Special Called Meeting on July 12, 2021
- Board of Regents Retreat on July 30-31, 2021

**SUPPORTING  
DOCUMENTATION:** Draft Minutes

**FISCAL NOTE:** No Fiscal Impact

**ACTION REQUESTED:** Approval

  
\_\_\_\_\_  
**BOARD CHAIR** Albert H. Myres

\_\_\_\_\_  
**DATE** 8/3/21

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS  
VIRTUAL SPECIAL CALLED BOARD MEETING  
Monday, July 12, 2021 1:00 P.M.**

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**Present**

Mr. Albert H. Myres, Chairman  
Ms. Pamela A. Medina, 2<sup>nd</sup> Vice Chair  
Mr. James M. Benham, Secretary  
Ms. Stephanie D. Nellons-Paige  
Mr. Ron J. Price  
Ms. Marilyn A. Rose  
Dr. Mary Evans Sias  
Ms. Aaliyah M. Fleming, Student Regent

**Absent**

Mr. Marc C. Carter, Vice Chair  
Ms. Caroline Baker Hurley

**I. Call to Order**

The Virtual Special Called Board Meeting of Texas Southern University Board of Regents was called to order by Vice Chair Medina at 1:07 P.M.

**II. Roll Call**

Attendance and a quorum were confirmed by roll call. The meeting was held via virtual link: <https://primetime.bluejeans.com/a2m/live-event/bgvvytxg> on the campus of Texas Southern University, Houston, Texas.

**III. Conflict of Interest Statement**

Vice Chair Medina reminded the Regents of the Conflict of Interest statement and to acknowledge any conflict or if there is no conflict by completing the form and submitting it to the Board Relations office at the earliest practicable time.

President Young and Dr. Poats presented intense and detailed dialogue regarding enrollment challenges of the University. Topics of discussion were critical considerations pertinent to admissions decisions; first-time freshmen data and recommendations to meet such challenges.

**IV. Academic Affairs, Research and Student Life**

**A. Request for Approval of Admissions Criteria**

In accordance with COVID 19 Admission Standards

1. Texas Education Code, Section 51.804 - For each academic year, the governing board shall determine whether to adopt an admissions policy under which an applicant who

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
VIRTUAL SPECIAL CALLED MEETING  
Monday, July 12, 2021 1:00 P.M.**

is top 25% will be automatically admitted along with requirements within Section 81.803.

2. Texas Education Code, Section 51.805 (b) – “Holistic Review”

**Action:** Regent Sias moved for approval, seconded by Regent Nellons-Paige.  
Motion passed.

**V. Executive Session**

There was no executive session held.

**VI. Adjourn**

The Virtual Special Called Meeting adjourned at 1:45 P.M.

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**Others Participants present:**

Dr. Lesia Young

Dr. Lillian Poats

Faith Ruiz

**SIGNATURE OF APPROVAL**

I CERTIFY that the foregoing minutes constitute a true, correct and complete record of the Virtual Standing Committees/Regular Board Meeting of the Board of Regents of Texas Southern University, held in Houston, Texas on July 12, 2021.

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Faith Ruiz  
Executive Director for Board Relations

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Date Approved by the Board

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James M. Benham  
Secretary



TEXAS SOUTHERN UNIVERSITY  
**BOARD of REGENTS RETREAT**

**BOARD MINUTES  
JULY 30, 2021**

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**Present**

Mr. Albert H. Myres, Chair  
Mr. Marc C. Carter, Vice Chair  
Ms. Pamela A. Medina, Second Vice Chair  
Mr. James M. Benham, Secretary  
Ms. Caroline Baker Hurley  
Ms. Stephanie D. Nellons-Paige  
Mr. Ron J. Price  
Ms. Marilyn A. Rose  
Dr. Mary Evans Sias  
Ms. Aaliyah M. Fleming, Student Regent

**Absent**

**I. Call to Order**

Chairman Myres called the Board of Regents Retreat of Texas Southern University to order at 8:05 A.M.

**II. Roll Call**

Attendance and a quorum were confirmed by roll call. The meeting was held at The Kalahari Resort & Conventions, Round Rock, Texas.

**III. Chairman's Remarks**

Chairman Myres welcomed the participants and made a few remarks regarding the events scheduled for the day.

**IV. President's Remarks**

President Young spoke about "teamwork makes the dream work" and this is the era of transformation to make a significant impact at Texas Southern. She stated that her team is committed to creating a healthy financial position for the University because they understand the importance of having one. The leadership team is committed to working collectively to achieve unprecedented success at an accelerated pace. The slogan "we do more by breakfast than most people do all day" is their motto.

**V. Overview of The Retreat Topics and Outcomes**

Regent Sias, made a few remarks regarding the structure of the retreat agenda. Her comments included where student demographics are headed; scholarships for students; budget, and credit hour multipliers.

The administration presented an overview of the University's financial state. Details of the university's fiscal health was presented by President Lesia L. Crumpton-Young, Mr. Kenneth Huewitt, Executive Vice President/Chief Operating Officer; Ms. Anita Lockridge, Vice President for Administration & Finance/Chief Financial Officer; and, Dr. Lillian Poats, Acting Provost & Senior Vice President for Academic Affairs.

Among the topics discussed were workforce size, operating budget of personnel costs in schools and administrative units; incoming state, federal and research funds; academic  
The meeting was adjourned for closed executive session at 10:45 a.m.

**VI. 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.

**VII. Reconvene in Open Session to Continue Administrative Reports**

The Board reconvened in open session with a roll call at 3:10 p.m. A quorum was present.

**VIII. Administrative Reports Continue**

The administration continued with their reporting.

**IX. Recess**

The Texas Southern University Board of Regents recessed at 5:19 P.M.

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

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**SIGNATURE OF APPROVAL**

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I CERTIFY that the foregoing minutes constitute a true, correct and complete record of the Texas Southern University Board of Regents Retreat, held in Round Rock, TX on July 30, 2021 .

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Faith Ruiz  
Executive Director for Board Relations

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Date Approved by the Board

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James M. Benham  
Secretary



TEXAS SOUTHERN UNIVERSITY  
**BOARD of REGENTS RETREAT**

**BOARD MINUTES**

**July 31, 2021**

---

**Present**

Mr. Albert H. Myres, Chair  
Mr. Marc C. Carter, Vice Chair  
Ms. Pamela A. Medina, Second Vice Chair  
Mr. James M. Benham, Secretary  
Ms. Caroline Baker Hurley  
Ms. Stephanie D. Nellons-Paige  
Mr. Ron J. Price  
Ms. Marilyn A. Rose  
Dr. Mary E. Sias  
Ms. Aaliyah M. Fleming, Student Regent

**Absent**

**I. Call to Order**

Chairman Myres called the Board of Regents Retreat of Texas Southern University to order at 9:06 A.M.

**II. Roll Call**

Attendance and a quorum were confirmed by roll call. The meeting was held at The Kalahari Resort & Conventions in Round Rock, Texas.

The posted agenda was followed, beginning with Regent Nellons-Paige giving an update of the transition plan for Dr. Crumpton Young, 13<sup>th</sup> president of Texas Southern University.

Ms. Melinda Spaulding, Vice President for University Advancement, followed with a report on governmental and legislative updates regarding areas of concerns which included targets that TSU are focused on. Her report also included fund raising and an update on contributions and donations over a five-year period.

Members of the Board adjourned for closed executive session at 10:00 A.M.

**III. 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.

**IV. Reconvene in Open Session**

The Board reconvened in open session with a roll call to reconfirm a quorum at 12:13 P.M. A quorum was present.

Chairman Myres made an appreciative comment to Regent Sias and the teams for putting together this important retreat.

**V. Adjourn**

The Texas Southern University Board of Regents adjourned at 12:15 P.M.

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**SIGNATURE OF APPROVAL**

I CERTIFY that the foregoing minutes constitute a true, correct and complete record of the Texas Southern University Board of Regents Retreat, held in Round Rock, TX on July 31, 2021 .

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Faith Ruiz  
Executive Director for Board Relations

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Date Approved by the Board

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James M. Benham  
Secretary

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

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**Present**

Mr. Albert H. Myres, Chairman  
Mr. Marc C. Carter, Vice Chair  
Ms. Pamela A. Medina, Second Vice Chair  
Ms. Stephanie D. Nellons-Paige  
Mr. Ron J. Price  
Ms. Marilyn A. Rose  
Dr. Mary E. Sias  
Ms. Aaliyah M. Fleming, Student Regent

**Absent**

Mr. James M. Benham, Secretary  
Ms. Caroline Baker-Hurley

**I. Call to Order**

The Virtual Standing Committees/Regular Board Meeting of Texas Southern University Board of Regents was called to order by Chairman Myres at 8:37 A.M.

**II. Roll Call**

Attendance and a quorum were confirmed by roll call. The meeting was held on the campus of Texas Southern University, Houston, Texas, livestream link: <http://www.tsu.edu/about/board-of-regents/live-stream.html>

**III. Prayer**

Chairman Myres announced that Pastor Delwin E. Benton would deliver the prayer.

**IV. Open Forum**

Chairman Myres reminded the speakers addressing the Board of the open forum rules that are governed by the Board's Bylaws.

The following individuals participated in Open Forum:

- D'Angelo Colter
- Dr. Edieth Wu, TSU Faculty Senate President
- LaRence Snowden, Staff Council President
- Derek Rolle

**V. Board Business**

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

C. Oath of Office administered to the Recently Appointed Board of Regents  
**Action:** Information

D. Presentation of Proclamations to former Student Regents  
**Action:** Information

**VI. 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.

**VII. 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.

The Board adjourned at 9:11 A.M. for executive session.

**VIII. Reconvene in Open Session and Roll Call**

The Board reconvened in open session with a roll call to reconfirm a quorum at 10:14 A.M. A quorum was present.

**IX. Board Business**

Chairman Myres stated that based on the approval of the minutes in the last meeting, clarification of an item is necessary. For clarity purposes, regarding April 15, 2021 board meeting minutes the Board approved interim president at the time, Mr. Kenneth Huewitt, to get 75% of the performance bonus (\$37,000) that is in his contract and the amount approved should not be more than \$27,750.00.

- A. Approve Minutes for past meetings of the Board of Regents  
**Action:** Chairman Myres motioned for approval, seconded by Regent Price. Motion passed.

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

**B. Board of Regents Committee Assignments**

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

Chairman Myres made a few remarks regarding the state of the university and commended Mr. Huewitt on a job well done during this difficult time in the history of the university. In addition, he applauded Mrs. [Pam] Huewitt for being supportive of him and the work that he was doing for the university. Again, he thanked them both.

Chairman Myres stated that the next approval item is one of the most important votes in Texas Southern University's history and vital to the success of the institution.

**E. Discuss, Select and Approve the contract of the Sole Finalist, Dr. Lesia L. Crumpton-Young, as President of Texas Southern University.**

**Action:** Regent Medina motioned for Approval, seconded by Regent Price. Motion passed.

**X. Recess for Press Conference**

The Board went into recess, at 11:05 A.M., to attend the press conference regarding the newly approved President of Texas Southern University, Dr. Lesia L. Crumpton-Young.

**XI. Reconvene in Open Session and Roll Call**

The Board reconvened in open session with a roll call to reconfirm a quorum at 12:27 P.M. A quorum was present.

**XII. 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.

The Board adjourned at 12:34 P.M. for executive session.

**XIII. Reconvene in Open Session and Roll Call**

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

The Board reconvened in open session with a roll call to reconfirm a quorum at 2:02 P.M.  
A quorum was present.

**XIV. Athletics**

**A. Softball Championship Team**

**Action:** Information

**XV. Administration and Finance**

**A. Request for Student Accounts Receivable Write-Off**

**Action:** Regent Sias moved for approval, seconded by Regent Price.  
Motion passed.

**B. Request to Renew Affiliation Agreement with the Houston Academy of Medicine-  
Texas Medical Center Library**

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

**C. Request Change Order Authorization to Purchase Kitchen Appliances for University**

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

**D. Subscriptions and Databases Renewal with EBSCO Information Services**

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

**E. Subscriptions and Databases Renewal with ProQuest**

**Action:** Regent Sias moved for approval, seconded by Regent Rose.  
Motion passed.

**F. Request to Contract with Atlanta Consulting Group Advisors, LLC for Investment**

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

**G. Request to Renew Contract with Arthur J. Gallagher for Student Health Insurance  
Plans**

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

**H. IT Project Management**

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

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

- I. Request to Negotiate and Execute an Agreement for Wi-Fi and Network with Installation Services

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

- J. Request to Negotiate and Execute an Agreement for Fiber Optic and Ethernet Network Cabling Services

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

- K. Request to Negotiate and Execute Audio Visual Integration Services

**Action:** Regent Sias moved for approval, seconded by Regent Nellons-Paige.  
Motion passed.

- L. Request to Update Uniform State Accounting System Voucher Signature Card

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

- M. Request to Contract with Segal Company for Organizational Change Management Services

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

- N. Website Associability though TPGi- Update

**Action:** Information

- O. Request to Purchase Bedroom Furniture for Tierwester Oaks and University Courtyard Apartments (Emergency approval item)

**Action:** This item was considered as an action item during the Administration and Finance Committee meeting and approved to be placed on the board agenda but was not printed on the board agenda. At the special request of Regent Sias, this item was considered an emergency item for approval by Chairman Myres. Chairman Myres motioned for approval, seconded by Regent Carter. Motion passed.

- P. Endowment Performance

**Action:** Information

**XVI. Academic Affairs, Research and Student Life**

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

No agenda items.

**XVII. Development & Legislative Affairs**

- A. Legislative Update  
**Action:** Information

**XVIII. Personnel and Litigation**

- A. Candidate for Tenure FY 2020  
**Action:** Chairman Myres moved for approval, seconded by Regent Carter.  
Motion passed.

**XIX. Physical Facilities**

- A. Request to sell Real Estate Property  
**Action:** Regent Carter moved for approval, seconded by Regent Nellons-Paige.  
Motion passed.
- B. Request Authorization to Negotiate and Execute a Contract for Elevator Maintenance  
**Action:** Regent Carter moved for approval, seconded by Regent Medina.  
Motion passed.
- C. Contract with Gregory-Edwards, Inc for the Satellite Thermal Plant Chiller Replacement and Upgrades  
**Action:** Information

**XX. Audit**

- A. Tasks in Progress Report  
**Action:** Information

**XXI. Adjourn**

The Virtual Standing Committees/Regular Board Meeting adjourned at 3:11 P.M.

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

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**Others Present:**

Dr. Lesia L. Crumpton-Young Glen Austin

Kevin Granger

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEES/REGULAR BOARD MEETING  
Thursday, June 17, 2021 8:30 A.M.**

Kenneth Huewitt  
Alfred Norris

Melanie Jackson  
Faith Ruiz

Anita Lockridge

**SIGNATURE OF APPROVAL**

I CERTIFY that the foregoing minutes constitute a true, correct and complete record of the Virtual Standing Committees/Regular Board Meeting of the Board of Regents of Texas Southern University, held in Houston, Texas on June 17, 2021.

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Faith Ruiz  
Executive Director for Board Relations

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Date Approved by the Board

---

James M. Benham  
Secretary

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS  
VIRTUAL SPECIAL CALLED BOARD MEETING  
Tuesday, June 29, 2021 8:00 A.M.**

---

**Present**

Mr. Albert H. Myres, Chairman  
Mr. Marc C. Carter, Vice Chair  
Ms. Pamela A. Medina, 2<sup>nd</sup> Vice Chair  
Mr. James M. Benham, Secretary  
Ms. Caroline Baker-Hurley  
Ms. Stephanie D. Nellons-Paige  
Mr. Ron J. Price  
Ms. Marilyn A. Rose  
Dr. Mary E. Sias  
Ms. Aaliyah M. Fleming, Student Regent

**Absent**

**I. Call to Order**

The Virtual Special Called Board Meeting of Texas Southern University Board of Regents was called to order by Chairman Myres at 8:07 A.M.

**II. Roll Call**

Attendance and a quorum were confirmed by roll call. The meeting was held via virtual link: <https://primetime.bluejeans.com/a2m/live-event/bgvvytxg>.

**III. 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.

**IV. Administration and Finance**

- A.** Request to Purchase Replacement Bedroom Furniture for Tierwester Oaks and University Courtyard Apartments  
**Action:** Regent Sias moved for approval, seconded by Regent Carter. Motion passed.

**V. Executive Session**

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

**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
STANDING COMMITTEE/REGULAR REMOTE TELECONFERENCE MEETING  
Tuesday, June 29, 2021 8:00 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 at 8:12 A.M. for executive session.

**VI. Reconvene in Open Session and Roll Call**

The Board reconvened in open session with a roll call to reconfirm a quorum at 9:07 A.M. A quorum was present.

**VII. Adjourn**

Regent Price motioned for adjournment, seconded by Regent Sias. Motion passed.

The Virtual Standing Committees/Regular Board Meeting adjourned at 9:09 A.M.

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**Others Present:**

Dr. Lesia L. Crumpton-Young Anita Lockridge

Faith Ruiz

**SIGNATURE OF APPROVAL**

I CERTIFY that the foregoing minutes constitute a true, correct and complete record of the Virtual Standing Committees/Regular Board Meeting of the Board of Regents of Texas Southern University, held in Houston, Texas on June 29, 2021.

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Faith Ruiz, Executive Director for Board Relations

---

Date Approved by the Board

---

James M. Benham, Secretary

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Not Applicable

**ITEM:** President's Report

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

President's Report will cover items from the President's first 30 days.

**SUPPORTING DOCUMENTATION:** Power Point

**FISCAL NOTE:** None

**ACTION REQUESTED:** Information

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

August 9, 2021

\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance  
**ITEM:** Request Approval Regarding Fiscal Year 2022 Operating Budget  
**DATE PREVIOUSLY SUBMITTED:** August 2020

**SUMMARY:**

Approval is requested for the Fiscal Year 2022 Operating Budget for the period September 1, 2021 through August 31, 2022.

**SUPPORTING DOCUMENTATION:** FY 2022 Operating Budget (Under Separate Cover)  
**FISCAL IMPACT:** No Per Se Fiscal Impact  
**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



August 6, 2021

GENERAL COUNSEL

DATE

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Provide Information Regarding Endowment Performance (June 30, 2021)

**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 2021

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



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**GENERAL COUNSEL**

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August 6, 2021

**DATE**

**Month Ending June 30, 2021**

24

## Total Fund Composite

## Performance

As of June 30, 2021

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
<b>Total Fund Composite</b>	<b>81,756,802</b>	<b>100.00</b>	<b>1.67</b>	<b>6.42</b>	<b>11.42</b>	<b>32.57</b>	<b>13.83</b>	<b>13.76</b>	<b>10.69</b>	<b>11.48</b>
<i>Total Fund Policy Index</i>			1.75	6.04	9.62	29.12	14.92	13.48	10.87	11.41
<b>Total Equity Composite</b>	<b>58,459,062</b>	<b>71.50</b>	<b>2.21</b>	<b>8.72</b>	<b>16.59</b>	<b>45.69</b>	<b>16.96</b>	<b>17.79</b>	<b>13.41</b>	<b>14.87</b>
<i>Russell 3000</i>			2.47	8.24	15.11	44.16	18.73	17.88	13.95	14.70
Markston International - All Cap Equity	35,511,831	43.44	2.04	9.02	17.47	46.59	19.40	18.94	14.32	15.15
<i>Russell 3000</i>			2.47	8.24	15.11	44.16	18.73	17.88	13.95	14.70
iShares Total U.S. Stock Market Index Fund (BKTSX)	22,947,231	28.07	2.48	8.26	15.13	44.22	--	--	--	--
<i>Russell 3000</i>			2.47	8.24	15.11	44.16	--	--	--	--
<b>Total Fixed Income Composite</b>	<b>21,028,355</b>	<b>25.72</b>	<b>0.36</b>	<b>1.17</b>	<b>-1.98</b>	<b>-0.29</b>	<b>5.56</b>	<b>3.07</b>	<b>3.41</b>	<b>3.53</b>
<i>Spliced Fixed Income Index</i>			0.08	0.98	-2.42	-1.16	5.05	2.85	3.15	3.31
Smith Graham - Intern. Fixed Income	21,028,355	25.72	0.36	1.17	-1.98	-0.29	5.56	3.07	3.41	3.53
<i>Spliced Fixed Income Index</i>			0.08	0.98	-2.42	-1.16	5.05	2.85	3.15	3.31
<b>Total Cash Composite</b>	<b>2,269,385</b>	<b>2.78</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.07</b>	<b>1.13</b>	<b>1.01</b>	<b>0.73</b>	<b>0.51</b>
<i>91 Day T-Bills</i>			0.00	0.00	0.01	0.05	1.20	1.11	0.82	0.59
Cash Account	2,269,385	2.78	0.00	0.01	0.01	0.07	1.13	1.01	0.73	0.51
<i>91 Day T-Bills</i>			0.00	0.00	0.01	0.05	1.20	1.11	0.82	0.59

**Disclosure:**

This Flash Report is supplied by your investment consultant and not by your Fund's custodian. However, data used to calculate your Fund's performance was provided by the custodian. Consequent Capital Management is not the custodian of your Fund or any portion of your Fund. The data on this Flash Report is preliminary and unaudited. The performance returns are gross of any investment management fee and Consequent Capital Management's consulting fee unless otherwise noted and include the effects of cash flows, dividends, income and capital gains. Indices are provided for general comparison purposes only.

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval of Endowed and Non-Endowed Investment Policies

**DATE PREVIOUSLY SUBMITTED:** August 2020

**SUMMARY:**

Approval is requested for the 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 IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

\_\_\_\_\_  
August 6, 2021

**DATE**

## Texas Southern University Endowment Fund



### Statement of Investment Policy

~~August 2020~~

August 2021

## I. OVERVIEW

This statement is made in accordance with the fiduciary requirements under the Uniform Prudent Management of Institutional Funds Act of 2012 (UPMIFA). Its purpose is to establish a clear understanding between the trustees of Texas Southern University, investment manager(s), advisor(s) and service provider(s) regarding the investment policies, goals, and objectives of Texas Southern University (the University).

~~Texas Southern University dated March 3, 1947, whose legal address is: 3100 Cleburne Street, Houston, Texas 77004, will hereafter also be referred to as the "Endowment Fund" was established on March 3, 1947. Its legal address is 3100 Cleburne Street, Houston, Texas 77004. The Texas Southern University Endowment will be referred to as the "Endowment Fund" throughout this policy.~~

The Endowment Fund was established to provide financial aid and support for philanthropy, to promote social welfare or education, or otherwise to further the Fund in the manner described within the Texas Southern University mission statement, as revised from time to time by the appropriate committee.

The Endowment Fund's assets will be managed by one or more investment manager(s) and/or advisor(s) with full discretion within the boundaries of the investment policy, as selected by the Board of Regents of Texas Southern University. These investment professionals will invest the assigned assets in accordance with this investment policy, objectives, and guidelines.

This statement of objectives and guidelines is intended to provide meaningful guidance in the management of the Endowment Fund's assets and yet not be overly restrictive given changing economic, business, and investment market conditions.

## II. STATEMENT OF RESPONSIBILITIES

The Board of Regents directs the investment activities of Texas Southern University. They recognize this responsibility is best performed by directing professional investment manager(s) and advisor(s), rather than by acting as investment manager(s) themselves. Therefore, this task will be accomplished by appointing a Chief Investment Officer (CIO) and Investment Officer (IO) to monitor the performance of the investment advisor(s) and manager(s) to ensure that the investment objectives are being met and taking appropriate action if objectives are not being met over a reasonable period of time. The Board of Regents shall designate the CIO and/or IO.

~~Texas Southern University's assets will be managed by one or more investment manager(s) with full discretion, as selected by the Board of Regents. These investment professionals will invest the assigned assets in accordance with this statement of investment policy, objectives, and guidelines.~~

The University may contract with external investment managers or advisors to assist the CIO/IO in execution of duties. Such contract must be approved by the

Board of Regents and may not be ~~made longer in force for a period greater~~ than 2 years. Renewal or extension of the contract must be ~~made approved~~ by the Board of Regents.

The CIO/IO acting in accordance with the written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate actions are taken to control potential adverse developments.

All investment managers and consultants must sign the Investment Policy certification form acknowledging that the business organization has received and reviewed the University's Endowment Fund Investment Policy and implemented reasonable procedures and controls.

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

1. Approving the investment policy, goals, and objectives~~;~~
2. Approving qualified investment manager(s) and investment advisor(s)~~;~~
3. Receiving and reviewing reports about the status of the performance of the Endowment Fund's assets~~;~~
4. Approving a uniform and appropriate basis for selecting and evaluating the investment manager(s)~~;~~
5. Appointing a Chief Investment Officer and Investment Officer to monitor the performance of the investment advisor(s) and manager(s) to ensure that the investment objectives are being met ~~and~~, taking appropriate action if objectives are not being met over a reasonable period of time, and that the investment advisor(s) and manager(s) are in compliance with the investment policy. The CIO and IO may make recommendations based on the under-performance over a reasonable period of time and/or failure to comply with the investment policy~~;~~ and to replace the investment advisor(s) and manager(s). The CIO and IO are to ensure that this investment policy statement is updated when appropriate and communicating these changes to the appropriate parties.

**B.** Conflict of Interest

~~The A~~ CIO and/or IO who have a personal business relationship with an organization seeking to sell investments, shall file a statement disclosing that personal business interest. ~~A CIO and/or IO who have a relationship~~ Relationships within the third degree of affinity or consanguinity to individuals seeking to sell an investment to the University, shall file a statement disclosing that relationship.

In addition, any investment manager, investment advisor, or investment consultant who has a personal business relationship with an organization seeking to sell investments to

the University or has a relationship within the third degree of affinity or consanguinity to individuals seeking to sell an investment to the University, shall file a statement disclosing that relationship.

The Endowment Fund corpus and/or income may not be invested in instruments or securities issued by an organization in which an investment manager or consultant is a controlling stakeholder, director, or owner within the meaning of federal securities laws and other applicable laws.

**C. The Custodian(s) of the Endowment Fund's assets is/are responsible for:**

1. Safekeeping of Endowment Fund assets;
2. Accounting for the financial positions of the Endowment Fund, presenting income and expenses, and identifying the specific assets in the Endowment Fund and their relative proportion to total assets;
3. Ensuring that the Endowment Fund collects income due from investments held and that disbursements are properly authorized;
4. Preparing reports and accountings as requested by the Board of Regents regarding Endowment Funds.

**D. The Investment Manager(s) is/are responsible for:**

1. Managing the Endowment Fund's assets in accordance with this investment policy statement;
2. Complying with the provisions of UPMIFA as they pertain to the duties, functions, and fiduciary responsibilities of the manager and the manager's employees assigned to the Endowment Fund's account;
3. Conforming to the standards and responsibilities as established under UPMIFA and/or appropriate state regulatory bodies;
4. Acting as the Registered Investment Advisor and serving as the Endowment Fund's Investment Fiduciary, as described under UPMIFA;
5. Investing the Endowment Fund's assets solely in the best interest of the Endowment Fund with the exclusive purpose of:
  - a. Providing benefits to further the stated mission of the Endowment Fund;
  - b. Defraying reasonable expenses of administering the Endowment Fund;
6. Managing the Endowment Fund's assets assigned within the investment

strategy, as originally presented to the Board of Regents of Texas Southern University.

**E. The Investment Consultant will be responsible for:**

- [1. Investment Policy Review](#)
- [2. Asset Allocation Analysis](#)
- [3. Investment Manager Due Diligence and Oversight](#)
- [4. Performance Reporting](#)
- [5. Other Investment matters](#)

**E.F. Ethics Disclosure**

The prospective fund manager(s) and advisor(s) shall have the Form ADV on file with the Securities Exchange Commission prior to selling investments to, or managing investments for Texas Southern University. The Form ADV is required to be filed annually with the Securities Exchange Commission. A copy of the most recent Form ADV must be on file with Texas Southern University. In addition, a statement of any other personal business relationship with Texas Southern University shall be filed disclosing that personal business interest and will be kept on file by Texas Southern University.

**III. INVESTMENT OBJECTIVES**

**A.** Safety of principal invested is the foremost objective in the investment decisions of Texas Southern University. Each investment transaction shall seek to ensure the preservation of principal 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 Texas Southern University will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on ~~TSU's~~ the Endowment Fund's investments.

**B.** ~~Texas Southern University~~ The Endowment Fund's assets are to be invested in a balanced portfolio composed of equity, fixed income, cash equivalent securities, and other investments as determined by the Board of Regents.

**C.** These objectives recognize the nature of Texas Southern University, its purpose, and source of funds. Since the Endowment Fund exists for the purpose of providing benefits to philanthropic causes or for otherwise furthering institutional goals as outlined in the mission statement, the assets must be invested in the sole interest and benefit of Texas Southern University in a prudent manner consistent with the provisions of UPMIFA. Within this framework, the principal investment objectives are:

- ~~1. All assets of Texas Southern University, except those needed for benefits currently payable and any short term contingent liabilities, shall be treated as available for long term investment. Income from these assets should be invested in a manner that would achieve the greatest risk adjusted total~~

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~~return.~~

~~2.1.~~ The overall investment objective is to achieve a reasonably consistent rate of return on total Endowment Fund assets, with a concern for stability and preservation of principal.

~~3.2.~~ When selecting securities, the investment manager(s) or investment advisor(s) without discretion (brokers) are expected to prudently diversify the investments of the Endowment fund consistent with the Endowment Fund's guidelines, thus minimizing the risk of large losses.

**D.** In order to meet the Endowment Fund's objectives stated above, **the primary long-term investment objective of the endowment is to earn a total real (i.e. inflation-adjusted) rate of return that equals or exceeds 4.5% to 5% over the long-term (5 to 10 years).** It is also understood that due to market conditions, there may be periods where this objective is exceeded and purchasing power is enhanced, as well periods where the objective is not met and purchasing power is diminished. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the NACUBO Annual Comparative Performance Survey of all educational endowments over rolling five-year time periods. Thus, the ~~Chief Financial Officer~~ **CIO and IO are** is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both managers of other educational endowments and with capital markets generally.

Finally, the total return of the ~~University's Endowment Fund's~~ investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to ~~the University's~~ asset allocation targets.

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#### IV. INVESTMENT POLICY

##### A. GENERAL

1. The assets must be invested in compliance with:

- The Uniform Prudent Management of Institutional Funds Act of 2012 (UPMIFA) as amended

~~• The Public Funds Investment Act (PFIA)~~

~~• The Endowment Fund's written investment policy statement of Texas Southern University~~

•

2. The investment manager(s) is/are granted full investment discretion regarding the purchase and sale of individual securities, which is consistent with the described objectives and directives of the Endowment Fund ~~trustees.~~ **CIO and IO:**

3. The investment manager(s), as the Endowment Fund's investment fiduciary, is/are responsible for the purchase and sale of such securities as they are so entrusted.

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4. The investment manager(s) is/are not permitted to deviate from specifically announced investment strategies without prior written approval of the Board of Regents (e.g. fixed income only managers are not to purchase equity or convertible securities, and domestic equity only managers are not to purchase international stocks or U.S. Government bonds).
5. The assets of the Endowment Fund shall be invested in a manner that is consistent with generally accepted standards of fiduciary responsibilities. The safeguards which guide a prudent investor shall be observed.
6. All equity, fixed income, and cash equivalent assets must have readily ascertainable market values from commonly accepted market sources, and be readily marketable.
7. Preservation of capital is the primary long-term investment objective for the portfolio. Therefore, capital gains are to be protected once earned. As an example, during periods of protracted market declines, cash may be raised up to the maximum permissible level so that the potential for capital losses is reduced.

In order to preserve purchasing power parity, the Endowment's spending policy shall not exceed 5%. The calculation of the 5% spending rate will be based upon a three year moving average of the Endowment Fund earnings—with the most recent year removed. The 5% annual spending rate is required to be applied to each individual endowment. The University will calculate the average market value based upon the time period that these endowments are in existence.

8. ~~The 5% annual spending rate is required to be applied to each individual endowment. The University will calculate the average market value based upon the time period that these endowments are in existence.~~
9. The asset value of the portfolio, exclusive of contributions or withdrawals, is expected to increase in value over a period of years.
10. Realization of gains or losses should be reviewed solely in terms of investment merits and long-term expectations.
11. Prohibited alternative investments shall include, but not be limited to, investments in:
  - Managed Futures Funds
  - Energy Investment Funds
  - Life Insurance Contracts
  - Tangible Assets (Gold & Silver)
  - Equity Long Short Funds
  - Equity Market-Neutral Funds
  - Equity Pairs Trading Funds

- Equity Arbitrage and Merger Arbitrage Funds
- Event-Driven Strategy Funds
- Fixed Income/Mortgage Arbitrage Funds
- **Emerging Markets Funds**
- Distressed Securities Funds
- Global Macro Funds

**Commented [CS2]:** We do not have any clients who include emerging markets within alternatives or who excludes the asset class as this effectively does

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12. In addition to the equity securities and fixed income securities, as discussed in section D and section E, acceptable alternative investments may also include:

- Real Estate (REIT's)
- **Venture Capital Investment Funds/ Funds of Funds**
- Convertible Bond Strategy Funds

**Commented [CS3]:** Venture Capital, despite the strong historical returns is one of the more risky asset classes as compared to some of those excluded. Is there a reason for this?

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13. Texas Southern University has determined that lending and/or hypothecation of **Endowment Fund** assets by its custodian(s) is not permissible.

## B. PORTFOLIO LIQUIDITY

1. Investments in cash and cash equivalents should be in ~~the minimum~~ range of zero to five percent (0-5%)

## C. FIXED INCOME INVESTMENTS

1. Acceptable fixed income investments.

a. Fixed income securities are securities that pay and/or accrue interest and/or dividends. Examples of fixed income securities would be U.S. Treasury obligations, obligations of government-sponsored enterprises, federal agency obligations, domestic corporate debentures, notes and preferred stock (unless otherwise specified below and within the minimum quality rating as stated in #3 of this section), commercial paper, commercial bank certificates of deposit, money market funds, and investment company funds which invest in the above. Fixed income securities allowed may include the following:

- U.S. Government Treasury Obligations
- U.S. Government Agency Obligations
- Corporate Bonds, both Investment-Grade and High Yield (below Investment Grade). The total investment in High Yield securities is limited to 15% of the total Endowment portfolio's market value
- Guaranteed Interest Contracts (GIC's)
- Foreign Government Bonds
- Foreign Corporate Bonds
- Cash Management and fixed income funds sponsored by organizations

exempt from federal income taxation under Section 501 (f), Internal Revenue Code of 1986 (26 U.S.C. 501(f))

- Negotiable Certificates of Deposits issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P1, or the equivalent by a nationally recognized credit rating agency

b. Prohibited fixed income investments shall include, but not be limited, to:

- Fixed Income Annuities
- Yield Enhancement Techniques (options and futures)

2. Fixed income securities are to be selected and managed as to ensure an appropriate balance of quality, maturity, and coupon. This balance should be consistent with current market and economic conditions, as well as this document.

3. The minimum rating for investments in interest bearing obligations shall be “Baa” and Commercial Paper “A1/P1”.

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4. Convertible securities shall be considered equity derivatives, and as such, shall not be an acceptable investment in the fixed income allocation.

#### 5. Prohibited fixed income investments.

~~The fixed income manager(s) are prohibited from investing in fixed income derivative securities, which are designed to enhance or magnify price movements in relation to underlying markets. The investment managers are authorized to invest in securities such as: the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and non-U.S. Government or Agency sponsored collateralized and asset backed securities. Furthermore, such securities must meet the additional restrictions within this statement. Additionally, such securities must have a readily ascertainable market valuation from multiple recognized sources and be readily liquid.~~

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### D. EQUITY SECURITIES

1. Equity securities investments are to be selected, and consistently applied, on the basis of the criteria and declared strategy of the investment manager (i.e. growth managers buy growth equities and value managers buy value equities). The investment manager(s) is/are directly responsible for the purchases and sales of such investments, under the discretion granted within the investment manager contract.

2. Equity securities are defined to include convertible issues as well as common stocks and shall be acceptable investments within the equity securities

category. Equity securities may include common or convertible preferred stock, convertible debentures, or investment company funds which invest in the above. Receipt of stock rights or warrants from existing equity holdings may be held, or sold, solely at the discretion of the investment manager(s).

3. Funds available for investment in equity securities may be temporarily invested in short-term U.S. Treasury obligations, short-term obligations of government-sponsored enterprises, federal agencies, commercial paper, commercial bank certificates of deposit, money market funds, and other generally accepted money market instruments.

4. The list of acceptable equity investments and prohibited equity securities are:

a. Equity investments that are acceptable include:

- Domestic Equities (benchmarks include S&P 500, Russell 3000, Russell 1000, Russell Mid Cap, Russell 2000)
- Equity Mutual Funds/Co-Mingled Funds
- Equity Rights and Warrants
- Global Equity Funds
- International Equities
- Index Funds/Exchange Traded Funds (ETF's)
- Stock/Index Options (Hedging)

b. Prohibited equity alternatives shall include, but not be limited to:

- Variable Annuities
- Stock/Index Options (Speculation)
- Margin Trading
- Short Selling

5. The Board of Regents has determined that the investment manager(s) are to vote the shareholders' proxies. Such voting is to be solely in the best interest of Texas Southern University within the given stated policy, goals, and objectives. It is further expected that each of the investment manager(s) will report back to the Board of Regents, on an annual basis regarding the results of these proxy votes.

#### E. Allowable Investment Vehicles

- Mutual Funds
- Separately Managed Accounts
- Commingled Funds
- Exchange Traded Funds (ETFs)
- Hedge Funds
- Fund of Funds

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**E.F. PORTFOLIO DIVERSIFICATION**

1. General

- a. The strategic asset mix (minimum and maximum allocations) of fixed income, equities, alternative investments, and cash equivalents shall be at the discretion of Texas Southern University ~~trustees, Board of Regents~~ and shall be reflected within this investment policy statement.
- b. The total portfolio allocation ranges are:

Investment Type	Allocation Range
Cash Equivalent Investments	0 to 5%
Domestic Equity Investments	25 to 75%
International Equity Investments	0 to 25%
Domestic Fixed Income Investments	15 to 75%
Global/International Fixed Income Investments	0 to 25%
*Alternative Investments	0 to 15%

\* Denotes Alternative Investments as stated in Section IV (A) 11 and 12

- c. On an annual basis (or more frequently if determined necessary), the Board of Regents may re-assess and re-balance, in accordance with this statement, Endowment Fund assets as deemed necessary.
- d. No more than ten percent (10%) of the total Endowment Fund assets shall be invested in the securities (equities, debentures, preferred stock) of one issuing corporation at the time of purchasing (excluding U.S. Government and U.S. Government Agency debt).
- e. No more than twenty percent (20%) of the market value of total Endowment Fund assets should be invested in any one industry ~~sector~~ (excluding U.S. Government and U.S. Government Agency debt).

2. Equity Investments

A. Rebalancing

- 1. It is generally expected that no more than five percent (5%) of a manager's assigned assets shall be invested in one issuing company at the time of purchase ~~without disclosure from the investment advisor.~~ Any one industry ~~sector~~ that becomes more than twenty percent (20%) of an equity portfolio, due to its price appreciation, shall have shares

**Commented [CS5]:** We noticed there are no specific targets and are speculating that this is due to a governance issue. Would the committee be open to adding target allocations?

**Commented [CS6]:** According to GICS (Global Industry Classification Standards), industry is a sub-component of sector, while it is unlikely an industry weight would be over 20%, a sector weight often is (Tech, Financials)

**Commented [CS7]:** 5% in the current market environment may be overly restrictive. This would restrict some managers from owning market weights in some large cap stocks.

sold to reduce it back to the policy guidelines.

2. It is generally expected that the investment manager(s) will not exceed individual industry ~~sector~~ weighting by more than twenty percent (20%) compared to the relevant Benchmark Index. If ~~sector~~ industry holdings exceed the 20% threshold, then the investment manager shall sell shares to reduce it back to the policy guidelines.

**Commented [CS8]:** See prior comment on GICS sectors

### 3. Fixed Income Investments

a. The fixed income portfolio manager(s) is/are expected to diversify corporate debt investments, or to purchase those investments which themselves are diversified, across a prudently constructed portfolio.

b. Excluding U.S. Government and U.S. Government Agency securities, fixed income securities exceeding one year in maturity are not to exceed twenty percent (20%) of an individual portfolio's assets in one corporation.

## V. INVESTMENT PERFORMANCE EXPECTATIONS

### A. TOTAL PORTFOLIO

In order to meet the Endowment Fund's objectives stated above, the primary long-term investment objective of the endowment is to earn a total real (i.e. inflation-adjusted) rate of return that equals or exceeds 4.5% to 5% over the long-term (5 to 10 years). It is also understood that due to market conditions, there may be periods where this objective is exceeded and purchasing power is enhanced, as well as periods where the objective is not met and purchasing power is diminished. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the NACUBO Annual Comparative Performance Survey of all educational endowments over rolling five-year time periods. Thus, the Chief Financial Officer is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both managers of other educational endowments and with capital markets generally.

**Commented [CS9]:** See prior comment regarding return objective

Finally, the total return of the University's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to the University asset allocation targets.

At least 2 of the 3 investment goals, as described below, are to be achieved over a period of ten years or more.

1. The annualized total returns of the Endowment Fund's assets are to equal or exceed a real rate of return of 4.5% to 5% over a period of ten years or more. One, three, and five year rolling returns shall be used as interim measures to determine appropriate returns for different investment horizons.

**Commented [CS10]:** See prior comment regarding return objective

2. Investment returns shall be above the median return of similarly balanced portfolios (equities, bonds, and cash). This performance criterion is to be achieved over a period of one, three and five years, rather than the ranking in any one year.

3. Volatility, as measured by standard deviation, shall be kept within the historical range of similarly styled portfolios.

#### **B. FIXED INCOME ASSETS**

At least 2 of the 3 investment goals, as described below, are to be achieved over a period of ten years or more.

1. The total fixed income component is to equal or exceed the return of whichever is the most appropriate index(es) as determined by the portfolio allocations, net of management fees, over a period of ten years or more. One, three, and five year rolling returns shall be used as interim measures to determine appropriate returns for different investment horizons.

2. The risk-adjusted returns of the fixed income manager(s) should be above the median returns of similarly styled fixed income manager(s) on an annual basis.

3. Volatility, as measured by standard deviation, shall be kept within the historical range of similarly styled fixed income portfolios.

#### **C. EQUITY ASSETS**

At least 2 of the 3 investment goals, as described below, is/are to be achieved over a period of ten years or more.

1. The total rate of return of the equity component is to equal or exceed whichever is the most appropriate index over a period of ten years or more. One, three, and five year rolling returns shall be used as interim measures to determine appropriate returns for different investment horizons.

2. The risk-adjusted returns of the equity manager(s) should be above the median returns of similarly styled equity manager(s) on a rolling 3 to 5 year basis, net of all fees.

3. Volatility, as measured by standard deviation, shall be kept within the historical range of similarly styled equity portfolios.

#### **D. PERFORMANCE BENCHMARKS**

Asset class performance benchmarks include the following:

Investment Type	Benchmark
Domestic Equity	S&P 500 Russell 3000 Russell 2000 Russell 1000 Russell Mid Cap
International Equity	MSCI ACWI ex-US MSCI EAFE
Domestic Fixed Income	Barclays Aggregate Barclays 1-3 Yr Government Barclays High Yield Barclays Government/Corporate Bond Index
Global/International Fixed Income	Citigroup World Government Bond Index Barclays Global Aggregate
Cash	90-Day US Treasury Bills

An Investment Manager will be rated in a “Favorable Status” if they are delivering favorable performance and there are no outstanding organizational issues. An Investment Manager will be in a “Caution Status” if:

For Equities:

- Investment Manager’s three year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark, or
- Investment Manager’s five plus year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark.

For Fixed Income:

- Investment Manager’s three year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark, or
- Investment Manager’s five plus year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark.

The Investment Manager will also be considered on “Caution Status” if there is a material change in the ownership structure of the Investment Manager’s organization, or there is a departure of key investment professionals.

Caution Status Procedures:

If deemed necessary, the Investment Management Consultant is authorized to place a manager on caution status without first informing, or having agreement from, the Investment Committee. In this case, the Consultant must immediately inform the Chairman of the Investment Committee of their action and recommend a course of action. An Investment Manager that falls into “Caution Status” will undergo a thorough review by the Investment Consultant. This review will address how the Investment Manager will move back to “Favorable Status” or be considered for termination. The Investment

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Manager will be monitored on a monthly basis during this cautionary period. Investment Managers on “Caution Status” may be required to present to the Investment Committee. The Investment Committee will review the Investment Managers’ situation based upon the following priorities. Highest priority will be given to those failing to meet the five-year target and next to those failing to meet the three-year target. An Investment Manager can move back to “Favorable Status” by improving its “since inception” performance above the “five year plus” criteria.

In addition to the above, immediate termination of Investment Managers should be considered:

- When they deviate from the ~~Investment Committee~~CIO or IO’s instructions.
- When they deviate substantially from their investment disciplines and process.
- When ~~Investment Committee members~~the CIO or IO have any material problem or concern regarding the Investment Manager.

## VI. REPORTING

- A. The CIO or IO is required to report to the Board of Regents on a quarterly basis the current investment position of the university using the university’s fiscal year end date of August 31 prepared in accordance with GAAP. The report will include the following defined criteria:
- The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner which will allow the University to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Board of Regents. Additionally, this report will comply with any requirements mandated by any laws of the State of Texas. The report will include but not be limited to the following:
    - A listing of individual securities held at the end of the reporting period.
    - Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
    - Additions to the Endowment and changes to the market value during the period.
    - Account, fund, or pooled group fund.
    - Average weighted yield to maturity of portfolio as compared to applicable benchmark.
    - Listing of investments by maturity date.
    - Fully accrued interest for the reporting period
    - The percentage of the total portfolio which each type of investment represents.
    - Statement of compliance of the University’s investment portfolio with state law and the investment strategy and policy approved by the Board of Regents.
- B. The investment manager(s) is/are required to submit any information necessary to prepare quarterly reports or reports in addition to the requirements stated in Section VI (A). Quarterly report information will be required to be submitted within forty-five days after a current fiscal quarter has ended.

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## **VII. COMMUNICATIONS**

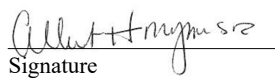
- A.** The investment manager(s) is/are required to be available to meet with Texas Southern University at least semiannually, unless otherwise directed.
- B.** Any significant change in investment strategy by the investment manager(s) should be communicated to Texas Southern University in writing, for approval, prior to the enactment of the strategy.
- C.** Any significant changes in investment professionals within the investment management firm or those assigned to this account should be communicated to Texas Southern University within thirty days for their approval.
- D.** Performance results, portfolio listings, valuations, and transaction summaries consistent with CFA Institute guidelines should be provided promptly on a quarterly basis.

## **VIII. PERFORMANCE REVIEW**

The Board of Regents of Texas Southern University may request that performance reports be prepared by an independent agency on a quarterly basis, to ascertain current and long-term absolute levels of achievement toward the stated goals. Further comparisons will be made on a relative basis to general market indices and other managed fund results.

**XI. REVISIONS**

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 Board of Regents to communicate such revisions, in writing, to the investment manager(s) and advisor(s) within thirty days. Texas Southern University investment policy statement of investment goals and objectives is hereby approved on August 13, 2020 and the Chair of the Texas Southern Board of Regents affirms that a majority of the Board of Regents has approved this policy

  
Signature

Mr. Albert H. Myres  
Print Name  
Chair, Texas Southern University  
Board of Regents

**FOR THE ENDOWMENT FUND INVESTMENT MANAGERS**

I hereby acknowledge and accept receipt of Texas Southern University investment goals and objectives policy statement dated August 13, 2020 (date of approval by the Board of Regents). I have read, understood, and will comply with all approved sections. Furthermore, it is understood by all parties that I, as a representative of my firm, will exercise the care, skill, prudence, and diligence under prevailing circumstances that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims. The aforementioned firm that I represent is a registered investment advisor under the Securities Act of 1940 and will serve as an investment fiduciary for the Endowment Fund under the Uniform Prudent Management of Institutional Funds Act of 2012 (UPMIFA).

\_\_\_\_\_  
Signature of Principal of  
The Investment Firm

\_\_\_\_\_  
Print Name

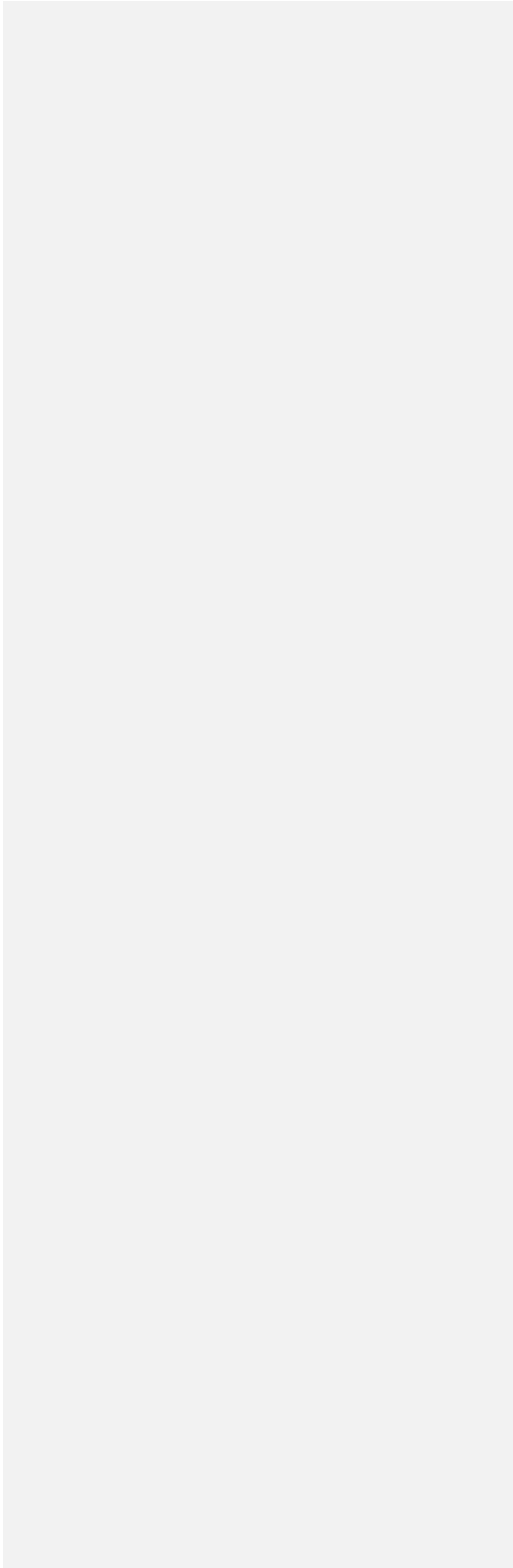
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**FOR THE ENDOWMENT FUND SERVICE PROVIDERS**

I hereby acknowledge and accept receipt of Texas Southern University investment goals and objectives policy statement dated August 13, 2020 (date of approval by the Board of Regents).

\_\_\_\_\_  
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**RECOMENDATION FOR THE  
IMPLEMENTATION OF OUR  
INVESTMENT POLICY  
STATEMENT**

In order to implement your investment policy statement, the following steps are recommended:

1. Each member of the Board of Regents of Texas Southern University should independently review this statement.
2. This investment policy statement should then be discussed amongst the trustees concerning any necessary changes.
3. This investment policy statement should be voted upon and when approved, the vote should be noted in the Endowment Fund sponsor's minutes or written consent.
4. The investment policy statement should then be dated and signed by all Endowment Fund Board of Regents members, and included within the Endowment Fund sponsor's minutes or written consents.
5. Each service provider to the Endowment Fund (custodian, portfolio manager, investment advisor, investment consultant, broker, and actuary) should sign the receipt of and the acknowledgement of this investment policy statement. These acknowledgements should be included within the Endowment Fund sponsor's minutes or written consents.

**EXHIBIT A**



In accordance with GAAP and sec. 2256.023 of the Public Funds Investment Act, It is hereby certified that this Quarterly Investment Report for the quarter ended, \_\_\_\_\_, \_\_\_\_\_ was jointly prepared by all Investment Officers, for Texas Southern University in accordance with the university Endowment and Investment Policies.

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**CHIEF INVESTMENT OFFICER** Kenneth Huewitt, Interim President

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**INVESTMENT OFFICER** Anita Lockridge, Interim V.P for Administration and Finance/CFO

# Texas Southern University Endowment Fund



## Statement of Investment Policy

August 2021

## **I. OVERVIEW**

This statement is made in accordance with the fiduciary requirements under the Uniform Prudent Management of Institutional Funds Act of 2012 (UPMIFA). Its purpose is to establish a clear understanding between the trustees of Texas Southern University, investment manager(s), advisor(s) and service provider(s) regarding the investment policies, goals, and objectives of Texas Southern University (the University).

Texas Southern University was established on March 3, 1947. Its legal address is 3100 Cleburne Street, Houston, Texas 77004. The Texas Southern University Endowment will be referred to as the “Endowment Fund” throughout this policy.

The Endowment Fund was established to provide financial aid and support for philanthropy, to promote social welfare or education, or otherwise to further the Fund in the manner described within the Texas Southern University mission statement, as revised from time to time by the appropriate committee.

The Endowment Fund's assets will be managed by one or more investment manager(s) and/or advisor(s) with full discretion within the boundaries of the investment policy, as selected by the Board of Regents of Texas Southern University. These investment professionals will invest the assigned assets in accordance with this investment policy, objectives, and guidelines.

This statement of objectives and guidelines is intended to provide meaningful guidance in the management of the Endowment Fund's assets and yet not be overly restrictive given changing economic, business, and investment market conditions.

## **II. STATEMENT OF RESPONSIBILITIES**

The Board of Regents directs the investment activities of Texas Southern University. They recognize this responsibility is best performed by directing professional investment manager(s) and advisor(s), rather than by acting as investment manager(s) themselves. Therefore, this task will be accomplished by appointing a Chief Investment Officer (CIO) and Investment Officer (IO) to monitor the performance of the investment advisor(s) and manager(s) to ensure that the investment objectives are being met and taking appropriate action if objectives are not being met over a reasonable period of time. The Board of Regents shall designate the CIO and/or IO.

The University may contract with external investment managers or advisors to assist the CIO/IO in execution of duties. Such contract must be approved by the Board of Regents and may not be in force for a period greater than 2 years. Renewal or extension of the contract must be approved by the Board of Regents.

The CIO/IO acting in accordance with the written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported

immediately and the appropriate actions are taken to control potential adverse developments.

All investment managers and consultants must sign the Investment Policy certification form acknowledging that the business organization has received and reviewed the Endowment Fund Investment Policy and implemented reasonable procedures and controls.

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

1. Approving the investment policy, goals, and objectives;
2. Approving qualified investment manager(s) and investment advisor(s);
3. Receiving and reviewing reports about the status of the performance of the Endowment Fund's assets;
4. Approving a uniform and appropriate basis for selecting and evaluating the investment manager(s);
5. Appointing a Chief Investment Officer and Investment Officer to monitor the performance of the investment advisor(s) and manager(s) to ensure that the investment objectives are being met, taking appropriate action if objectives are not being met over a reasonable period of time, and that the investment advisor(s) and manager(s) are in compliance with the investment policy. The CIO and IO may make recommendations based on the under-performance over a reasonable period of time and/or failure to comply with the investment policy and to replace the investment advisor(s) and manager(s). The CIO and IO are to ensure that this investment policy statement is updated when appropriate and communicating these changes to the appropriate parties.

**B.** Conflict of Interest

A CIO and/or IO who have a personal business relationship with an organization seeking to sell investments, shall file a statement disclosing that personal business interest. A CIO and/or IO who have a relationship within the third degree of affinity or consanguinity to individuals seeking to sell an investment to the University, shall file a statement disclosing that relationship.

In addition, any investment manager, investment advisor, or investment consultant who has a personal business relationship with an organization seeking to sell investments to the University or has a relationship within the third degree of affinity or consanguinity to individuals seeking to sell an investment to the University, shall file a statement disclosing that relationship.

The Endowment Fund corpus and/or income may not be invested in instruments or securities issued by an organization in which an investment manager or consultant is a controlling stakeholder, director, or owner within the meaning of federal securities laws and other applicable laws.

**C. The Custodian(s)** of the Endowment Fund's assets is/are responsible for:

1. Safekeeping of Endowment Fund assets;
2. Accounting for the financial positions of the Endowment Fund, presenting income and expenses, and identifying the specific assets in the Endowment Fund and their relative proportion to total assets;
3. Ensuring that the Endowment Fund collects income due from investments held and that disbursements are properly authorized;
4. Preparing reports and accountings as requested by the Board of Regents regarding Endowment Funds.

**D. The Investment Manager(s)** is/are responsible for:

1. Managing the Endowment Fund's assets in accordance with this investment policy statement;
2. Complying with the provisions of UPMIFA as they pertain to the duties, functions, and fiduciary responsibilities of the manager and the manager's employees assigned to the Endowment Fund's account;
3. Conforming to the standards and responsibilities as established under UPMIFA and/or appropriate state regulatory bodies;
4. Acting as the Registered Investment Advisor and serving as the Endowment Fund's Investment Fiduciary, as described under UPMIFA;
5. Investing the Endowment Fund's assets solely in the best interest of the Endowment Fund with the exclusive purpose of:
  - a. Providing benefits to further the stated mission of the Endowment Fund
  - b. Defraying reasonable expenses of administering the Endowment Fund
6. Managing the Endowment Fund's assets assigned within the investment strategy, as originally presented to the Board of Regents of Texas Southern University.

**E. The Investment Consultant** will be responsible for:

1. Investment Policy Review
2. Asset Allocation Analysis
3. Investment Manager Due Diligence and Oversight
4. Performance Reporting

5. Other Investment matters

**F. Ethics Disclosure**

The prospective fund manager(s) and advisor(s) shall have the Form ADV on file with the Securities Exchange Commission prior to selling investments to, or managing investments for Texas Southern University. The Form ADV is required to be filed annually with the Securities Exchange Commission. A copy of the most recent Form ADV must be on file with Texas Southern University. In addition, a statement of any other personal business relationship with Texas Southern University shall be filed disclosing that personal business interest and will be kept on file by Texas Southern University.

**III. INVESTMENT OBJECTIVES**

**A.** Safety of principal invested is the foremost objective in the investment decisions of Texas Southern University. Each investment transaction shall seek to ensure the preservation of principal 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 Texas Southern University will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the Endowment Fund's investments.

**B.** The Endowment Fund's assets are to be invested in a balanced portfolio composed of equity, fixed income, cash equivalent securities, and other investments as determined by the Board of Regents.

**C.** These objectives recognize the nature of Texas Southern University, its purpose, and source of funds. Since the Endowment Fund exists for the purpose of providing benefits to philanthropic causes or for otherwise furthering institutional goals as outlined in the mission statement, the assets must be invested in the sole interest and benefit of Texas Southern University in a prudent manner consistent with the provisions of UPMIFA. Within this framework, the principal investment objectives are:

1. The overall investment objective is to achieve a reasonably consistent rate of return on total Endowment Fund assets, with a concern for stability and preservation of principal.
2. When selecting securities, the investment manager(s) or investment advisor(s) without discretion (brokers) are expected to prudently diversify the investments of the Endowment fund consistent with the Endowment Fund's guidelines, thus minimizing the risk of large losses.

**D.** In order to meet the Endowment Fund's objectives stated above, the primary long-term investment objective of the endowment is to earn a total real (i.e. inflation-adjusted) rate of return that equals or exceeds 4.5% to 5% over the long-term (5 to 10 years). It is also understood that due to market conditions, there may be periods where

this objective is exceeded and purchasing power is enhanced, as well periods where the objective is not met and purchasing power is diminished. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the NACUBO Annual Comparative Performance Survey of all educational endowments over rolling five-year time periods. Thus, the CIO and IO are responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both managers of other educational endowments and with capital markets generally.

Finally, the total return of the Endowment Fund's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to asset allocation targets.

#### **IV. INVESTMENT POLICY**

##### **A. GENERAL**

1. The assets must be invested in compliance with:
  - The Uniform Prudent Management of Institutional Funds Act of 2012 (UPMIFA) as amended
  - The Endowment Fund's written investment policy
2. The investment manager(s) is/are granted full investment discretion regarding the purchase and sale of individual securities, which is consistent with the described objectives and directives of the Endowment Fund CIO and IO;
3. The investment manager(s), as the Endowment Fund's investment fiduciary, is/are responsible for the purchase and sale of such securities as they are so entrusted.
4. The investment manager(s) is/are not permitted to deviate from specifically announced investment strategies without prior written approval of the Board of Regents (e.g. fixed income only managers are not to purchase equity or convertible securities, and domestic equity only managers are not to purchase international stocks or U.S. Government bonds).
5. The assets of the Endowment Fund shall be invested in a manner that is consistent with generally accepted standards of fiduciary responsibilities. The safeguards which guide a prudent investor shall be observed.
6. All equity, fixed income, and cash equivalent assets must have readily ascertainable market values from commonly accepted market sources, and be readily marketable.
7. Preservation of capital is the primary long-term investment objective for the portfolio. Therefore, capital gains are to be protected once earned. As an example, during periods of protracted market declines, cash may be raised up to the maximum permissible level so that the potential for capital losses

is reduced.

In order to preserve purchasing power parity, the Endowment's spending policy shall not exceed 5%. The calculation of the 5% spending rate will be based upon a three year moving average of the Endowment Fund earnings—with the most recent year removed. The 5% annual spending rate is required to be applied to each individual endowment. The University will calculate the average market value based upon the time period that these endowments are in existence.

- 8.
9. The asset value of the portfolio, exclusive of contributions or withdrawals, is expected to increase in value over a period of years.
10. Realization of gains or losses should be reviewed solely in terms of investment merits and long-term expectations.
11. Prohibited alternative investments shall include, but not be limited to, investments in:
  - Managed Futures Funds
  - Energy Investment Funds
  - Life Insurance Contracts
  - Tangible Assets (Gold & Silver)
  - Equity Long Short Funds
  - Equity Market-Neutral Funds
  - Equity Pairs Trading Funds
  - Equity Arbitrage and Merger Arbitrage Funds
  - Event-Driven Strategy Funds
  - Fixed Income/Mortgage Arbitrage Funds
  - Emerging Markets Funds
  - Distressed Securities Funds
  - Global Macro Funds
12. In addition to the equity securities and fixed income securities, as discussed in section D and section E, acceptable alternative investments may also include:
  - Real Estate (REIT's)
  - Venture Capital Investment Funds/ Funds of Funds
  - Convertible Bond Strategy Funds
13. Texas Southern University has determined that lending and/or hypothecation of Endowment Fund assets by its custodian(s) is not permissible.

## B. PORTFOLIO LIQUIDITY

1. Investments in cash and cash equivalents should be in range of zero to five percent (0-5%)

## C. FIXED INCOME INVESTMENTS

### 1. Acceptable fixed income investments.

a. Fixed income securities are securities that pay and/or accrue interest and/or dividends. Examples of fixed income securities would be U.S. Treasury obligations, obligations of government-sponsored enterprises, federal agency obligations, domestic corporate debentures, notes and preferred stock (unless otherwise specified below and within the minimum quality rating as stated in #3 of this section), commercial paper, commercial bank certificates of deposit, money market funds, and investment company funds which invest in the above. Fixed income securities allowed may include the following:

- U.S. Government Treasury Obligations
- U.S. Government Agency Obligations
- Corporate Bonds, both Investment-Grade and High Yield (below Investment Grade). The total investment in High Yield securities is limited to 15% of the total Endowment portfolio's market value
- Guaranteed Interest Contracts (GIC's)
- Foreign Government Bonds
- Foreign Corporate Bonds
- Cash Management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501 (f), Internal Revenue Code of 1986 (26 U.S.C. 501(f))
- Negotiable Certificates of Deposits issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P1, or the equivalent by a nationally recognized credit rating agency

b. Prohibited fixed income investments shall include, but not be limited to:

- Fixed Income Annuities
- Yield Enhancement Techniques (options and futures)

2. Fixed income securities are to be selected and managed as to ensure an appropriate balance of quality, maturity, and coupon. This balance should be consistent with current market and economic conditions, as well as this document.

3. The minimum rating for investments in interest bearing obligations shall be "Baa" and Commercial Paper "A1/P1".

4. Convertible securities shall be considered equity derivatives, and as such, shall not be an acceptable investment in the fixed income allocation.

#### **D. EQUITY SECURITIES**

1. Equity securities investments are to be selected, and consistently applied, on the basis of the criteria and declared strategy of the investment manager (i.e. growth managers buy growth equities and value managers buy value equities). The investment manager(s) is/are directly responsible for the purchases and sales of such investments, under the discretion granted within the investment manager contract.
2. Equity securities are defined to include convertible issues as well as common stocks and shall be acceptable investments within the equity securities category. Equity securities may include common or convertible preferred stock, convertible debentures, or investment company funds which invest in the above. Receipt of stock rights or warrants from existing equity holdings may be held, or sold, solely at the discretion of the investment manager(s).
3. Funds available for investment in equity securities may be temporarily invested in short-term U.S. Treasury obligations, short-term obligations of government-sponsored enterprises, federal agencies, commercial paper, commercial bank certificates of deposit, money market funds, and other generally accepted money market instruments.
4. The list of acceptable equity investments and prohibited equity securities are:
  - a. Equity investments that are acceptable include:
    - Domestic Equities (benchmarks include S&P 500, Russell 3000, Russell 1000, Russell Mid Cap, Russell 2000)
    - Equity Mutual Funds/Co-Mingled Funds
    - Equity Rights and Warrants
    - Global Equity Funds
    - International Equities
    - Index Funds/Exchange Traded Funds (ETF's)
    - Stock/Index Options (Hedging)
  - b. Prohibited equity alternatives shall include, but not be limited to:
    - Variable Annuities
    - Stock/Index Options (Speculation)
    - Margin Trading
    - Short Selling

5. The Board of Regents has determined that the investment manager(s) are to vote the shareholders' proxies. Such voting is to be solely in the best interest of Texas Southern University within the given stated policy, goals, and objectives. It is further expected that each of the investment manager(s) will report back to the Board of Regents, on an annual basis regarding the results of these proxy votes.

**E. Allowable Investment Vehicles**

- Mutual Funds
- Separately Managed Accounts
- Commingled Funds
- Exchange Traded Funds (ETFs)
- Hedge Funds
- Fund of Funds

## F. PORTFOLIO DIVERSIFICATION

### 1. General

- a. The strategic asset mix (minimum and maximum allocations) of fixed income, equities, alternative investments, and cash equivalents shall be at the discretion of Texas Southern University Board of Regents and shall be reflected within this investment policy statement.
- b. The total portfolio allocation ranges are:

Investment Type	Allocation Range
Cash Equivalent Investments	0 to 5%
Domestic Equity Investments	25 to 75%
International Equity Investments	0 to 25%
Domestic Fixed Income Investments	15 to 75%
Global/International Fixed Income Investments	0 to 25%
*Alternative Investments	0 to 15%

\* Denotes Alternative Investments as stated in Section IV (A) 11 and 12

- c. On an annual basis (or more frequently if determined necessary), the Board of Regents may re-assess and re-balance, in accordance with this statement, Endowment Fund assets as deemed necessary.
- d. No more than ten percent (10%) of the total Endowment Fund assets shall be invested in the securities (equities, debentures, preferred stock) of one issuing corporation at the time of purchasing (excluding U.S. Government and U.S. Government Agency debt).
- e. No more than twenty percent (20%) of the market value of total Endowment Fund assets should be invested in any one industry (excluding U.S. Government and U.S. Government Agency debt).

### 2. Equity Investments

#### A. Rebalancing

1. It is generally expected that no more than five percent (5%) of a manager's assigned assets shall be invested in one issuing company at the time of purchase without disclosure from the investment advisor. Any one industry that becomes more than twenty percent (20%) of an equity portfolio, due to its price appreciation, shall have shares

sold to reduce it back to the policy guidelines.

2. It is generally expected that the investment manager(s) will not exceed individual industry weighting by more than twenty percent (20%) compared to the relevant Benchmark Index. If industry holdings exceed the 20% threshold, then the investment manager shall sell shares to reduce it back to the policy guidelines.

### 3. Fixed Income Investments

a. The fixed income portfolio manager(s) is/are expected to diversify corporate debt investments, or to purchase those investments which themselves are diversified, across a prudently constructed portfolio.

b. Excluding U.S. Government and U.S. Government Agency securities, fixed income securities exceeding one year in maturity are not to exceed twenty percent (20%) of an individual portfolio's assets in one corporation.

## V. INVESTMENT PERFORMANCE EXPECTATIONS

### A. TOTAL PORTFOLIO

In order to meet the Endowment Fund's objectives stated above, the primary long-term investment objective of the endowment is to earn a total real (i.e. inflation-adjusted) rate of return that equals or exceeds 4.5% to 5% over the long-term (5 to 10 years). It is also understood that due to market conditions, there may be periods where this objective is exceeded and purchasing power is enhanced, as well as periods where the objective is not met and purchasing power is diminished. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the NACUBO Annual Comparative Performance Survey of all educational endowments over rolling five-year time periods. Thus, the Chief Financial Officer is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both managers of other educational endowments and with capital markets generally.

Finally, the total return of the University's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to the University asset allocation targets.

At least 2 of the 3 investment goals, as described below, are to be achieved over a period of ten years or more.

1. The annualized total returns of the Endowment Fund's assets are to equal or exceed a real rate of return of 4.5% to 5% over a period of ten years or more. One, three, and five year rolling returns shall be used as interim measures to determine appropriate returns for different investment horizons.

2. Investment returns shall be above the median return of similarly balanced portfolios (equities, bonds, and cash). This performance criterion is to be achieved over a period of one, three and five years, rather than the ranking in any one year.

3. Volatility, as measured by standard deviation, shall be kept within the historical range of similarly styled portfolios.

## **B. FIXED INCOME ASSETS**

At least 2 of the 3 investment goals, as described below, are to be achieved over a period of ten years or more.

1. The total fixed income component is to equal or exceed the return of whichever is the most appropriate index(es) as determined by the portfolio allocations, net of management fees, over a period of ten years or more. One, three, and five year rolling returns shall be used as interim measures to determine appropriate returns for different investment horizons.

2. The risk-adjusted returns of the fixed income manager(s) should be above the median returns of similarly styled fixed income manager(s) on an annual basis.

3. Volatility, as measured by standard deviation, shall be kept within the historical range of similarly styled fixed income portfolios.

## **C. EQUITY ASSETS**

At least 2 of the 3 investment goals, as described below, is/are to be achieved over a period of ten years or more.

1. The total rate of return of the equity component is to equal or exceed whichever is the most appropriate index over a period of ten years or more. One, three, and five year rolling returns shall be used as interim measures to determine appropriate returns for different investment horizons.

2. The risk-adjusted returns of the equity manager(s) should be above the median returns of similarly styled equity manager(s) on a rolling 3 to 5 year basis, net of all fees.

3. Volatility, as measured by standard deviation, shall be kept within the historical range of similarly styled equity portfolios.

## **D. PERFORMANCE BENCHMARKS**

Asset class performance benchmarks include the following:

Investment Type	Benchmark
Domestic Equity	S&P 500 Russell 3000 Russell 2000 Russell 1000 Russell Mid Cap
International Equity	MSCI ACWI ex-US MSCI EAFE
Domestic Fixed Income	Barclays Aggregate Barclays 1-3 Yr Government Barclays High Yield Barclays Government/Corporate Bond Index
Global/International Fixed Income	Citigroup World Government Bond Index Barclays Global Aggregate
Cash	90-Day US Treasury Bills

An Investment Manager will be rated in a “Favorable Status” if they are delivering favorable performance and there are no outstanding organizational issues. An Investment Manager will be in a “Caution Status” if:

For Equities:

- Investment Manager’s three year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark, or
- Investment Manager’s five plus year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark.

For Fixed Income:

- Investment Manager’s three year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark, or
- Investment Manager’s five plus year performance is below the 50th percentile of their peer universe, and they are trailing the style benchmark.

The Investment Manager will also be considered on “Caution Status” if there is a material change in the ownership structure of the Investment Manager’s organization, or there is a departure of key investment professionals.

Caution Status Procedures:

If deemed necessary, the Investment Management Consultant is authorized to place a manager on caution status without first informing, or having agreement from, the Investment Committee. In this case, the Consultant must immediately inform the Chairman of the Investment Committee of their action and recommend a course of action. An Investment Manager that falls into “Caution Status” will undergo a thorough review by the Investment Consultant. This review will address how the Investment Manager will move back to “Favorable Status” or be considered for termination. The Investment

Manager will be monitored on a monthly basis during this cautionary period. Investment Managers on “Caution Status” may be required to present to the Investment Committee. The Investment Committee will review the Investment Managers’ situation based upon the following priorities. Highest priority will be given to those failing to meet the five-year target and next to those failing to meet the three-year target. An Investment Manager can move back to “Favorable Status” by improving its “since inception” performance above the “five year plus” criteria.

In addition to the above, immediate termination of Investment Managers should be considered:

- When they deviate from the CIO or IO’s instructions.
- When they deviate substantially from their investment disciplines and process.
- When the CIO or IO have any material problem or concern regarding the Investment Manager.

## **VI. REPORTING**

**A.** The CIO or IO is required to report to the Board of Regents on a quarterly basis the current investment position of the university using the university’s fiscal year end date of August 31 prepared in accordance with GAAP. The report will include the following defined criteria:

- The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner which will allow the University to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Board of Regents. Additionally, this report will comply with any requirements mandated by any laws of the State of Texas. The report will include but not be limited to the following:
  - A listing of individual securities held at the end of the reporting period.
  - Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
  - Additions to the Endowment and changes to the market value during the period.
  - Account, fund, or pooled group fund.
  - Average weighted yield to maturity of portfolio as compared to applicable benchmark.
  - Listing of investments by maturity date.
  - Fully accrued interest for the reporting period
  - The percentage of the total portfolio which each type of investment represents.
  - Statement of compliance of the University’s investment portfolio with state law and the investment strategy and policy approved by the Board of Regents.

**B.** The investment manager(s) is/are required to submit any information necessary to prepare quarterly reports or reports in addition to the requirements stated in Section VI (A). Quarterly report information will be required to be submitted within forty-five days after a current fiscal quarter has ended.

## **VII. COMMUNICATIONS**

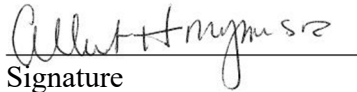
- A.** The investment manager(s) is/are required to be available to meet with Texas Southern University at least semiannually, unless otherwise directed.
- B.** Any significant change in investment strategy by the investment manager(s) should be communicated to Texas Southern University in writing, for approval, prior to the enactment of the strategy.
- C.** Any significant changes in investment professionals within the investment management firm or those assigned to this account should be communicated to Texas Southern University within thirty days for their approval.
- D.** Performance results, portfolio listings, valuations, and transaction summaries consistent with CFA Institute guidelines should be provided promptly on a quarterly basis.

## **VIII. PERFORMANCE REVIEW**

The Board of Regents of Texas Southern University may request that performance reports be prepared by an independent agency on a quarterly basis, to ascertain current and long-term absolute levels of achievement toward the stated goals. Further comparisons will be made on a relative basis to general market indices and other managed fund results.

## XI. REVISIONS

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 Board of Regents to communicate such revisions, in writing, to the investment manager(s) and advisor(s) within thirty days. Texas Southern University investment policy statement of investment goals and objectives is hereby approved on August 13, 2020 and the Chair of the Texas Southern Board of Regents affirms that a majority of the Board of Regents has approved this policy

  
Signature

Mr. Albert H. Myres

Print Name

Chair, Texas Southern University  
Board of Regents

**FOR THE ENDOWMENT FUND INVESTMENT MANAGERS**

I hereby acknowledge and accept receipt of Texas Southern University investment goals and objectives policy statement dated August 13, 2020 (date of approval by the Board of Regents). I have read, understood, and will comply with all approved sections. Furthermore, it is understood by all parties that I, as a representative of my firm, will exercise the care, skill, prudence, and diligence under prevailing circumstances that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims. The aforementioned firm that I represent is a registered investment advisor under the Securities Act of 1940 and will serve as an investment fiduciary for the Endowment Fund under the Uniform Prudent Management of Institutional Funds Act of 2012 (UPMIFA).

\_\_\_\_\_  
Signature of Principal of  
The Investment Firm

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Today's Date

\_\_\_\_\_  
Firm Address

\_\_\_\_\_  
Phone Number

**FOR THE ENDOWMENT FUND SERVICE PROVIDERS**

I hereby acknowledge and accept receipt of Texas Southern University investment goals and objectives policy statement dated August 13, 2020 (date of approval by the Board of Regents).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Today's Date

\_\_\_\_\_  
Firm Address

\_\_\_\_\_  
Phone  
Number

**RECOMENDATION FOR THE  
IMPLEMENTATION OF OUR  
INVESTMENT POLICY  
STATEMENT**

In order to implement your investment policy statement, the following steps are recommended:

1. Each member of the Board of Regents of Texas Southern University should independently review this statement.
2. This investment policy statement should then be discussed amongst the trustees concerning any necessary changes.
3. This investment policy statement should be voted upon and when approved, the vote should be noted in the Endowment Fund sponsor's minutes or written consent.
4. The investment policy statement should then be dated and signed by all Endowment Fund Board of Regents members, and included within the Endowment Fund sponsor's minutes or written consents.
5. Each service provider to the Endowment Fund (custodian, portfolio manager, investment advisor, investment consultant, broker, and actuary) should sign the receipt of and the acknowledgement of this investment policy statement. These acknowledgements should be included within the Endowment Fund sponsor's minutes or written consents.

**EXHIBIT A**



In accordance with GAAP and sec. 2256.023 of the Public Funds Investment Act, It is hereby certified that this Quarterly Investment Report for the quarter ended, \_\_\_\_\_, \_\_\_\_\_ was jointly prepared by all Investment Officers, for Texas Southern University in accordance with the university Endowment and Investment Policies.

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**CHIEF INVESTMENT OFFICER** Kenneth Huewitt, Interim President

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**INVESTMENT OFFICER** Anita Lockridge, Interim V.P for Administration and Finance/CFO

# 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 ladder 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.

4. **SCOPE.** The Investment Policy shall govern the investment of all financial assets considered to be part of a TSU entity and includes the following funds or fund types: Operating, Auxiliary, Unexpended, and Plant Replacement Funds, 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.

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~~ an 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 -trainingsession 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~~5 hours of instruction relating to the officer's responsibility under the Public Funds Investment Act within ~~twelve (12)~~six (6) months after assuming duties, and attend an investment training session not less than once every two years, receiving an additional ~~ten (10)~~five (5) 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.**

~~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.~~

~~6.66.1 **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.~~

~~7.1. **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-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 A1, 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.

### 7.1.13

**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, parvalue, 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 Officers shall compare yields on potential investments to yields on US Treasury;

~~12.2.6~~ **12.2.5** 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.

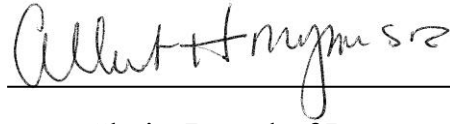
**TEXAS SOUTHERN UNIVERSITY  
INVESTMENT POLICY**

**August 13, 2020**

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Adoption Date

**By:**



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Chair, Board of Regents

# **TEXAS SOUTHERN UNIVERSITY, INVESTMENT POLICY**

## **PREFACE**

The purpose of this document is to set forth specific investment policy and strategy guidelines for Texas Southern University ("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 Texas Southern University ("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 ladder 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.

- 4. **SCOPE.** The Investment Policy shall govern the investment of all financial assets considered to be part of a TSU entity and includes the following funds or fund types: Operating, Auxiliary, Unexpended, and Plant Replacement Funds, 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.

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 an 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 5 hours of instruction relating to the officer's responsibility under the Public Funds Investment Act within six (6) months after assuming duties, and attend an investment training session not less than once every two years, receiving an additional five (5) 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 A1, 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.

### 7.1.13

**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, parvalue, 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 Officers 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.

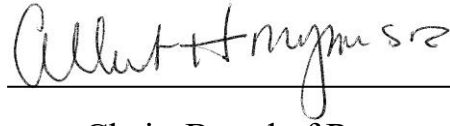
**TEXAS SOUTHERN UNIVERSITY  
INVESTMENT POLICY**

**August 13, 2020**

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Adoption Date

**By:**



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Chair, Board of Regents

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval Regarding Annual Update to Debt Policy

**DATE PREVIOUSLY SUBMITTED:** August 2020

**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 the Tuition Revenue Bond, Series 2016.

**SUPPORTING**

**DOCUMENTATION:** Debt Policy

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

\_\_\_\_\_  
August 6, 2021

**DATE**



Texas Southern University  
Debt Policy

August 2021

## **I. OVERVIEW**

This statement is made with the purpose 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.

Texas Southern University, established March 3, 1947, 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.

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

1. Approving the debt policy.
2. Approving resolutions for debt issuance subsequent to Legislative Authority, and in accordance with general laws of State of Texas.

### 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 may consider other financing options presented by the Administration. 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 of 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 1.25x debt coverage ratio test.

## 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.

## 6. Reporting Requirements

The Annual Financial Report (AFR), prepared by Texas Southern University and 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
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- Texas Government Code, Chapter 1371 - Obligations for Certain Public Improvements

## 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.



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**Chairman, Board of Regents of Texas Southern University**

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**Interim President, Texas Southern University**

## **Date of Board Approval**

## VII. CONTACT INFORMATION

Questions or comments regarding this Rule should be directed to

- Anita Lockridge – Interim Vice President for Administration and Finance: [anita.lockridge@tsu.edu](mailto:anita.lockridge@tsu.edu)
- Alfred L. Norris - Associate Vice President for Administration and Finance: [alfred.norris@tsu.edu](mailto:alfred.norris@tsu.edu)

## VIII. REVIEW AND RESPONSIBLE PARTIES

Responsible Parties: **Treasury Department**

Review: **Annually**



Texas Southern University  
Debt Policy

August 2021

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**Chairman, Board of Regents of Texas Southern University**

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**Interim President, Texas Southern University**

## **Date of Board Approval**

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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:** Request Approval to Upgrade Remaining Life Safety Systems to Align with Upgraded OIT Infrastructure.

**DATE PREVIOUSLY SUBMITTED:** None

**SUMMARY:**

Johnson Controls Fire Protection, LLC (“JCI”) will be upgrading campus wide fire alarm systems that will function on the upgraded OIT infrastructure. Johnson Controls is the only authorized vendor that can replace, modify, program or and make complicated repairs to the proprietary Simplex manufactured systems in use at Texas Southern University. For consistency of operations and to protect the integrity of the current systems, JCI will perform an upgrade of the remaining thirty-two panels.

Johnson Controls is a publicly traded company therefore Form 1295 is not required.

**SUPPORTING**

**DOCUMENTATION:** JCI Contract/Order (Under Separate Cover)  
(BOA0001148 and LMC0001754)

**FISCAL IMPACT:** Not to exceed \$923, 255.25  
FOAP 9108-61200-7343-38627

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



August 6, 2021

GENERAL COUNSEL

DATE

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Academic Affairs, Research and Student Life  
**ITEM:** Request Approval Regarding Candidates for Rank, Tenure and Promotion FY 2021-22  
**DATE PREVIOUSLY SUBMITTED:** N/A

**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:** 2021-2022 Rank, Tenure, and Promotion Candidates

**FISCAL NOTE:** The fiscal impact of approving the recommended list of rank, promotion, and tenure candidates is \$28,000. This total represents \$22,000 for promotion and \$6,000 for tenure awards.

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



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**GENERAL COUNSEL**

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August 6, 2021

**DATE**

### 2020-2021 Rank, Tenure, and Promotion Candidates

	Name	Tenure and Rank Request	Departmental Committee's Recommendation	Department Chair's Recommendation	College Committee's Recommendation	Dean's Recommendation	Provost's Recommendation	University Committee Recommendation	President's Recommendation	Tenure Amount	Promotion Amount	Total
Thurgood Marshall School of Law												
Thurgood Marshall School of Law	Professor Stephanie Ledesma	Promotion to The Rank of Full Professor	N/A	N/A	YES	YES	YES			N/A	\$ 5,000	\$5,000
	Professor Thelma Harmon	Promotion to The Rank of Full Professor	N/A	N/A	NO	NO	NO	YES	NO			
College of Education												
Health and Kinesiology	Dr. Nana Asare	Promotion to Associate Professor with tenu	N/A	YES	NO	NO	NO	N/A	NO			
											127	
Barbara Jordan-Mickey Leland School of Public Affairs												
Urban Plannng and Environmental Poli	Dr. BumSeok Chun	Promotion to Associate Professor with tenu	YES	YES	YES	YES	YES			\$3,000	\$ 4,000	\$7,000
Political Science	Dr. Oluponmile Olonilua	Promotion to The Rank of Full Professor	N/A	YES	YES	YES	YES			N/A	\$ 5,000	\$5,000
Administration of Justice	Dr. Gautam Nayer	Promotion to The Rank of Full Professor	N/A	NO	NO	NO	NO	YES	NO			
College of Pharmacy and Health Sciences												
Pharmacy Practice and Clinical Health Sciences	Dr. Rodney Hunter	Promotion to Clinical Associate Professor w/o tenure	YES	YES	YES	YES	YES			N/A	\$ 4,000	\$4,000
Pharmacy Practice and Administration	Dr. Veronica Ajewole	Promotion to Associate Professor with tenu	YES	YES	YES	YES	YES			\$6,000	\$ 4,000	\$7,000
											\$ 22,000.00	\$28,000.00
											Total Funds Needed	\$28,000.00

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Academic Affairs, Research and Student Life  
**ITEM:** Request Approval Regarding Proposed Bachelor's Degree Program  
**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

The College of Liberal Arts & Behavioral Sciences is seeking approval from the Texas Southern University Board of Regents to implement and reinstate the Bachelor of Science in Dietetics as the Bachelor of Science in Nutritional Science and Dietetics. This program will require 120 credit hours and is proposed to begin the Fall 2021 semester.

**SUPPORTING DOCUMENTATION:** Items are attached  
**FISCAL IMPACT:** No Fiscal Impact  
**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

\_\_\_\_\_  
August 6, 2021

**DATE**



Texas Higher Education Coordinating Board  
Texas Public General Academic and Health-Related Institutions

New Bachelor's and Master's Degree Program  
Request Form

**Directions:** Texas public universities and health-related institutions complete this form to add a new bachelor's or master's degree program, if the following criteria for approval are met, per [Texas Administrative Code \(TAC\), Title 19, Chapter 5, Subchapter C, Section 5.44 \(a\) \(3\)](#): (A) the proposed program has institutional and board of regents approval; (B) the institution certifies compliance with the [Standards for New Bachelor's and Master's Programs](#); (C) the institution certifies that adequate funds are available to cover the costs of the new program; (D) new costs to the program during the first five years of the program would not exceed \$2 million; (E) the proposed program is a non-engineering program; and (F) the proposed program would be offered by a public university or health-related institution.

If the proposed program does not meet the criteria listed above, the institution must submit a request using the [Full Request Form](#).

This form requires the signatures of: (1) the Chief Executive Officer, certifying adherence to the Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.44 (a) (3) criteria, adequacy of funding for the new program, the notification of other Texas public institutions of higher education, and adherence to [Texas Education Code \(TEC\) Sections 61.822 through 61.823](#); and (2) a member of the Board of Regents (or designee) certifying Board approval.

**Contact:** Division of Academic Quality and Workforce, 512-427-6200.

**Administrative Information**

1. Institution Name and Coordinating Board Accountability Group:  
Texas Southern University

2. Proposed Program:  
Show how the proposed program would appear on the institution's Program Inventory (e.g., Bachelor of Business Administration with a major in accounting).

Reinstate the Bachelor of Science in Dietetics as the Bachelor of Science in Nutritional Sciences and Dietetics

3. Proposed CIP Code:

51 .3101 .00

4. Semester Credit Hours Required:

120

5. Location and Delivery of the Proposed Program:  
Instruction on the campus in Houston, face-to face

6. Administrative Unit:

Within the College of Pharmacy and Health Sciences

7. Proposed Implementation Date:

Provide the date that students would enter the proposed program (MM/DD/YYYY).

08/15/2021

8. Institutional and Department Contacts:

Provide contact information for the person(s) responsible for addressing any questions related to the proposed program.

1. Name: Rashid Mosavin, RPh, PhD, MBA

Title: Dean and Professor

E-mail: rashid.mosavin@tsu.edu

Phone: (713) 313-7381

2. Name: Ellis A. Morrow, DCN, MS, RDN, LD

Title: Director and Dietetics and Assistant Professor

E-mail: ellis.morrow@tsu.edu

Phone: 713-313-7647

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## Proposed Bachelor's or Master's Degree Program Information

### I. Need

Despite efforts made to combat health disparities following the release of the Institute of Medicine's (IOM) Unequal Treatment report in 2003, the 2018 National Healthcare Quality and Disparities Report notes that disparities in healthcare quality and outcomes continues to largely exist by income, race, and ethnicity. Of the 250 quality measures monitored, African Americans, American Indians and Alaska Natives, and Native Hawaiians/Pacific Islanders were reported as receiving worse care than Whites for about 40% of quality measures (U.S. Department of Health and Human Services, 2019).

People of color (POC) are disproportionately impacted by chronic diseases and have the greatest need for attention from healthcare providers (Wall et al., 2015). A subsequent 2004 IOM report revealed that POC who are healthcare professionals have a higher likelihood of successfully treating patients from similar backgrounds because patients tend to be more receptive to receiving treatment from someone similar to themselves. Therefore, it is important to have racial and ethnic diversity in the health workforce to ensure a health care system that supports quality healthcare access for all (Council of Graduate Medical Education, 2016).

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As a member institution of the world-acclaimed Texas Medical Center, the Texas Southern University is uniquely poised to contribute to the production of a diverse healthcare workforce through its diverse student population and history of being a top producer of African American registered dietitian nutritionist, pharmacists, health administrators, and health information managers in Texas. It is also a significant producer of African Americans in respiratory therapy, clinical laboratory science, environmental health, and pharmaceutical sciences. The B.S. in Nutritional Science and Dietetics will expand its impact by improving its pathway for more underrepresented, specifically African American, healthcare professionals to become Registered Dietitian Nutritionist and contribute to the projected future diversity needs within the state and region.

Texas Southern University African American Composition					
	2015	2016	2017	2018	2019
University	76.2% (N=8964)	75% (N=8862)	76.6% (N=10237)	78.3% (N=9732)	78.9% (N=9024)
COPHS	65.8% (n=1430)	64.2% (n=1264)	64.4% (n=1221)	66.3% (n=1077)	65.2% (n=915)

#### A. Job Market Need

The BS in Nutritional Science and Dietetics is versatile degree that will prepare students to enter the field of Nutritional Science and Dietetics. Nutritional Sciences is a STEM subject area as defined by the National Science Foundation that falls under the category of Medical and Life Sciences. It is the study of how nutrition affects the human body, health, and diseases. Its foundation is firmly rooted in Chemistry, Biochemistry and Physiology. Careers in the field include dietetics, public health, food technology, clinical nutrition and research. Dietetics – a health science career - is the medical application 'arm/branch' of nutritional sciences. The BS in Nutritional Science and Dietetics will offer both the foundational nutrition sciences and expanded dietetics branches of the nutritional sciences.

The Bureau of Labor Statistics projects that jobs in the field of nutrition and dietetics will increase by 11% between 2018 – 2028. This projected growth is “faster than average” and outpaces many other professions, not only in healthcare but for many other fields. The demand for nutrition and dietetics professionals is expected to increase as more evidence becomes available about the relationship between nutrition and health and to address the escalating incidences of chronic diseases. Registered Dietitian Nutritionist – RDN is a legally protected credential governed by the CDR. Students enrolled in undergraduate DPD programs have decreased by 18% from 1998 to 2019 according to the Accreditation Council for Education in Nutrition and Dietetics.

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**B. Existing Programs**

The Nutritional Science and Dietetics programs in Texas are listed below. The BS degree in Nutritional Sciences and Dietetics currently exists as a concentration of the BS degree in Human Services and Consumer Sciences. It was previously a free-standing BS in Dietetics and was merged with HSCS and made a concentration in 2017. As such, the BS in Nutritional Sciences and Dietetics does not introduce a new program into the market, it reinstates the original BS degree in Dietetics. The curriculum of the BS in Human Services and Consumer Sciences with a concentration in Dietetics is currently accredited and listed by the Accreditation Council for Education in Nutrition and Dietetics as an accredited program in Texas. Of the existing programs in Texas, only one is housed in a Historically Black College and University (HBCU). The Dietetics concentration has a record of success with a 100% match rate to dietetic internships and 100% pass rate on the RD registration exam in the most recent 3 years. The BS in Nutritional Science and Dietetic will expand TSU's contribution to increased diversity in the field of nutrition and dietetics.

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DEGREES AWARDED	2015	2016	2017	2018	2019	2020
In-state Colleges & Universities						
Lamar University	22	26	12	19	18	17
Prairie View A&M University	12	12	13	7	9	17
Sam Houston State University	13	14	8	22	16	13
Stephen F Austin State University	22	17	30			
Texas Christian University	21	25	24	23	24	27
Texas State University	62	51	63	54	62	53
Texas Tech University	43	30	23	38	34	30
Texas Woman's University	75	69	79	70	86	69
The University of Texas at Austin	70	68	56	31	33	28
University of Houston	133	194	146	138	173	180

FRESHMEN ENROLLMENT	2015		2016		2017		2018		2019		2020	
	SP	FA	SP	FA	SP	FA	SP	FA	SP	FA	SP	FA
In-state Colleges & Universities												
Lamar University	1	11	1	13	11	6	6	6	2			
Prairie View A&M University		25		28	30	31	11	10				
Sam Houston State University	5	20	4	24	5	19	9	20	6	18	5	19
Stephen F Austin State University		15		12	13	10	6					

Texas Christian University		37		28		29		30		27		12
Texas State University	6	8	2	10	5	10	0	18	4	12	4	18
Texas Tech University	18	24	18	24	17	32	16	27	15	23	12	32
Texas Woman's University		66		69		42		52		31		100
The University of Texas at Austin	3	57	3	48	1	38	5	26	1	17	2	1
University of Houston		152		82		80		142				

**C. Student Demand**

The students who will primarily be targeted for this degree program are students who desire to become Registered Dietitian Nutritionist. TSU has one of the only undergraduate pathways to become a Registered Dietitian Nutritionist in Houston. The other program is at the University of Houston. TSU is also one of two HBCUs in the state of Texas with an undergraduate pathway to become a Registered Dietitian Nutritionist. The only other undergraduate program in the state of Texas is Prairie View A&M University. PV A&M University is over 60 miles from Houston and is suited to serve students living on campus. TSU is suited to serve a transient population due to its location in the center of a large urban area.

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The BS in Nutritional Science and Dietetic will also serve the national focus on increasing diversity and inclusion in the dietetics profession. The Academy of Nutrition and Dietetics and the Accreditation Counsel for Education in Nutrition and Dietetics have placed an emphasis on increasing diversity and inclusion. The Academy has created diversity and inclusion liaisons throughout its professional practice groups.

Enrollment in Dietetics has increased recently. The program has continued to attract students who desire to be Registered Dietitian Nutritionist. Since 2014, students desiring to be Registered Dietitian Nutritionist graduated with a BS in Human Services and Consumer Sciences with a concentration in Dietetics. With the new BS degree in Nutritional Science and Dietetics, students will pursue the new degree. The curriculum is moving to the college of pharmacy and health sciences to increase visibility of the program to potential students. This degree will also serve as a potential career path for students who are wanting to pursue careers in medicine or other health related professions

At the beginning of Fall 2020, there were 20 students at the university who were designated as Human Service and Consumer Sciences majors with a concentration in Dietetics. Therefore, there is a current student population that will transition to the BS in Nutritional Science and Dietetics. The move to COPHS will also attract students who desire a healthcare related career but are not inclined to the programs currently offered at the COPHS. The COPHS offers degrees in Clinical Laboratory Sciences, Environmental Health, Health Administration, Health Information Management, Biomedical Sciences and Respiratory Therapy. Additionally, students who graduate from the program will be able to sit for the examination to become a dietetic technician, registered if they are unable to get accepted to a dietetic internship.

Students declared nutrition and dietetics during Freshman year majors as of Fall 2020

Year	Number of Students
Freshman	5
Sophomore	6
Junior	9
Senior	4

#### D. Enrollment Projections

Based on documented data of freshman students who have previously declared Human Services and Consumer Sciences with a concentration in Dietetics and the assumption that more students will declare due to the move of dietetics to the COPHS, it is projected that approximately 15 incoming freshman students will Nutritional Science and Dietetics as a major. Additionally, there is a current population of approximately 20 students who will be transitioned into the degree plan. Therefore, there will be roughly 35 students who will be in the BS in the Nutritional Sciences and Dietetics program in Fall 2021.

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Based on recruitment efforts, it is estimated that there will be roughly a 25% increase in enrollment annually. When evaluating attrition data, there is an estimated 20% decrease in Nutritional Science and Dietetics majors who progress from the sophomore to junior freshman year. However, with the move to COPHS, we aim to reduce this to less than 10% over the next five years.

Students are considered full-time if they are enrolled in 12 SCH or more during the fall or spring semester and are considered part-time if they are enrolled in less. It is anticipated that roughly 85% of the students who enroll will enroll with full-time status. This estimate is based on 2018 statistics that reveal 83% of students at TSU qualify for financial aid, and students must be enrolled full-time to qualify for financial aid.

**Table 1.** Enrollment Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total New Students</b>	<b>15</b>	<b>18</b>	<b>21</b>	<b>24</b>	<b>27</b>
Attrition	4	4	5	6	7
<b>Cumulative Headcount</b>	<b>31</b>	<b>36</b>	<b>43</b>	<b>56</b>	<b>57</b>
FTSE	26	31	37	48	49
Graduates	9	6	5	11	13

#### E. Student Recruitment

Recruitment efforts for the program will be led by the Coordinator of Recruitment. The recruiter develops a recruitment schedule of over 75 events for faculty, staff, students, and alumni to attend high schools, community colleges, and other universities to recruit prospective students. Many of these recruiting activities are coordinated with Texas

Association of Collegiate Registrars and Admissions Officers and the University's recruiting efforts, including high school recruiting nights, college career fairs, and health professions symposiums. In addition, several recruitment events take place on campus for students from local and regional independent school districts with emphasis placed on recruitment of African American students and other underrepresented minorities.

With the acquisition of a \$3.5 million grant in July 2020 over five years from the Department of Health and Human Services Health Resources and Services Administration to award scholarships to economically and educationally disadvantaged students enrolled in pharmacy school, partnerships with local high schools have been created to establish pipeline pathways for underrepresented students. It is expected that the efforts to increase students in pharmacy will have an indirect result of increasing enrollment in the BS in Nutritional Science and Dietetics as potential students become more familiar the potential to become a Registered Dietitian Nutritionist.

Students will follow the general university admissions criteria to be admitted into the major as a freshman. Students are classified in the College of Pharmacy and Health Sciences (COPHS) as pre-professional or professional. Pre-professional students are lower-level students who have not been transitioned into the professional phase of a major or program. Professional students are those who have transitioned into the professional phase of one of the various degree programs. Preprofessional students must maintain a GPA of 2.0 or greater and are subject to the guidelines of the Undergraduate Academic Advising Monitoring System within the College. Any student wishing to change their major to enroll in one of the majors offered by the College must have a minimum GPA of at least 2.0.

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To ensure that COPHS students are aware of their academic standing, academic progression and projected graduation date, the COPHS provides an intrusive advising model for undergraduate students and utilizes the Tigers Collaboratively Learning and Actively Working (TCLAW) Student Success Platform to allow for transparent monitoring of student interactions. Students work with an advisor upon admissions and engage with their advisor each semester for registration and if additional resources are needed this will be identified during the mandatory meeting or by point of contact (i.e., e-mail, by phone). They are also provided with academic standing policies and information regarding professional phase admissions requirements.

Consistent with the colleges intrusive advising plan, there are various touch points throughout the semester where advisors engage with their advisees through face-to-face and email communications. Touch points include the beginning of the semester, at midterm, prior to final exams as noted in the table below.

<b>*COPHS Undergraduate Academic Advising System</b>		
Semester Week	Advising Intent	Activity
Week 3	Inform	Introduction/Welcome email
Week 4-6	Mentor/Guide	Meet face-to-face or virtual for "get to know you" session
Week 7	Inform/Guide	Encourage participation in Midterm Madness study hall and tutoring via email
Week 8 – 12	Mentor/Guide	Meet via conference to discuss midterm

Week 15	Inform/Guide	grades and advise Encourage participation in Final Frenzy study hall and tutoring via email
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## II. Quality

### A. Degree Requirements

Consistent with other degree programs and the requirements with the State of Texas, the general Bachelor of Science in Nutritional Science and Dietetics will require students to meet 120 SCH. It is designed to provide students multiple with several options upon graduation that includes: 1) applying to a supervised practice experiential dietetic internship 2) taking the exam to become a dietetic technician registered 3) entry level nutrition and dietetic related careers (food management, food safety and sanitation, health educator, etc).

Upon completion of the degree plan with a minimum overall GPA of a 3.0, science GPA of 3.0 and the attainment of a "B" or better in all professional nutrition courses, they will receive a BS in Nutritional Science and Dietetics and verification statement. Verification statements are required for eligibility for admission to dietetic internships. Only programs accredited by ACEND are eligible to provide verifications statements.

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**Table 2.** Semester Credit Hour Requirements by Category

Category	Semester Credit Hours	Clock Hours
General Education Core Curriculum <i>(Bachelor's degree program only)</i>	42	
Required Courses	51	
Prescribed Electives	27	
Electives		
Other <i>(Specify, e.g., internships, clinical work)</i>	N/A	
<b>TOTAL</b>	<b>120</b>	

**Note:** Bachelor's degree programs should not exceed 120 SCHs. Bachelor's degree programs that exceed 120 SCH must provide detailed documentation describing the compelling academic reason for the number of required hours, such as program accreditation requirements, statutory requirements, and/or licensure/certification requirements that cannot be met without exceeding 120 SCH.

The program is high quality as evidenced by a 100% match rate to dietetic internships and 100% 1-year pass rate in the registration examination over the past 3 year period. It is expected that the quality of the program will improve in the COPHS due to the increased healthcare education support resources available in the COPHS.

### C. Curriculum

The curriculum is strong and rigorous. It was reviewed by the Accreditation Council for Education in Nutrition and Dietetics accreditation reviewers in 2018 and met accreditation requirements as the Dietetics concentration of the BS in Human Services and Consumer Sciences. The curriculum will be retained and support the BS in Nutritional Science and Dietetics. The course of study is eight semesters which are sequenced to gradually increase the students' knowledge and competencies. The eight

semesters are divided into two phases: the pre-professional phase and the professional phase. The first four semesters represent the pre-professional phase and are focused on completing the state-mandated core curriculum and all pre-requisite science and social science courses. Upon completing all pre-requisite courses, students advance to the professional phase of the curriculum beginning with the first semester of the junior year.

The professional phase of the curriculum begins with enrollment in NUTR 336 (Nutrition Through the Life Cycle) which is sequenced to be taken in the 5th semester (1st semester of the junior year). The professional phase of the program is considered two years in length. Students who successfully complete the 120 hours of course study will be awarded a BS degree in Nutritional Sciences and Dietetics. The pre-requisite courses include the state mandated core curriculum, and the following courses: organic chemistry, biochemistry, microbiology, anatomy and physiology and statistics. The final two years are primarily program courses including experimental foods labs, culture society and foods, community nutrition, nutrition assessment, medical nutrition therapy and food production and management courses.

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Students who attain the Bachelor of Science in Nutritional Science and Dietetics will achieve the following core competencies:

#### General Core Competencies

- Gain an understanding of fundamental concepts in the core areas of micro-biology, chemistry, anatomy & physiology, basic pathophysiology, genetics, biochemistry
- Develop effective verbal and written medical communication skills
- Understand the impact of health disparities on the delivery of health care
- Identify and explain the role that determinants of health play in disparities in health outcomes between and within populations
- Apply fundamental concepts in the nutritional sciences to health care issues, in particular, in the detection, treatment and prevention of disease
- Understand the contribution of nutritional science and dietetics to health care
- Understand fundamental research methods in scientific research

#### Nutritional Science and Dietetics Competencies (meet accreditation standards)

- Demonstrate how to locate, interpret, evaluate and use professional literature to make ethical, evidence-based practice decisions.
- Use current information technologies to locate and apply evidence-based guidelines and protocols.
- Apply critical thinking skills.
- Demonstrate effective and professional oral and written communication and documentation.
- Describe the governance of nutrition and dietetics practice, such as the Scope of Nutrition and Dietetics Practice and the Code of Ethics for the Profession of Nutrition and Dietetics; and describe interprofessional relationships in various practice settings.
- Assess the impact of a public policy position on nutrition and dietetics practice.

- Discuss the impact of health care policy and different health care delivery systems on food and nutrition services.
- Identify and describe the work of interprofessional teams and the roles of others with whom the registered dietitian nutritionist collaborates in the delivery of food and nutrition services.
- Demonstrate an understanding of cultural competence/sensitivity.
- Demonstrate identification with the nutrition and dietetics profession through activities such as participation in professional organizations and defending a position on issues impacting the nutrition and dietetics profession.
- Demonstrate an understanding of the importance and expectations of a professional in mentoring and precepting others.
- Use the Nutrition Care Process to make decisions, identify nutrition-related problems and determine and evaluate nutrition interventions
- Develop an educational session or program/educational strategy for a target population.
- Demonstrate counseling and education methods to facilitate behavior change for and enhance wellness for diverse individuals and groups.
- Explain the processes involved in delivering quality food and nutrition services.
- Describe basic concepts of nutritional genomics.
- Apply management theories to the development of programs or services.
- Evaluate a budget and interpret financial data.
- Describe the regulation system related to billing and coding, what services are reimbursable by third party payers, and how reimbursement may be obtained.
- Apply the principles of human resource management to different situations.
- Describe safety principles related to food, personnel and consumers.
- Analyze data for assessment and evaluate data to be used in decision-making for continuous quality improvement.

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The core competencies are generally aligned with basic science educational objectives in other ACEND accredited undergraduate programs. Additionally, they are similar to other programs in that it provides pathways into health profession programs. However, this curriculum is distinct from other programs in the state and country because the clinical and community courses place an emphasis on health disparities. This emphasis is to ensure the program meets the objective to prepare underrepresented healthcare professionals who will be culturally competent and are able to make contributions to historically underserved communities. Students who complete the program will be encouraged to contribute to the local needs of the diverse community of Houston, TX and within the state.

#### Educational approaches

Examples of the variety of educational approaches that are used to facilitate expected learning outcomes follow:

#### NUTR 116: Seminar in Nutrition and Dietetics

- Guest speakers from a variety of nutritional and dietetics professional areas

#### NUTR 240: Introduction to Food Preparation

- Basic concepts of recipe evaluation introduced
- Students review properties of recipe ingredients and how they interact chemically with other ingredients
- Students are required to obtain ServSafe certification

NUTR 336: Nutrition through the Life Cycle

- Students complete critical analysis of research article

NUTR 340: Experimental Foods Labs

- This course builds upon concepts introduced in NUTR 240
- Physical and chemical properties of foods are discussed in greater depth and breadth than in NUTR 240

NUTR 350: Culture Society and Foods

- Preparation of culturally appropriate meal

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NUTR 423: Community Nutrition

- Opportunity to learn about professional advocacy through preparation of a letter to a legislator
- Volunteer at a community nutrition program

NUTR 430: Nutrition Counseling and Education

- Podcast of HIPPA training
- Develop a nutritional educational brochure
- Develop and deliver targeted nutrition education presentations
- Counsel peers
- Evaluate Peers counseling

NUTR 450: Nutrition Status Assessment Lab

- Modeling of nutrition focused physical examination
- Modeling of measuring resting energy expenditure using an
- Opportunities to complete practice calculations related to estimate of macronutrient requirements
- Near peer learning with mentors from senior year

NUTR 460: Medical Nutrition Therapy I

- Computer based testing with no backtracking
- Guest speakers from various clinical nutrition specialties
- Small group work for assigned project addressing MNT for specific disorder/medical diagnosis

NUTR 4601L: Medical Nutrition Therapy I Lab

- Opportunities to complete evidence analysis evaluations using peer reviewed journals and the Academy of Nutrition and Dietetics Evidence Analysis Manual

- Use of high fidelity simulation lab to complete case studies
- Visits to medical facilities which include gathering information from the medical record
- Introduction to the electronic health record
- Opportunities to document the nutrition care process through case studies requiring ADIME notes
- Preparation and analysis of therapeutic meal meeting evidenced based guidelines

NUTR 461L: Medical Nutrition Therapy II Lab

- Opportunity to participate in inter-professional educational activity with interdisciplinary case study
- Midterm and final exams are practical exams and include nutrition focused physical examination

NUTR 490 Capstone Seminar

- Course is offered online enhance use of technology
- Clinical research question driven evidenced-based research project. Students formulate PICO question and answer it through literature reviews. This builds on research concepts introduced throughout the curriculum.

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The course of study provides students with the opportunity to develop various professional attributes and skills. Examples of activities are provided below:

Teamwork/Leadership/Collaboration:

NUTR 336 Literature review/paper/power-point presentation

NUTR 340 Team based laboratory work

NUTR 350 Group presentation related to a specific culture

NUTR 460 Group paper and presentation on management of disease state

Decision-Making Skills/Problem Solving/Critical Thinking

Assignments/class projects that require critical thinking, decision-making and problem solving skills:

NUTR 490 Students present a current/trending topic on nutrition while reviewing the published literature to assess its credibility

Completion of case studies in various courses throughout the curriculum

NUTR 4601 Lab Completion of Case Studies using an evidenced based approach on subjects with various disease states.

NUTR 461L Lab Completion of Case Studies including nutrition focused physical examination

Self-Assessment Skills

NUTR 423 Evaluation of recorded counseling session with a mock patient

Cultural Competence

NUTR 116 Guest speakers  
NUTR 350 – Nutrition for Geographic Region Assignment

Personal and Professional Attitudes and Values

NUTR 423 Service learning requirement – Volunteer with an agency involved in community nutrition.

Progression of Learning

The progression of learning is incorporated into the curriculum and is reinforced by adherence to prerequisites. Examples of the planned progression of learning are provided below.

The foundation for the Advanced Nutrition courses is provided through four chemistry courses. Students take the following courses prior to the Advanced Nutrition course in the Fall of the junior year.

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- CHEM 131 Chemistry I and CHEM 111 Chemistry Lab
- CHEM 132 Chemistry II and CHEM 112 Chemistry Lab
- CHEM 231 Organic Chemistry and CHEM 211 Organic Chemistry Lab
- CHEM 343 Biochemistry and Biochemistry Lab

The following courses represent the progression of learning relative to the ability to apply the nutrition care process:

- NUTR 456 Advanced Nutrition I (this course covers the nutritional biochemistry of the macro nutrients)
- NUTR 450 (Introduction to the NCP. The course thoroughly covers nutrition assessment, nutrition focused physical examination, food and nutrition related history components )
- NURT 457 Advanced Nutrition II (this course covers the nutritional biochemistry of the micro nutrients)
- NUTR 460 (All components of the nutrition care process including assessment, diagnosis, intervention and monitoring and evaluation. Documentation of the nutrition care process is covered. )
- NUTR 460 L (Includes application of the nutrition care process to clinical scenarios. Includes visit to high fidelity simulation labs)
- NUTR 461 Medical Nutrition Therapy II (continues concepts learned in NUTR 461 with different disease processes)
- NUTR 461L (continues the application of the nutrition care process to clinical scenarios. Includes visit to high fidelity simulation labs)
- NUTR 490 (students demonstrate ability to formulate a clinical question and r esearch the answer using an evidenced based approach)

The program curriculum is designed to facilitate the achievement of the required components and knowledge requirements prescribed by ACEND at an appropriate depth and breadth of knowledge. The following table lists learning activities employed to achieve the learning objectives.

## Food and or Nutrient Delivery

Meal and Snacks Courses: NUTR 225, NUTR 336, NUTR 460L, NUTR 461L

- Nutrient analysis of diet
- Therapeutic diet portfolio for each major disease states.
- Meal planning for athletic performance
- Preparation of therapeutic meal

Enteral and Parenteral Nutrition Courses: NUTR 460, NUTR 460L, NUTR 461L

- Presentation by CNSC Dietitian
- Presentation by nutrition support product representative
- Selection of appropriate enteral formula
- Calculate enteral and parenteral nutrition prescriptions

Medical Food Supplements Courses: NUTR 336, NUTR 460, NUTR 460L, NUTR 461L

- Presentation by nutrition support product representative
- Sample products
- Discuss strategies for increasing energy/protein intake

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Vitamin and Mineral Supplements Courses: NUTR 235, NUTR 336, NUTR 460

- Discussion of sports related vitamin and mineral supplements
- Discussion regarding FDA regulations of vitamins and mineral supplements.
- Case study involving decision making on needs for and delivery of vitamin/mineral supplements

Bioactive Substance Supplements Courses: NUTR 336, NUTR 460L, NUTR 461L

- Case studies addressing the inclusion of bioactive substances in nutrition intervention.

Feeding Assistance Courses: NUTR 460, NUTR 460L

- Class Discussion

Feeding Environment Courses: NUTR 460, NUTR 460L

- Class Discussion

Nutrition Related Medication Management NUTR 460, NUTR 461L

- Presentation by PharmD.

## Nutrition Education

Initial/Brief Nutrition Education Courses: NUTR 423

- Role playing in obtaining 24 hour recall, diet history and patient history
- Exam questions to identify stages of change
- Develop a nutrition education brochure for a target audience
- Plan and present nutrition education program to targeted group or audience

Comprehensive Nutrition Education Courses: NUTR 423, NUTR 490

- Provide nutrition education to a patient in two simulated/recorded counseling sessions

Nutrition Counseling

Theoretical Basic Approach Course: NUTR 423

- Identify and apply appropriate theory for mock client
- Apply strategies in the course of providing nutrition counseling services to individual clients

Coordination of Nutrition Care

Coordination of Other Care During Nutrition Care Courses: NUTR 460, NUTR 460L, NUTR 461, NUTR 461L

- Class Discussion
- Intra-professional Education exercises

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Discharge and Transfer of Nutrition Care to New Setting or Provider Courses: NUTR 461L

- Class Discussion
- Intra-professional Education exercises

Students participate in group assignments throughout the plan of study. Group assignments foster student teamwork and collaboration. Students also must show leadership in an assignment instructing students to write a letter to a legislator. Interdisciplinary group exercises provide opportunities for the students to interact and collaborate with students for other health care profession majors. Students complete case studies which require critical thinking and decision making. Students take leadership roles in organizing the approach to the case study.

While in foodservice management courses students visit food service organization and develop the ability to work with various professionals. Students work with supervisors, managers and Food Service employees to learn about food production systems and management. Students produce appealing, high quality and cost-effective meals. Students practice critical thinking and problem solving through case studies. Students visit food service organization to get experience with various types of food service.

Professional values and attitudes are developed outside of specific courses. All students are required to participate in the two-day Texas Academy of Nutrition and Dietetics Annual meetings. All students are also required to be members of the Academy of Nutrition and Dietetics as student members and actively participate in the University's dietetics students club and the Texas Academy of Nutrition and Dietetics Student organization.

- Discuss and provide examples of how the program didactic courses are organized, sequenced and integrated.

- Discuss and provide examples of how the curriculum builds on previous knowledge and experience to progress from introductory to more advanced learning activities.

Throughout the course of study students have opportunities to complete and present case studies and seminars, interact with panels and guest lectures and visit the high-fidelity simulation lab. Field trips to facilities such as the children's research center and local hospitals or clinics enhance the student's learning experience. All MNT have field trips to clinics for observations of clinical operations. Selected students participate in the College of Pharmacy and Health Sciences Certificate in Maternal Health Fellowship which leads to an undergraduate certificate in child and maternal health.

Transfer of credit from another institution to TSU involves consideration of the institution's accreditation, the comparability of course work, and the applicability of that course work to the B.S. in Nutritional Science and Dietetics. The Office of Undergraduate Admissions is responsible for reviewing each course taken at another college or university and making an initial determination of transferability. Colleges and universities from which credits are to be transferred must have been granted membership or candidacy status in a regional accrediting association of the Association of Colleges and Schools, which does not include accrediting commissions for vocational or occupational training.

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There are two transfer paths for students to enter the university. A student may transfer lower division (freshman and sophomore) level credits from a junior or community college. The second transfer path allows a student from a four-year institution to transfer to TSU courses at the lower or upper division (freshman/sophomore or junior/senior) as designated by the sending institution's transcripts. No limit is placed on the total amount of courses credit accepted in transfer from either junior- or senior level institutions; however, students are required to complete the last thirty hours in residence at TSU. Students wishing to transfer courses into the major courses will be evaluated by the Associate Dean of Academic Affairs to determine which transfer credits will apply to the B.S. in Nutritional Science and Dietetics. Since this program is based on completion of didactic courses and not experiential training, students with work experience in the field would still be expected to complete the curriculum as outlined.

Learning and successful matriculation is a top priority in the College of Pharmacy and Health Sciences. Interventions currently in place to facilitate student progression will continue with students in the B.S. in Nutritional Science and Dietetics degree program. Student progression is routinely monitored for all students through the Office of Academic Affairs (OAA) with support from the Office of Assessment and the Office of Student Services. The OAA is comprised of the Associate Dean of Academic Affairs and the Teaching, Enrichment, Advising, and Mentoring (TEAM) Center.

The TEAM Center is a teaching and learning center that was established in 2018 with the goal to improve progression rates, graduation rates, and licensure exam passage rates by providing teaching support to faculty and academic support to students. The TEAM Center was developed to serve as a student centered, learning focused unit committed to offering innovative programming responsive to the instructional and professional development needs of COPHS faculty & students. It offers educational and

professional development services for COPHS students through the college Student Success Plan (SSP). The TEAM Center supports faculty with the SSP by proactively identifying students who are high-risk for progression issues, encouraging high-risk students to communicate with faculty following receipt of a non-passing grade and facilitating tutorials, individualized remediation plans, and subsequent assessments.

The TEAM Center also facilitates workshops throughout the semester for students and faculty. Student workshops focus on study strategies that can be utilized to facilitate learning. Faculty workshops focus on teaching strategies that can be implemented in the classroom.

**Table 3.** Required/Core Courses

Prefix and Number	Required/Core Course Title	SCH
ENG 1301	Freshman English I	3
ENG 1302	Freshman English II	3
MATH 1314	College Algebra	3
CHEM 1311	General Chemistry I	3
CHEM 1312	General Chemistry II	3
ENGL 2XXX	2000 Level English Course	3
MUSI 239 or TCH 130	Fine Arts in Daily Living or THC 130 Introduction to Theatre	3
HIST 1301	Social and Political History of United States to 1877	3
HIST 1302	Social and Political History of United States since 1877	3
GOVT 2305	American Government	2
GOVT 2306	Texas Government	2
PSY 131	Introduction to Psychology	2
SC 136	Public Address	3
CS 116	Introduction to Computer Sciences	2
NUTR 116	Seminar in Nutrition and Dietetics	1
NUTR 235	Introduction to Nutrition	3
NUTR 240	Introduction to Food Preparation	3
NUTR 335	Nutrition and Aging	3
NUTR 336	Nutrition through the Life Cycle	3
NUTR 337	Nutrition and Physical Activity	3
NUTR 340	Experimental Foods Lab	3
NUTR 350	Culture, Society and Foods	3
NUTR 423	Community Nutrition	3
NUTR 430	Nutrition Counseling and Education	2
NUTR 440	Food Production Systems	2
NUTR 440L	Food Production Systems Lab	2
NUTR 445	Food Service Management	3
NUTR 450	Nutrition Status Assessment Lab	2
NUTR 456	Advanced Nutrition I	3
NUTR 457	Advanced Nutrition II	3
NUTR 460	Medical Nutrition Therapy I	3
NUTR 460L	Medical Nutrition Therapy I Lab	1
NUTR 461	Medical Nutrition Therapy II	3
NUTR 461L	Medical Nutrition Therapy II Lab	1
NUTR 490	Capstone Seminar	1

**Table 4.** Prescribed Elective Courses

Prefix and Number	Prescribed Elective Course Title	SCH
BIOL 135	Anatomy and Physiology I	3
BIOL 135L	Anatomy and Physiology I Lab	1
BIOL 136	Anatomy and Physiology II	3
BIOL 136L	Anatomy and Physiology II Lab	1
CHEM 131	Chemistry I Lab	1
CHEM 111	Chemistry II Lab	1
CHEM 231	Organic Chemistry I	3
CHEM 211	Organic Chemistry I Lab	1
BIOL 246	Microbiology for Health Professionals	3
BIOL 246L	Microbiology for Health Professionals Lab	1
CHEM 343	Biochemistry	3
CHEM 343L	Biochemistry Lab	1
MATH 231	Statistics	3
PHAR 212	Medical Terminology	1
FS 102	Freshmen Seminar	1

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**Table 5.** Elective Courses

Prefix and Number	Required/Core Course Title	SCH

**C. Strategic Plan and Marketable Skills**

Texas Southern University is a student-centered comprehensive doctoral university committed to ensuring equality, offering innovative programs that are responsive to its urban setting, and transforming diverse students into lifelong learners, engaged citizens, and creative leaders in their local, national, and global communities. The mission of the Pharmacy and Health Sciences (COPHS) is to provide quality academic programming to produce an ethnically diverse population of health professionals, especially African Americans and underrepresented minorities, who are transformational leaders in the delivery of interdisciplinary health services while addressing critical and urban issues. Part of its 2022 vision is to be recognized as a leading producer of well-prepared and critically needed underrepresented minority health profession graduates at local, state, national, and global levels. A goal under academic programming is to create alternate pathways to current degree programs and explore the expansion of current degree program inventories to meet workforce demand in the service region.

This program is clearly aligned with the college strategic plan by realigning a degree

plan that will provide a pathway to become a registered dietitian nutritionist. The need for diversity and inclusion is a focus of the Academy of Nutrition and Dietetics. This program will also contribute to more diverse nutrition and dietetics related healthcare workforce to meet the changing demographics of the region.

The strategic plan for the college can be found at:

<http://www.tsu.edu/academics/colleges-and-schools/college-of-pharmacy-and-health-sciences/assessment/pdf/cophs-strategic-plan2019-2022.pdf>.

The strategic plan for the university can be found at:

<http://www.tsu.edu/about/office-of-the-president/strategic-plan.html>

Offering this degree program aligns with the state's 60x30TX plan by ensuring all students who declare Nutrition and Dietetics as a major in the College of Pharmacy and Health Sciences have a pathway to degree completion. If a student decides they no longer want to be a Registered Dietitian Nutritionist, there are 7 alternative pathways to health professions. Additionally, students who are unable to obtain admission to a postgraduate dietetic internship will be eligible to take the examination to become a dietetic technician, registered.

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Given that the average salary for a Registered Dietitian Nutritionist is \$62,259 and the cost of tuition and fees will be a total of approximately \$37,300, this degree is aligned with the THECB goal of debt incurred for the degree not exceeding 60% of a graduate's annual salary. The RDN credential is a legally protected credential which can only be attained by graduating from an ACEND accredited program. The curriculum for the program is currently fully accredited by ACEND.

Ultimately, this program will serve as a compliment to the College of Pharmacy and Health Sciences by offering a degree in Nutritional Science and Dietetics, which is the cornerstone of preventative healthcare and wellness. Nutritional Science and Dietetics students will continue to have the opportunity to interface with biomedical sciences, clinical laboratory science, environmental health, health information management, health administration, respiratory therapy, and pharmacy students via interprofessional exercises in the Interdisciplinary Health Professions Simulation Center. This will enhance students' understanding of the impact nutritional science and dietetics has on healthcare on the continuum from the laboratory to practice. As a top producer of African American registered dietitian nutritionist, pharmacists, health administrators, and health information managers in the state, this program will continue the institution's avenue to positively contribute to the amount of underrepresented healthcare professionals in the state.

### D. Faculty

There will be a total of 3.0 FTE of core faculty and 1.75 FTE support faculty dedicated to the B.S. in Nutritional Science and Dietetics program. As described, this program will continue to complement currently existing programs and serve as a pathway program for students into Nutritional Science and Dietetics. Therefore, much of the financial support will come from reallocated funds to support salaries of currently existing faculty. Two full-time faculty members will remain dedicated to Nutritional Science and Dietetics. There will be one full-time faculty hired. The Program Director is currently a tenure-track assistant professor.

**Table 5.** Core Faculty

Name and Rank of Core Faculty	Highest Degree and Awarding Institution	Courses Assigned in Program	% Time Assigned to Program
<i>e.g.: Robertson, David Assoc. Prof</i>	<i>PhD. in Molecular Genetics Univ. of Wisconsin-Madison</i>	<i>MG200, MG285 MG824 (Lab Only)</i>	<i>50%</i>
Morrow, Ellis Assis. Prof	Doctor of Clinical Nutrition Rutgers University	NUTR 460 NUTR 460L NUTR 461 NUTR 461L NUTR 450 NUTR 337 NUTR 490	100%
Lihono, Makuba Assoc Prof	PhD. in Nutrition	NUTR 235 NUTR 240 NUTR 335 NUTR 336 NUTR 340 NUTR 440 NUTR 440L	100%
Projected New Core Faculty in Year <u>2021</u>	PhD. in Nutrition	NUTR 116 NUTR 350 NUTR 423 NUTR 430 NUTR 445 NUTR 456 NUTR 457	100%

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Complete Table 6 to provide information about Support Faculty. Support Faculty are other tenured or tenure-track faculty from related disciplines, adjunct faculty, and graduate teaching assistant or assistant instructor who meets SACSCOC minimum requirements and serves as the instructor of record for a course. Modify the table as needed.

**Table 6.** Support Faculty

Name and Rank of Support Faculty	Highest Degree and Awarding Institution	Courses Assigned in Program or Other Support Activity	% Time Assigned to Program
<i>e.g.: Robertson, David</i>	<i>PhD. in Molecular Genetics</i>	<i>MG200, MG285</i>	<i>10%</i>

<i>Assoc. Prof</i>	<i>Univ. of Wisconsin-Madison</i>	<i>MG824 (Lab Only)</i>	
Sharif, Gias Adj. Prof	PhD. Nutrition	NUTR 456 NUTR 457	10%
Ujuato, Jane Adj. Prof	Doctorate in Public Health	NUTR 430 NUTR 335	10%
Bell, Michelle Adj. Prof	MS Nutrition	NUTR 235 NUTR 337 NUTR 336	10%
Nealy, Latonya	MS in Nutrition	NUTR 235	10%
Arriaga, Amy	MS in Nutrition	NUTR 235	10%
			10%

**E. Library Resources**

A printout of the library's relevant holdings or a list of the planned acquisitions is not necessary. A letter or other statement from the librarian describing the adequacy of existing resources is required (include in Required Appendices). Provide the library director's assessment of both paper and electronic library resources necessary for the proposed program. Describe plans to build the library holdings to support the proposed program. Include the amount allocated to the proposed program.

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*Library Learning Center*

September 2019, TSU opened a new state-of-the-art \$43 million, 137,000 square-foot, five story building that will serve as an intellectual hub not only for the university. The Center provides an array of resources for undergraduate, graduate, and professional students and researchers. The Center consists of reading rooms the students can check out to study as well as computer rooms. Center patrons will have high-tech access to materials and more efficient methods for data collection. The first two floors house over 40,000 books and coexist with online and e-resources in a "tech- rich" environment.

*Houston Academy of Medicine (HAM) -Texas Medical Center (TMC) Library*

The TMC Library is one of the 56 institutions that make up the Texas Medical Center. Unique to medical and research libraries across the country, The TMC Library is a private, stand-alone and not-for-profit organization independent from any university or research institution. Approximately 65,000 visitors walk through the Library doors annually. The library occupies 76,000 sq./ft of space and holds over 400,000 books and journals, 159 databases, 33 research guides, 172 web resources, online tutorials, online repository, and Browzine web application. The most recent figures show that there are currently 50,000 life science students studying at TMC institutions, and 5,700 researchers, with an additional 17,500 faculty who educate the next generation of health professionals. The library plays a vital role for the institutions inhabiting the 1,345 square acre campus that is the TMC. As the library serves all other TMC member institutions, it is one of the most inclusive and collaborative spaces. The library provides a depth and breadth of electronic resources that rival other medical libraries. Space for study and communal space for people from different institutions to meet at a central TMC location is also available. The TMC-HAM library can be used remotely or in-person and has an incredible repository of full-text journal articles that students and faculty find

very useful in research and academics.

Describe how students will access library resources, including print, electronic, and in person. Describe how communication with the library and interaction with the library staff and librarians occur. Describe how resources are made available in a format that is accessible to remote students.

## **F. Facilities and Equipment**

The College of Pharmacy and Health Science (COPHS) is located on the main campus of Texas Southern University. The physical facilities consist of two structures Gray Hall (GH), and Nabrit Science Building (NSB). The existing facilities will be sufficient to deliver this degree program. Gray Hall is a two story 56,226 square foot structure completed in 1952 and houses the Office of the Dean, administrative, faculty, and research spaces, four classrooms, two class laboratories, one lecture hall, two computer labs, two student lounges, two graduate studies rooms, and the Teaching, Enrichment, Advising and Mentoring (TEAM) Center. In 2000, an expansion project was completed increasing research laboratory space by an additional 19,380 square feet.

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Samuel Milton Nabrit Science Building (Nabrit) constructed in 1958, a three-story 63,162 square feet structure was partially renovated in 2016. This building houses the department of Pharmacy Practice and Administration, Clinical Health Sciences, and the Office of Experiential Training. The facilities include faculty and administrative office spaces, three lecture halls, two Testing Centers, three classrooms, student lounge, conference room, and Interprofessional Health Professions Simulations Center (IHPSC). Student organizations meet in the classrooms, lounges, or common areas after hours or at lunch time.

### *Educational Technology*

Educational technology hardware and software were upgraded in Spring 2019 which included 130 new generation (HP/Apple) desktop computers in classrooms, instructional, practice, simulation, and student computer labs. Nabrit has 125 HP laptop computers with touch screen technology that is used for large group testing in the classrooms. Recent network infrastructure upgrades and ongoing technology infrastructure improvements include installation of new of fiber-optics and category 6 cabling; increased Wi-Fi access hardware to improve system reliability throughout the College.

The college uses educational technology in various methods including lecture capture systems and the use of educational software such as E-Value, Rx-Prep, Therapeutic Research, TrueLearn, Nearpod, Lexicomp, Blackboard, ExamSoft, etc., licensures, subscriptions, and various other online media resources that are available and regularly upgraded.

### *Interdisciplinary Health Professions Simulation Center (IHPSC)*

The Interdisciplinary Health Professions Simulation Center (IHPSC) is located in a 60,000 square-foot state-of-the-art complex designed to emphasize communication, collaboration, and patient-centered care with the goal of preparing licensure-and-

practice-ready graduates in healthcare to serve the local, state, national and global community. The facility is utilized by students from each of the health science disciplines represented in the College. The IHPSC utilizes high fidelity mannequins, standardized patients and SimulationIQ software to manage scheduling, assessment and recording of simulation sessions.

### *Research Facilities*

TSU's Nutritional Science and Dietetics research will be mainly conducted at the COPHS and the College of Science, Engineering, and Technology (175,000 square feet New Science Building). Labs used for research include: Molecular Biology Labs (GH 246 & 252), Pharmacology Labs (GH 214 & 216), CPRIT LC-MS/MS (GH 253), Pharmacokinetic Lab (GH 152), and the Animal Care and Use (New Science Building). Faculty Labs used for research include: **Dr. Morrow Nutrition Assessment Lab (.....)**, **Dr. Lihono Nutritio Sciences lab (.....)** Dr. Omonike Olaleye: Molecular Biology Lab (GH 101), Dr. Ya Fatou Njie-Mbye and Dr. Sunny Ohia: Ophthalmic Pharmacology Lab (GH 222), Dr. Selvam Chelliah: Biosynthesis Lab (GH 229), Dr. Song Gao: Drug Metabolism Lab (GH 301), Dr. Adebayo Oyekan: Cardiovascular Research Lab (GH 258 and GH 261), and Dr. Zivar Yousefipour: Environmental Health Lab (GH 130).

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## **G. Accreditation**

The curriculum for the BS in Nutritional Sciences and Dietetics has Full Accreditation from The Council for Education in Nutrition and Dietetics (ACEND) until 2027. ACEND is located at 120 South Riverside Plaza, Suite 2190, Chicago, IL 60606-6995, (312) 899-0040 ext. 5400. <http://www.eatright.org/ACEND>. And, Texas Southern University is accredited by the Southern Association of Colleges and Schools (SACS) as required by the university.

## **H. Evaluation**

Describe how the proposed program would be evaluated. Describe any reviews that would be required by an accreditor, and show how the proposed program would be evaluated under [Board Rule 5.52](#).

### Internal Evaluation

The College of Pharmacy and Health Sciences has an Office of Educational Effectiveness (OEE) which oversees all curricular and programmatic assessment activities within the college. The OEE is responsible for the college-wide Mission-Driven Assessment Plan (MDAP) that assesses strategic, programmatic and curricular domains within the framework of the COPHS mission statement. Consistent with the other degree programs within the COPHS, an Educational Effectiveness Committee (EEC) for the B.S. in Nutritional Science and Dietetics will be established to create the program's MDAP and to assess the program using guidelines and systems established by the OEE. The EEC will serve as the guardian of the program specific Assessment Plan. It will determine outcomes, targets, and responsible parties and revise plans as necessary. It will be required to submit an annual assessment report on the status of the program. The EEC will function via a curriculum subcommittee and an assessment subcommittee. The

Assessment Subcommittee will review and approve changes to program assessments, as well as lead the creation of necessary assessment tools. The Curriculum Subcommittee will review the curriculum, and review and approve changes and additions to the curriculum.

The programmatic domain of the MDAP covers items that allow for review and assessment of all aspects of the program. This includes but is not limited to admissions processes, progression and graduation rates, and student and stakeholder feedback. The curricular domain covers assessment of the curriculum and includes both the assessment of student learning via the achievement of student learning outcomes as well as the effectiveness of the curriculum itself. Student learning will be assessed by a variety of direct and indirect measures and formative and summative assessments to ensure that students achieve the stated learning outcomes (via the use of ExamSoft) and skills of each program. The effectiveness of the curriculum will be assessed via a systematic course review process, course evaluations and other metrics that gauge the successful progression of our students.

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Consistent with current operations, the Office of Student Services will capture admissions data through the Coordinator of Admissions and the placement of graduates upon graduation. Working the Associate Dean of Academic Affairs, the Program Director will monitor student progression as students matriculate through the program to ensure they are successfully meeting the academic criteria and progressing. The Program Director will also stay abreast of market needs and demands for students enrolled in the degree path.

Evidence-based decision making needs will be supported by robust data collection and analysis. The college uses the platform Enflux to assist in implementing a comprehensive assessment data analysis plan; using dashboards, reports, and action plans.

- Enflux dashboards consolidate all important data and progress into easy to review dashboards. These dashboards include Curriculum Quality Surveys, licensure passage rate scores, Strategic Plan progress and data from the electronic platforms, ExamSoft and Blackboard, that are used to assess student learning.
- Data specific to the BS-BMS program will be added to Enflux to monitor program outcome assessments, course evaluations, and graduate surveys
- Enflux has easily creates reports that allow us to report by: outcome, accreditation standard, responsible party, etc.
- The Enflux feature most integral to the assessment plan are the Action Plans. The Action Plans are nearly identical to the Data-Driven Action Plan that is part of the MDAP. In the Action Plan, the college is given the opportunity to take an outcome from the MDAP, take a snapshot of the required data or provide the required data, summarize the results, and provide a plan for continued progress and/or improvements. This action plan can be updated as necessary until the assessment loop is closed.

## References

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Wall, A. L., Aljets, A., Ellis, S. C., Hansen, D. J., Moore, W. M., Petrelli, H. M., ... Wurth, S. D. (2015). White Paper on Pharmacy Admissions: Developing a Diverse Work Force to Meet the Health-Care Needs of an Increasingly Diverse Society: Recommendations of the American Association of Colleges of Pharmacy Special Committee on Admissions. *American Journal of Pharmaceutical Education*, 79 (7), S7. doi:10.5688/ajpe797S7

#### External Evaluation

The BS in Nutritional Sciences and Dietetics curriculum is fully accredited by the Accreditation Council for Education in Nutrition and Dietetics through 6/30/2027. The program is reaccredited every 7 years through an accreditation site-visit conducted by ACEND. The ACEND accreditation standard can be found here:

<https://www.eatrightpro.org/acend/accreditation-standards-fees-and-policies/2017-standards>

The BS in Nutrition and Dietetics will be evaluated by ACEND on the following accreditation standards:

#### Standard 1: Program Characteristics and Resources

All programs applying for accreditation by the Accreditation Council for Education in Nutrition and Dietetics (ACEND®) must meet requirements including quality-assurance or oversight by other agencies, organizational structure, financial stability, sufficient resources, the awarding of degrees and/or verification statements, program length and

program management.

Standard 2: Is not applicable to TSU's program

Standard 3: Program Mission, Goals and Objectives

The program must have a clearly formulated and publicly stated mission with supporting goals and objectives by which it intends to prepare students for supervised practice to become a registered dietitian nutritionist. The mission, goals and objectives must be congruent and support the program.

Standard 4: Program Evaluation and Improvement

The program must continuously evaluate the achievement of its mission, goals and objectives. The program must have an evaluation plan, use the plan to collect data, improve the program based on the findings and update the plan accordingly.

Standard 5: Curriculum and Learning Activities

The Core Knowledge must be the basis on which the program curriculum and learning activities are built within the context of the mission and goals of the program.

Standard 6: Student Learning Outcomes Assessment and Curriculum Improvement

The program must continuously assess achievement of student learning outcomes (SLO). The program must have a written SLO assessment plan, use the plan to collect and analyze data, improve the program based on the findings and update the plan accordingly. The results of the SLO assessment must be used to evaluate and improve the curriculum to enhance the quality of education provided.

Standard 7: Faculty and Preceptors

The program must have a sufficient number of qualified faculty and practitioners, if used, to provide the depth and breadth of learning activities required in the curriculum and exposure to the diversity of practice. Program faculty, including the program director and practitioners providing experiential learning, if used, must show evidence of continued competency appropriate to teaching responsibilities, through professional work experience, graduate education, continuing education, research or other activities leading to professional growth and the advancement of their profession.

Standard 8: Supervised Practice/Experiential Learning Sites

Experiential learning is not required in Nutrition and Dietetics Didactic Programs. However, if students are required by the program to complete experiential learning activities at facilities outside the sponsoring institution, the program must have policies and procedures to maintain written agreements with the institutions, organizations and/or agencies providing those experiential learning activities. The policies and procedures must address the selection and periodic evaluation of adequacy and

appropriateness of facilities, to ensure that sites are able to provide learning experiences compatible with the learning that students are expected to achieve.

Standard 9: Information to Prospective Students and the Public

The program must provide clear, consistent and accurate information about all program requirements to prospective students and the public at large.

Standard 10: Policies and Procedures

The program must have written policies and procedures that protect the rights of students and are consistent with current institutional practice.

The curriculum of the BS in Nutritional Sciences and Dietetics is currently housed under the BS in Human Services and Consumer Sciences with a concentration in dietetics. The most recent reaffirmation of accreditation from ACEND was in 2018. ACEND conducted a site visit to ensure compliance with all standards.

The standard requires continuous evaluation and planning. Standards 4,5 and 6 are reviewed annually using evaluation forms prescribed by the accreditation agency. The results of the ACEND prescribed monitoring and evaluation are used to make changes to all aspects of the program.

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### III. Costs and Funding

#### A. Five-Year Costs and Funding Sources Summary

Adding a new degree program will cost the institution some amount of money. Calculating the costs and identifying the funding sources associated with implementation of a new program requires several institutional offices to collaborate to present an accurate estimate.

Provide an overview of new and reallocated costs for the proposed program using the form *Costs to the Institution of the Proposed Program*. Faculty salaries include all faculty assigned to the proposed program. If an existing faculty member is reassigned to the program, the salary is reflected as a reallocated cost. New faculty salaries need to be competitive for the discipline, and figures include start-up costs in proportion to the new faculty member's allotted time in the proposed program. Faculty salaries do not include benefits or pensions. If the proposed program will hire new faculty, it is a new cost. Program administration includes all institutional costs associated with running the program, including amounts associated with the Dean's office, Institutional Research, and other administrative costs. Graduate Assistant costs are identified either as new or reallocated, as appropriate. Clerical/Staff include specific costs associated with the new program. This includes the additional staff needed to organize applications, prepare for the proposed program, and for general administration of the proposed program. If the

enrollments in the proposed program are projected to be large, the associated costs related to clerical/staff may also be more. New staff or purchases of new equipment should be adequate to support the stated goals and enrollments for the proposed program. Other program costs identified in the proposal should be realistic.

Total funding for the proposed program should meet or exceed total costs by the end of the first five years. On the forms provided, include a description of sources for existing and anticipated external funding. Include explanatory footnotes as needed.

Because enrollments are uncertain and programs need institutional support during their start-up phase, institutions should demonstrate that they could provide:

- sufficient funds to support all the costs of the proposed program for the first two years (when no new formula funding will be generated); and
- half of the costs of the proposed program during years three through five from sources other than state funding.

Funding sources may include formula income, other state funding, tuition and fees, reallocation of existing resources, federal funding, and other funding (such as awarded grants). The total projected income of state funding, tuition and fees, and private funds will allow the proposed program to become self-sufficient within five years.

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Consult with your institution's Institutional Research department when calculating the formula funding.

When estimating program funding for new programs, institutions take into account that students switching programs do not generate additional formula funds for the institution. For example, if a new program has ten students, but six of them switched into the program from existing programs at the institution, only four of the students would generate additional formula funding.

The Other State Funding category could include special item funding appropriated by the Legislature, or other sources of funding from the state that do not include formula-generated funds (*e.g.*, HEAF, PUF).

Reallocation of Existing Resources includes the salary of faculty reassigned who may be partially or wholly reallocated to the new program. Explain how the current teaching obligations of those faculty are reallocated and include any faculty replacement costs as program costs in the budget. If substantial funds are reallocated, explain how existing undergraduate and graduate programs will be affected.

Federal Funding (In-hand only) refers to federal monies from grants or other sources currently in hand. Do not include federal funding sought but not secured. If anticipated federal funding is obtained, at that time it can be substituted for funds designated in other funding categories. Make note within the text of the proposal of any anticipated federal funding.

Tuition and Fees includes revenue generated by the institution from student tuition and fees.

Other Funding category may include auxiliary enterprises, special endowment income, or other extramural funding.

**B. Signature Page**

The signature page must be signed by the required institutional officials and board of regents.

**V. Additional Distance Education Delivery Consideration**

**A. Adherence to *Principles of Good Practice***

Submit the *Certification Form* or provide a statement from the Chief Academic Officer certifying adherence to *Principles of Good Practice* as well as adherence to Coordinating Board distance education rules and policies.

**B. Administrative Oversight and Structure**

Identify the person/office directly responsible for the overall management of the proposed program. Identify other responsibilities of the person/office with primary responsibility and any modifications in responsibility made to accommodate the program. Describe the ways in which the delivery method will affect the proposed program.

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For online programs:

1. How will exam proctoring and monitoring be managed and evaluated?
2. How will user authentication be validated?
3. How will the proposed program assure compliance with accessibility standards and regulations (institutional, state, and federal) for instructional delivery, course materials, and other components of the proposed program?

**C. Collaborative Arrangements**

Describe all collaborative arrangements with other institutions that will be participating in the delivery of the proposed program. Be certain to identify the:

1. Responsibilities of each institution.
2. Process for the credentialing of faculty at each participant site.
3. Institution awarding credit.

**D. Program Differences**

If the proposed program will be delivered both on-campus face-to-face at the main campus and at a distance, describe all differences between on-campus and distance delivery, including:

1. Student admission and advisement.
2. Exams.
3. Independent study.
4. Courses and sequencing.
5. Library access.

Discuss the accommodations available for students with special needs to assure accessibility to the course materials, activities, and support services related to the proposed program.

**E. Student Interactions**

Describe the student orientation process. Beyond the courses, how are students oriented to the services of the institution – library, student support, etc.

Describe how electronic and on-campus students would interact. How will interactions occur between distance education students?

Describe how instructor and students will interact throughout the program. Include interactions both in and out of the classroom setting. How is the sense of community developed?

Describe the advisement process throughout the proposed program.

## **VI. Required Appendices**

### **A. Course Descriptions and Prescribed Sequence of Courses**

### **B. Five-Year Faculty Recruitment Plan/Hiring Schedule**

### **C. Institution's Policy on Faculty Teaching Load**

If teaching load policy is set at the departmental level, include that information.

### **D. Itemized List of Capital Equipment Purchases During the Past Five Years<sup>1</sup>**

*Equipment* means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost, which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5,000.

### **E. Librarian's Statement of Adequate Resources**

### **F. Articulation Agreements with Partner Institutions**

Include copies of any agreements or Memoranda of Understanding related to the proposed program. These include formal and sustained arrangements with other universities, private businesses, or governmental agencies that contribute directly to the proposed program and student research/residency opportunities.

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### **G. Curricula Vitae for Core Faculty**

### **H. Curricula Vitae for Support Faculty**

### **I. List of Specific Clinical or In-Service Sites to Support the Proposed Program**

### **J. Letters of Support from Peer Institutions and/or Area Employers**

Letters from regional and national companies who have made commitments to hire graduates from the proposed new program are particularly helpful. Also, include statements of support or commitments to shared research projects from other institutions in the state with similar programs.

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<sup>1</sup> "Equipment" has the meaning established in the Texas Administrative Code §252.7(3) as items and components whose cost are over \$5,000 and have a useful life of at least one year.

## Costs to the Institution of the Proposed Program

Complete the table to show the costs to the institution that are anticipated from the proposed program.

Cost Category	Cost Sub-Category	1st Year	2nd Year	3rd Year	4th Year	5th Year	TOTALS
Faculty Salaries <sup>1</sup>	New	\$73,762	\$73,762	\$73,762	\$73,762	\$73,762	\$368,810
	Reallocated	\$203,262	\$203,262	\$203,262	\$203,262	\$203,262	\$1,016,310
Program Administration	New	0	0	0	0	0	0
	Reallocated	\$47,945	\$47,945	\$47,945	\$47,945	\$47,945	\$239,725
Graduate Assistants	New	0	0	0	0	0	0
	Reallocated	0	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000
Clerical/Staff	New	0	0	0	0	0	0
	Reallocated	\$14,500	\$36,250	\$36,250	\$36,250	\$36,250	\$159,500
Student Support (Scholarships)		\$500	\$500	\$500	\$500	\$500	\$2,500
Supplies and Materials		\$5,000	\$12,500	\$12,500	\$12,500	\$12,500	\$55,000
Library & Instructional Technology Resources <sup>2</sup>		0	0	0	0	0	0
Equipment <sup>2</sup>		0	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Facilities		0	0	0	0	0	0
Other (Identify)		0	0	0	0	0	0
<b>TOTALS</b>		\$344,969	\$414,219	\$414,219	\$414,219	\$414,219	\$2,001,845

<sup>1</sup> Report costs for new faculty hires, graduate assistants, and technical support personnel. For new faculty, prorate individual salaries as a percentage of the time assigned to the program. If existing faculty will contribute to program, include costs necessary to maintain existing programs (e.g., cost of adjunct to cover courses previously taught by faculty who would teach in new program).

<sup>2</sup> Equipment has the meaning established in the Texas Administrative Code §252.7(3) as items and components whose cost are over \$5,000 and have a useful life of at least one year.

### Anticipated Sources of Funding

Complete the table to show the amounts anticipated from various sources to cover new costs to the institution as a result of the proposed program. Use the Non-Formula Sources of Funding form to specify as completely as possible each non-general revenue source.

Funding Category	1st Year	2nd Year	3rd Year	4th Year	5th Year	TOTALS
<b>I. Formula Funding<sup>1</sup></b>			\$695,763.94	\$584,870.97	\$549,099.05	\$1,829,733.96
<b>II. Other State Funding</b>	0	0	0	0	0	0
<b>III. Reallocation of Existing Resources</b>	\$265,707	\$317,457	\$317,457	\$317,457	\$317,457	\$1,535,535
<b>IV. Federal Funding (In-hand only)</b>	0	0	0	0	0	0
<b>V. Tuition and Fees</b>	\$2,631,226	\$3,607,518	\$4,631,434	\$3,893,262	\$3,655,142	\$18,418,582
<b>VI. Other Funding<sup>2</sup></b>	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
<b>TOTALS</b>	\$2,971,933.00	\$3,999,975.00	\$5,719,654.94	\$4,870,589.97	\$4,596,698.05	\$22,158,850.96

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<sup>1</sup> Indicate formula funding for students new to the institution because of the program; formula funding should be included only for years three through five of the program and should reflect enrollment projections for years three through five.

<sup>2</sup> Report other sources of funding here. In-hand grants, "likely" future grants, and special item funding can be included.

### Non-Formula Sources of Funding

Complete the table to specify each of the non-formula funding sources for the amounts listed on the Anticipated Sources of Funding form.

Funding Category	Non-Formula Funding Sources
<b>II. Other State Funding</b>	#1
	#2
<b>III. Reallocation of Existing Resources</b>	#1 Faculty and staff currently employed in the college will be reallocated to support the program
	#2
<b>IV. Federal Funding (In-hand only)</b>	#1
	#2
<b>V. Tuition and Fees</b>	#1 Projections are based on an average of 30 SCH taken annually by the FTSE outlined in enrollment projections
	#2
<b>VI. Other Funding</b>	#1 The college anticipates the use of current endowment funding to support program infrastructure
	#2

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i Texas Biotechnology and Life Sciences. Office of the Governor Economic Development & Tourism. <https://www.thbi.com/gov-2020-biotechreport.pdf>. Accessed November 2020. ii Texas Workforce Commission. Career in Texas Industries. <https://www.twc.texas.gov/partners/careers-texas-industries>. Accessed November 2020. iii Texas Career Check Occupation Summary. <https://texascareercheck.com/OccupationInfo/OccupationSummary/>. Accessed November 2020. iv U.S.

Bureau of Labor Statistics Occupational Outlook Handbook. Medical Scientists.  
<https://www.bls.gov/ooh/life-physical-and-socialscience/medical-scientists.htm>. Accessed November 2020.

## Signature Page

- 1. Chief Executive Officer Certification** – The Chief Executive Officer shall sign the following statements:

*I hereby certify that all of the following criteria have been met in accordance with the procedures outlined in Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.44 (a) (3):*

- (A) The proposed program has institutional and governing board approval.
- (B) The institution certifies compliance with the *Standards for New Bachelor's and Master's Programs*.
- (C) The institution certifies that adequate funds are available to cover the costs of the new program.
- (D) New costs during the first five years of the program would not exceed \$2 million.
- (E) The proposed program is a non-engineering program.
- (F) The proposed program would be offered by a public university or health-related institution.

*I certify that my institution has notified all public institutions within 50 miles of the teaching site of our intention to offer the proposed program at least 30 days prior to submitting this request. I also certify that if any objections were received, those objections were resolved prior to the submission of this request.*

*I certify that my institution will adhere to Texas Education Code (TEC), Sections 61.822 through 61.823, requiring my institution to accept and apply to the degree program Core Curriculum and Field of Study courses in transfer.*

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

- 2. Board of Regents or Designee Approval** – A member of the Board of Regents or designee shall sign the following statement:

*On behalf of the Board of Regents, I hereby certify that the proposed program is appropriate for the mission of this institution, and the Board of Regents has approved the proposed program.*

Date of Board of Regents approval: \_\_\_\_\_

\_\_\_\_\_  
Board of Regents (Designee)

\_\_\_\_\_  
Date

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval to Purchase Audio Visual Upgrade Integration Services to Thurgood Marshall School of Law

**DATE PREVIOUSLY SUBMITTED:** None

**SUMMARY:**

The University selected PCS Telecom, Inc. to provide audio visual integration services to upgrade existing classrooms and conference rooms with HyFlex/Synchronous Instruction audio-visual technologies for the Thurgood Marshall School of Law (“TMSL”). Some of the audio-visual technologies in the TMSL are specialized to support courtroom simulation; and therefore, the design falls outside of the University’s audio-visual technology standard for typical classrooms. The customized design provides students with realistic experience as to what they will likely experience in their careers.

The cooperative purchase is through the Texas Department of Information Resources (DIR-TSO-4359) which complies with state purchasing requirements. PCS Telecom, Inc. is a HUB reseller. Form 1295 is submitted.

**SUPPORTING**

**DOCUMENTATION:** PCS Telecom, Inc. Proposal (Under Separate Cover)

**FISCAL IMPACT:** Cost Not to Exceed: \$860,177.00

University FOAP:

- 3441-31001-7343-70 \$504,500.00
- 3441-31001-7343-70 \$217,000.00
- 3307-21000-7343-70-1260 \$58,000.00
- 3306-21000-7343-70-1260 \$25,000.00
- 3304-21000-7343-70-1260 \$56,000.00

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

\_\_\_\_\_  
August 6, 2021

**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval to Extend Contract with Southwest Precision for Printing Services

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Approval is requested to extend the contract with Southwest Precision Printers (d/b/a T Enterprises Inc.) for one additional year to provide printing, graphics design, and other reprographic related services above and beyond what is provided by the University's Print Shop.

Originally, Southwest Precision Printers was awarded a 3-year contract through a Request for Proposals (717-17-726). This is the first and only extension of the original contract.

The requested extension is through August 31, 2022. A 1295 Form is submitted.

**SUPPORTING**

**DOCUMENTATION:** Contract Extension with Southwest Precision Printers (Under Separate Cover)

**FISCAL IMPACT:** Cost Not to Exceed: \$200,000.00

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

August 6, 2021

\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval Regarding Banking Resolution and Signatory Changes

**DATE PREVIOUSLY SUBMITTED:** June 2020

**SUMMARY:**

Approval is requested to make the following changes to the depository accounts at J.P. Morgan Chase Bank and Unity National Bank:

<b>Change Current Signature Card From:</b>
<ol style="list-style-type: none"><li>1 Kenneth R. Huewitt, Interim President</li><li>2 Anita L. Lockridge, Interim Vice President for Administration and Finance/CFO</li><li>3 Alfred L. Norris, Associate Vice President for Treasury and Budget</li></ol>
<b>New Signature Card Will Read:</b>
<ol style="list-style-type: none"><li>1 Dr. Lesia L. Crumpton-Young, President</li><li>2 Kenneth R. Huewitt, Executive Vice President and Chief Operations Officer</li><li>3 Anita L. Lockridge, Vice President for Administration and Finance/CFO</li></ol>

**SUPPORTING DOCUMENTATION:** None

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

August 6, 2021

\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance  
**ITEM:** Request Approval Regarding Fiscal Year 2022 Holiday Calendar  
**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

The proposed Fiscal Year 2022 Holiday Schedule is submitted for approval. This schedule is submitted in accordance with the State of Texas Government Code, Chapter 662, Subchapter A – Holidays for State Employees.

**SUPPORTING DOCUMENTATION:** Fiscal Year 2022 Holiday Calendar  
**FISCAL IMPACT:** No Fiscal Impact  
**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



\_\_\_\_\_  
**GENERAL COUNSEL**

August 6, 2021  
\_\_\_\_\_

**DATE**



**Texas Southern University FY 2022 Holiday Calendar**

<i>Proposed Faculty/Staff Holiday Schedule Fiscal Year 2022</i>		
<b>HOLIDAY</b>	<b>DATE</b>	<b># of Days</b>
Labor Day	Monday, September 6, 2021	1
Thanksgiving Holiday	Thursday, November 25, 2021 & Friday, November 26, 2021	2
Winter Holiday	Friday, December 24, 2021 through Friday, December 31, 2021	6
Martin Luther King, Jr. Day	Monday, January 17, 2022	1
Spring Break	Friday, March 18, 2022	1
Good Friday	Friday, April 15, 2022	1
Memorial Day	Monday, May 30, 2022	1
Independence Day	Monday, July 4, 2022	1
	<b>Total Days</b>	<b>14</b>

Source: Texas Government Code, Chapter 662



**Texas Southern University FY 2022 Holiday Calendar**

<b>Proposed Faculty/Staff Holiday Schedule Fiscal Year 2022</b>		
<b>HOLIDAY</b>	<b>DATE</b>	<b># of Days</b>
Labor Day	Monday, September 6, 2021	1
Thanksgiving Holiday	Thursday, November 25, 2021 & Friday, November 26, 2021	2
Winter Holiday	Thursday, December 23, 2021 through Friday, December 31, 2021	7
Martin Luther King, Jr. Day	Monday, January 17, 2022	1
Good Friday	Friday, April 15, 2022	1
Memorial Day	Monday, May 30, 2022	1
Independence Day	Monday, July 4, 2022	1
	<b>Total Days</b>	<b>14</b>

Source: Texas Government Code, Chapter 662

## State Holiday Schedule for Fiscal Year 2023

Holiday	Agency Status	Date	Day of Week
Labor Day	All agencies closed.	9-05-22	Monday
Rosh Hashanah	Optional Holiday	9-26-22	Monday
Rosh Hashanah	Optional Holiday	9-27-22	Tuesday
Yom Kippur	Optional Holiday	10-05-22	Wednesday
Veterans Day	All agencies closed.	11-11-22	Friday
Thanksgiving Day	All agencies closed.	11-24-22	Thursday
Day after Thanksgiving	All agencies closed.	11-25-22	Friday
Christmas Eve Day		12-24-22	Saturday
Christmas Day		12-25-22	Sunday
Day after Christmas	All agencies closed.	12-26-22	Monday
New Year's Day		1-01-23	Sunday
Martin Luther King, Jr. Day	All agencies closed.	1-16-23	Monday
Confederate Heroes Day	Skeleton crew required.	1-19-23	Thursday
Presidents' Day	All agencies closed.	2-20-23	Monday
Texas Independence Day	Skeleton crew required.	3-02-23	Thursday
Cesar Chavez Day	Optional Holiday	3-31-23	Friday
Good Friday	Optional Holiday	4-07-23	Friday
San Jacinto Day	Skeleton crew required.	4-21-23	Friday
Memorial Day	All agencies closed.	5-29-23	Monday
Emancipation Day	Skeleton crew required.	6-19-23	Monday
Independence Day	All agencies closed.	7-04-23	Tuesday
LBJ Day		8-27-23	Sunday

Home > Ticket Form

Search



### Fiscal Year 2022 Holiday Schedule



Your request has been submitted

Maria White  
25m ago

**FY22 Holiday Calendar Option 2.docx**  
841.6 KB

Maria White  
25m ago

**FY22 Holiday Calendar Option 1.docx**  
841.7 KB

Maria White  
25m ago

BOA0001135 Created

**Number**

BOA0001135

**State**

General Counsel Approval

**Priority**

4 - Low

**Created**

25m ago

**Updated**

25m ago

Options

Start

approval. This schedule is submitted in accordance with the State of Texas Government Code, Chapter 662.

**Will This Require A Contract?**

No

**You have to go to the Contracts Request workflow to complete submission of contract**

false

**Fiscal Note**

No Fiscal Impact

*Tickets are picked up within 4 hours (M-F 9-5)*

**Set up Google Maps API**

**Attachments**



FY22 Holiday Calendar  
Option 2.docx (841.6 KB)



25m ago

FY22 Holiday Calendar  
Option 1.docx (841.7 KB)



25m ago

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval to Update Uniform State Accounting System Voucher Signature Card

**DATE PREVIOUSLY SUBMITTED:** June 2021

**SUMMARY:**

Approval is requested to add Mrs. Bobbie Phelps, Accounting Manager, General Accounting, to the University Voucher Signature Card to release expenditures related to payroll batches in the Uniform State Accounting System.

**SUPPORTING**

**DOCUMENTATION:** Voucher Signature Card (Under Separate Cover)

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Administration recommends approval of this item

**Certification:** This proposal and its implementation will not be in violation of any applicable Federal, state, or local law or regulation. All approvals/signatures from the President, Interim Chief Financial Officer, and Vice President, and, to the extent applicable, Acting Provost/Senior Vice President or Executive Vice President have been received through the Legal Management System, including the fiscal note shown above detailing the true and actual positive or negative fiscal effect that implementation of this proposal will achieve.



August 6, 2021

\_\_\_\_\_  
**GENERAL COUNSEL**

\_\_\_\_\_  
**DATE**