

**AGENDA**

---

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

Date: Thursday, August 17, 2023  
Time: 8:30 AM  
Place: Texas Southern University - Library Learning Center, 5th Floor  
3100 Cleburne Street  
Houston, TX 77004

---

Chair: Albert H. Myres  
Vice Chair: Vacant  
Second Vice Chair: Pamela A. Medina  
Secretary: James M. Benham

---

**I. Call to Order**

**II. Roll Call**

**III. Prayer**

**IV. Open Forum**

**V. Board Business**

A. Chairman's Comments

Action Requested: Information

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

5

Action Requested: Approval

C. Fiscal Year 2024 Board of Regents Meeting Calendar

26

Action Requested: Approval

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

Presenters: Regent Richard A. Johnson & Dr. Carl B. Goodman, Provost/Senior Vice President of Academic Affairs

A. Legal Education and Advancement Program (LEAP)

28

Action Requested: Approval

B. Education/Teacher Training, Certification and Outreach

37

Action Requested: Approval

C. Faculty Salaries	38
<u>Action Requested:</u> Information	
D. Updates from the Division of Research and Innovation	39
<u>Action Requested:</u> Information	
<b>VII. Administration and Finance</b>	
Presenters: Regent James M. Benham & Ms. Devi Bala, Vice President of Business/Chief Financial Officer	
A. Request Approval Regarding Fiscal Year 2024 Operating Budget	50
<u>Action Requested:</u> Approval	
B. Request Approval/Ratification for Staff Augmentation to Support Office of Information Technology	59
<u>Action Requested:</u> Approval	
C. Debt Policy	60
<u>Action Requested:</u> Information	
D. Endowment Performance & Update (May 31, 2023)	67
<u>Action Requested:</u> Information	
E. FY23 Sources & Uses of Funds Report	68
<u>Action Requested:</u> Information	
<b>VIII. Physical Facilities</b>	
Presenters: Regent Brandon L. Simmons & Ms. Devi Bala, Vice President of Business/Chief Financial Officer	
A. No Agenda Items	
<b>IX. Athletics</b>	
Presenters: Regent Stephanie D. Nellons-Paige & Dr. Kevin L. Granger, Vice President of Intercollegiate Athletics	
A. No Agenda Items	
<b>X. Development and Legislative Affairs</b>	
Presenters: Regent James M. Benham & Dr. Dakota J. Doman, Senior Advisor for Strategic Initiatives	
A. Review of Efforts and Results of the 88th Texas Legislative Session	69
<u>Action Requested:</u> Information	
<b>XI. Personnel and Litigation</b>	
Presenters: Regent Caroline Baker Hurley & Mr. Charlie T. Nhan, Acting General Counsel	
A. Approval to Negotiate, Execute, and Contract for Consulting Services in the Division of University Advancement	94
<u>Action Requested:</u> Approval	

## **XII. Audit**

Presenters: Regent Marilyn A. Rose & Ms. Darlene Brown, Acting Chief Audit Executive

- A. Internal Audit Plan Status Update Report 95  
Action Requested: Information

## **XIII. Bylaws and Policies**

Presenters: Regent Pamela A. Medina & Mr. Charlie T. Nhan, Acting General Counsel

- A. No Agenda Items

## **XIV. Consent Docket**

- A. Texas Southern University FY 2024 Holiday Calendar 101  
Action Requested: Approval
- B. Subscriptions and Databases Renewal with EBSCO 103  
Action Requested: Approval
- C. Subscriptions and Databases Renewal with Elsevier 104  
Action Requested: Approval
- D. Subscriptions and Databases Renewal with ProQuest 105  
Action Requested: Approval
- E. Adobe Software Licenses from SHI Government Solutions 106  
Action Requested: Approval
- F. Renewal of Hosted Oracle Subscription Access License through Ellucian 107  
Action Requested: Approval
- G. Student Accounts Receivable Write-Off 108  
Action Requested: Approval
- H. Request Approval/Ratification with Simpson Gumpertz & Heger, Inc. for Investigative Services 109  
Action Requested: Approval
- I. Request Approval of Non-Endowed Investment Policy 110  
Action Requested: Approval

## **XV. Executive Session**

- A. Texas Government Code - Section 551.071 - Consultation with University Attorneys concerning any matter listed on this notice/agenda, pending litigations, and proposed settlement agreements.
- 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 Appointments, Evaluations or Dismissal of Personnel.

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

**XVII. Adjourn**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Board Business

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

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

- Standing Committee/Regular Meetings on June 15, 2023
- Virtual Special Called Meeting on July 13, 2023
- Board of Regents Retreat on July 18, 2023

**SUPPORTING DOCUMENTATION:** Draft Minutes

**FISCAL NOTE:** No Fiscal Impact

**ACTION REQUESTED:** Approval

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

\_\_\_\_\_  
**DATE** 8/9/23



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

---

**I. Call to Order**

The Board of Regents of Texas Southern University held a regular meeting on Thursday, June 15, 2023. Mr. Albert Myres, Chairman of the Board, called the meeting to order at 8:36 AM. The meeting convened at the Texas Southern University, Library Learning Center, 3100 Cleburne Street, Houston, Texas 77004.

**II. Roll Call**

The following Board Members were in attendance and constituted a quorum:

Mr. Albert H. Myres, Chairman  
Ms. Pamela A. Medina, 2<sup>nd</sup> Vice Chair  
Mr. James M. Benham, Secretary (*virtual*)  
Ms. Caroline Baker Hurley  
Dr. Richard A. Johnson III  
Ms. Stephanie D. Nellons-Paige  
Ms. Marilyn A. Rose  
Dr. Mary Evans Sias  
Mr. Brandon L. Simmons  
Mr. Dylan C. Getwood, Student Regent, *Nonvoting*

**Other Attendees:** Devi Bala, Darlene Brown, Judge Sharon Burney, Needha Boutté-Queen, Angela Dunlap, Melanie Jackson, Latonya Joseph, Lisa McBride, Martha Morgan, Faith Ruiz, Sceffers Ward, Chris Wilson (*virtual*)

**III. Prayer**

Chairman Myres announced that Reverend Michael V. Smith would deliver the prayer. Afterwards, Chairman Myres introduced Judge Sharon Burney. Judge Burney administered the Oath of Office to the newly appointed Board of Regents members: Dr. Richard Johnson III, Mr. Brandon Simmons, and Student Regent Mr. Dylan Getwood. Family members and friends were then invited for pictures and comments after the oath was administered.

Next, Chairman Myres gave a presentation of a proclamation honoring former Student Regent Keonne McClain. Following the presentation were more pictures and profound comments from Ms. McClain to the Board, with words of advice to the new Student Regent.

Chairman Myres also introduced and welcomed incoming Provost Dr. Carl Goodman and his wife Jackie, to the University. Dr. Goodman gave a few brief comments, noting his excitement to join the team. Chairman Myres then acknowledged and thanked Dr. Boutte-Queen for her role in the Provost assignment.

**IV. Open Forum**



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

---

Chairman Myres reminded the speakers of the Open Forum rules that are governed by the Board Bylaws and reiterated the significance of being respectful.

The following individuals participated in the Open Forum in this order:

- Dr. Edieth Wu, Faculty Senate Chair
- Dr. Taofeek Olonode
- Ms. Kelechi Ibekwe
- Ms. Corrie Williams
- Ms. Alicia Hughes
- Mr. Cameron Flowers
- Ms. Yvette Barker
- Dr. Rasoul Saneifard
- Ms. Sydney Daniel
- Mr. Melvin Johnson
- Dr. Jane Perkyns
- Ms. Chyanne Davis, SGA Attorney General
- Ms. Rus'ZaRiah Brookes

**V. Conflict of Interest Statement**

Chairman Myres reminded the board members to acknowledge any conflict by completing the form and submitting it to the Board Relations office.

**VI. Board Business**

- Item A: Chairman's Comments
- Item B: Approval for past meetings of the Board of Regents

Regent Paige noted to remove her name from the draft May 26<sup>th</sup> minutes and to add her name to the draft June 5<sup>th</sup> minutes.

*[Motion to approve the previous meeting minutes by Chairman Myres; 2nd by Regent Hurley; Motion passed]*

**VII. Committee Reports**

**Academic Affairs, Research & Student Life – Mr. Richard Johnson**

Dr. Needha Boutté-Queen presented the following item for approval:

- Item A: Promotion to Full Professor for Dr. Luis A. Perez-Feliciano

*[Motion to approve the promotion to Full Professor for Dr. Luis A. Perez-Feliciano by Regent Johnson; 2nd by Regent Medina; Motion passed]*

**Administration & Finance – Dr. Mary Sias**

V.P. Devi Bala presented the following items for approval:



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

---

- Item A: Request Approval to Purchase Five (5) SUVs for the Department of Public Safety  
*[Motion to approve the purchase of five (5) SUVs for the Department of Public Safety by Regent Sias; 2<sup>nd</sup> by Regent Hurley; Motion passed]*
- Item B: Request Approval to Negotiate and Execute CCAP Projects  
*[Motion to approve the negotiation and execution of the CCAP Projects by Regent Sias; 2<sup>nd</sup> by Regent Medina; Motion passed]*
- Item C: Request Approval Regarding Fiscal Year 2024 Operating Budget  
*[Motion to postpone the approval regarding the fiscal year 2024 operating budget for 14-21 days max by Chairman Myres; 2<sup>nd</sup> by Regent Simmons; Motion passed]*

Ms. Angela Dunlap provided information on the following item:

- Item D: Presentation of the FY22 Annual Financial Report by FORVIS (BKD)

Regent Sias pulled and moved the following item to the August 17<sup>th</sup> Board meeting:

- Item E: Center for Research Innovation and Instructional Excellence (C-RI2SE)

**Physical Facilities – Mr. Brandon Simmons**

V.P. Bala presented the following items for approval:

- Item A: Request to Negotiate and Execute contracts for Housing Make-Ready Services  
*[Motion to approve the negotiation and execution of contracts for housing make-ready services by Regent Simmons; 2<sup>nd</sup> by Regent Medina; Motion passed]*
- Item B: Request Approval to Negotiate and Execute Contracts for Facilities and Maintenance Projects  
*[Motion to approve the negotiation and execution of contracts for facilities and maintenance projects by Regent Simmons; 2<sup>nd</sup> by Regent Hurley; Motion passed]*
- Item C: Learning Library Building Repairs  
*[Motion to approve the learning library building repairs by Regent Simmons; 2<sup>nd</sup> by Regent Medina; Motion passed]*
- Item D: Request to Negotiate and Execute a Contract for the Installation of New Vehicle Security Gates  
*[Motion to approve the negotiation and execution of a contract for the installation of new vehicle security gates by Regent Simmons; 2<sup>nd</sup> by Regent Medina; Motion passed]*
- Item E: Request to Negotiate and Execute a Contract to Upgrade the University's Exterior Lighting System



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

---

*[Motion to approve the negotiation and execution of a contract to upgrade the University's exterior lighting system by Regent Simmons; 2<sup>nd</sup> by Regent Hurley; Motion passed]*

V.P. Bala also provided information on the following item:

- Item F: Ground Lease Agreement with Houston Independent School District  
*Regents Sias and Benham made brief comments about this item.*

*Chairman Myres inquired about Minority Women-owned Business Enterprise (MWBE) representation and where this aligns with our goals. He noted that as we build out this contract and others going forward, we need to be accountable to what our MWBE goals are. Regent Paige made a brief comment about HUB participation, stating that this has been reemphasized repeatedly for the last 2½ years. Ms. Melanie Jackson commented and provided information on the HUB goals that were met for the State of Texas. This information was published this year in the semi-annual report. Mr. Sceffers Ward gave brief comments about his dual role as the coordinator.*

- ***Item F Action Item 1:*** *MWBE information should be added to each contract that is submitted for approval.*
- ***Item F Action Item 2:*** *We need to have a designated HUB Coordinator role. V.P. Bala will review and make the recommended changes.*
- ***Item F Action Item 3:*** *The Board of Regents are to receive HUB goal quarterly updates and what actions we need to take place to meet these goals.*

**Athletics – Ms. Stephanie Nellons-Paige**

No Agenda Items were present or required to be reported

**Development and Legislative Affairs – Mr. James Benham**

No Agenda Items were present or required to be reported

Regent Benham made a brief comment noting that the legislative session has closed, but there will be some upcoming special sessions from the State Legislature. However, we do not anticipate any higher education items in those sessions. We will have a legislative update in the upcoming August Board meeting.

**Audit – Ms. Marilyn Rose**

Ms. Darlene Brown presented the following item for approval:

- Item A: Approval for the Revised Internal Audit Charter

*[Motion to approve the revised Internal Audit Charter by Regent Rose; 2<sup>nd</sup> by Regent Sias; Motion passed]*

**Bylaws and Policies – Ms. Pamela Medina**

Counsel Lisa McBride and Consultant Chris Wilson (*virtual*) presented the following item for approval:



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

---

- Item A: Request Approval to Update the Statement of Endowment Fund Investment Policy

*[Motion to approve the updated Statement of Endowment Fund Investment by Regent Medina; 2<sup>nd</sup> by Regent Benham; Motion passed]*

**VIII. Consent Docket**

Chairman Myres presented the following items for approval:

- Item A: Request to Negotiate and Execute Contracts for Student Health Insurance Plans
- Item B: Request to Negotiate and Execute a Contract to procure a Half Cab Driving Simulator and Bicycle Simulator
- Item C: Request approval to Execute Contract with Ricoh USA Inc. for the University Copier Fleet

*[Motion to approve the Consent Docket items by Chairman Myres; 2<sup>nd</sup> by Regent Rose; Motion passed]*

**IX. Executive Session**

The Board adjourned the Open Session at 10:59 A.M. for the Executive Session

- A. Texas Government Code - Section 551.071 - Consultation with University Attorneys concerning any matter listed on this notice/agenda, pending litigations, and proposed settlement agreements
- 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 Appointments, Evaluations or Dismissal of Personnel, Naming of the Interim President, and Related Matters as well as the Formation of the Board Oversight Committee

**X. Reconvene**

The Board reconvened in Open Session with a roll call to reconfirm a quorum at 6:01 P.M. A quorum was present at 6:02 P.M.

**XI. Committee Reports, Continued**

**Personnel and Litigation – Ms. Caroline Hurley**

Regent Hurley presented the following items for approval:

- Item A: Candidates for Tenure FY 2023



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

*[Motion to approve Candidates for Tenure FY 2023: Dr. George K. Kieh, Department of Political Science; Dr. David Chi-Chung Yen, Department of Management Information Systems; Dr. Rashid Mosavin, Department of Pharmacology; and to Dr. Joan R. Bullock, Department of Law by Regent Hurley; 2nd by Regent Johnson; Motion passed]*

- Item B: Approve the Proposed Settlement Terms in the Lawsuit Styled as Joan R.M. Bullock v. The Board of Regents of Texas Southern University, et al.; No. 4:22-cv-3223

*[Motion to approve the Proposed Settlement Terms in the Lawsuit Styled as Joan R.M. Bullock v. The Board of Regents of Texas Southern University, et al.; No. 4:22-cv-3223 by Regent Hurley; 2nd by Regent Sias; Motion passed]*

- Item C: Approve the Severance Agreement between former General Counsel Hao Le and TSU

*[Motion to approve the Severance Agreement between former General Counsel Hao Le and TSU by Regent Hurley; 2nd by Regent Sias; Motion passed]*

## **XII. Naming of the Interim President**

Regent Hurley presented the following item for approval:

- Item A: Accept the resignation of Dr. Mary Evans Sias from the Board of Regents, effective June 16, 2023, and authorize Dr. Sias and the Board Chair to send notice of same to the Governor and any other necessary individuals

*[Motion to accept the resignation of Dr. Mary Evans Sias from the Board of Regents, effective June 16, 2023, and authorize Dr. Sias and the Board Chair to send notice of same to the Governor and any other necessary individuals by Regent Hurley; 2nd by Regent Johnson; Motion passed]*

Chairman Myres presented the following item for approval:

- Item B: Approve the Appointment of Dr. Mary Evans Sias as Interim President of Texas Southern University, effective June 30, 2023

*[Motion to Approve the Appointment of Dr. Mary Evans Sias as Interim President of Texas Southern University, effective June 30, 2023 by Chairman Myres; 2nd by Regent Johnson; Motion passed]*

Given these actions, Chairman Myres addressed the audience, stating that without objection from my colleagues we will not take action today to ratify the formation of a Board Transition Oversight Committee.

Also, Dr. Doman will remain Acting Chief Executive Officer until June 30, 2023.

## **XIII. Adjourn**

Motion to adjourn the regular and standing committees meeting by Chairman Myres at 6:08 P.M.; 2<sup>nd</sup> by Regent Paige; Motion passed



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
REGULAR / STANDING COMMITTEES MEETING  
Thursday, June 15, 2023**

---

**SIGNATURE OF APPROVAL**

I certify that the foregoing minutes constitute a true, correct, and complete record of the regular board meeting of the Board of Regents of Texas Southern University, held in Houston, Texas on June 15, 2023.

\_\_\_\_\_  
Faith Ruiz  
Executive Director  
Office of Board Relations

\_\_\_\_\_  
Date Approved by the Board

\_\_\_\_\_  
James M. Benham  
Secretary  
Board of Regents

DRAFT



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
VIRTUAL SPECIAL CALLED BOARD MEETING  
Thursday, July 13, 2023**

---

**I. Call to Order**

The Board of Regents (BOR) of Texas Southern University (TSU) held a Virtual Special Called Board meeting on Thursday, July 13, 2023. Mr. Albert Myres, Chairman of the Board, called the meeting to order at 1:05 PM.

Chairman Myres directed attendees to ensure that all electronic devices are muted when not presenting.

**II. Roll Call**

The following Board Members were in attendance and constituted a quorum:

Mr. Albert H. Myres, Chairman  
Ms. Caroline Baker Hurley, *Virtual*  
Dr. Richard A. Johnson III  
Ms. Stephanie D. Nellons-Paige  
Ms. Marilyn A. Rose, *Virtual*  
Mr. Brandon L. Simmons, *Virtual*  
Mr. Dylan C. Getwood, Student Regent, *Nonvoting, Virtual*

The following Board Members were absent:

Mr. James M. Benham  
Ms. Pamela A. Medina

**Other Attendees:** Lisa McBride; Latonya Joseph; Faith Ruiz

**III. Conflict of Interest Statement**

Chairman Myres reminded the board members of the Conflict of Interest statement and to acknowledge any conflict by completing the form and submitting it to the Board Relations office.

**IV. Executive Session**

The Board adjourned the Open Session at 1:06 PM to advance to Executive Session under:

- 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



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
VIRTUAL SPECIAL CALLED BOARD MEETING  
Thursday, July 13, 2023**

---

D. Texas Government Code - Section 551.074 - Personnel Matters, including Appointments, Evaluations or Dismissals of Personnel, Interim President's Contract and Related Matters.

**V. Reconvene**

The Board reconvened in Open Session with a roll call to reconfirm a quorum at 3:02 PM. A quorum was present.

**VI. Personnel and Litigation Committee**

Chairman Myres stated *"I move that the Board approve the Interim President's Employment Contract on the terms discussed in executive session and authorize the Board Chair and other appropriate University officers and employees to execute the same on behalf of the University."*

*[Motion to approve the Interim President, Dr. Mary Sias', employment contract by Chairman Myres; 2nd by Regent Johnson; Motion carried]*

**VII. Adjourn**

Motion to adjourn the Virtual Special Called Board meeting by Regent Johnson, second by Regent Simmons. The meeting adjourned at 3:03 PM.

**SIGNATURE OF APPROVAL**

I certify that the foregoing minutes constitute a true, correct, and complete record of the Virtual Special Called Board meeting of the Board of Regents of Texas Southern University, held virtually on July 13, 2023.

---

Faith Ruiz  
Executive Director  
Board Relations Office

---

Date Approved by the Board

---

James M. Benham  
Secretary  
Board of Regents



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

**I. Call to Order**

The Texas Southern University Board of Regents held a Retreat on Tuesday, July 18, 2023. Mr. Albert Myres, Chairman of the Board, called the meeting to order at 8:02 A.M. The meeting convened in the Aspen Room at The Houstonian Hotel, Club & Spa, 111 N. Post Oak Lane, Houston, Texas 77024.

**II. Roll Call**

The following Board Members were in attendance and constituted a quorum:

Mr. Albert H. Myres, Chairman  
Ms. Pamela A. Medina, 2<sup>nd</sup> Vice Chair  
Ms. Caroline Baker Hurley (virtual)  
Dr. Richard A. Johnson III  
Ms. Stephanie D. Nellons-Paige  
Ms. Marilyn A. Rose  
Mr. Brandon L. Simmons  
Mr. Dylan C. Getwood, Student Regent, *Nonvoting*

The following Board Member was absent:

Mr. James M. Benham, Secretary

**Other Attendees:** Interim President Dr. Mary Evans Sias, Brian Armstrong, Devi Bala, Yvette Barker, Edwin Bennett, Bobby Brown, Cynthia Buckley, Raijanel Crockem, Carl Goodman, Kevin Granger, Melanie Jackson, Demetria Johnson-Weeks, Latonya Joseph, Martha Morgan, Charlie Nhan, Michelle Penn-Marshall, Arman Rashid, Faith Ruiz, LaRence Snowden, Melinda Spaulding, Linwood Whitten, Erin Wiggins-Gilliam

**III. Conflict of Interest Statement**

Chairman Myres reminded the audience to keep all electronic devices muted unless presenting. He also asked board members to acknowledge any conflict by completing the form and submitting it to the Board Relations office.

**IV. Executive Session**

The Chairman adjourned the Open Session at 8:03 A.M. for the closed 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.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

D. Texas Government Code - Section 551.074 - Personnel Matters, including Appointments, Evaluations, or Dismissals of Personnel, Including Acting Chief Executive Officer's Compensation and Related Matters.

**V. Reconvene in Open Session**

The same Board members reconvened in Open Session with a roll call to reconfirm a quorum at 8:51 A.M.

**VI. Executive Session Approval Item**

**Personnel and Litigation – Ms. Caroline Hurley**

Regent Hurley presented the following item for approval:

- Item A: Approval of the Acting Chief Executive Officer's compensation  
*[Motion to approve the Acting Chief Executive Officer's compensation as discussed in Executive Session by Regent Hurley; 2nd by Regent Medina; Motion passed]*

**VII. Board Business**

- Item A: Approval of the Board of Regents' Committee Assignments  
*[Motion to approve the Committee Assignments by Chairman Myres; 2nd by Regent Johnson; Motion passed]*
- Item B: Information about the Presidential Search was not discussed.
- Chairman Myres and Interim Dr. Sias both issued welcome remarks and announced the University's fiscal year 2023-2024 goals and priorities.

**VIII. Departmental Budget Reports**

**Administration & Finance**

- Mr. Arman Rashid, Chief Technology Officer, presented Information Technology's Budget, highlighting key expenditures and initiatives for the upcoming fiscal year.
  - Mr. Rashid requested assistance in creating a project scoring matrix.
  - He also mentioned that we currently have 12 contractors and 16 full-time employees (FTEs). However, we are in the process of onboarding two additional FTEs.
  - Mr. Rashid reported on the phase out plan with the company, Ellucian. Now they are having hiring issues on the Software Development Infrastructure side.
  - It should be noted that the last part of the phase out with Ellucian was for the Call Center and took place in February 2023. The Call Center's



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

operational hours during the Fall was 8am – 8pm and during the Summer it was 8am – 5pm.

**Action Item:** *Regent Johnson requested a line-item budget from OIT, including a line item for every employee, supplies, etc.*

- Mr. Bobby Brown, Acting Chief of Police & Executive Director of Emergency Management, provided an overview of the Department of Public Safety's Budget, emphasizing the importance of funding for critical emergency preparedness measures.
  - Acting Chief Brown illustrated critical vacancies that need to be filled.

**Action Item:** *Regent Paige emphasized getting 100% of the vacant positions posted.*

**Action Item:** *Dr. Sias inquired if we are able to convert some of the number of security officers to police officers or are we required to hire more police officers?*

**Action Item:** *Regent Johnson inquired if the security officers have the qualifications to step up to sworn officer?*

- Acting Chief Brown noted that we get 41,000 service calls per year, 1,000 service calls per week, and 4,000 service calls per month.

**Action Item:** *Chairman Myres and Regent Paige both advised Acting Chief Brown to compile the paperwork for those requesting to have events on campus, so they are notified of the cost required to host their event(s).*

**Action Item:** *Acting Chief Brown will add another \$150,000 to his proposed budget.*

- Mr. Edwin Bennett, Director of Maintenance, presented Facilities & Maintenance's Budget, discussing the allocation of resources for ongoing facility upkeep and maintenance projects.

**Action Item:** *Chairman Myres inquired if we looked at industry standards for paying plumbers? He also stated to look at other measurements for the salary since you cannot find a skilled plumber for low \$40,000.*

- Mr. Bennett reported that currently in facilities they have a total of 10 employees: 1 electrician and 3 helpers, 1 carpenter, 2 painters, and 3 HVAC employees. However, we need 4 HVAC, 2 plumbers, 4 electricians, and 2 electrical apprentices.

**Action Item:** *Chairman Myres asked for a total dollar amount for these positions that are being requested. Dr. Sias responded with it being approximately \$520,000 - \$600,000.*

**Action Item:** *Dr. Sias mentioned to Mr. Bennett that there are opportunities with the unions to do a partnership in maintenance.*



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

- Dr. Cynthia Buckley, Senior Associate Vice President, discussed Human Resources & Payroll Services' Budget, explaining the strategic allocations to support the university's workforce.

**Action Item:** *Regent Hurley inquired about how often do we schedule salary compensation studies? Dr. Buckley mentioned that it was last completed three years ago; however, she is unsure when the last one was completed before then.*

**Action Item:** *Dr. Sias stated that we will need to do a study sooner due to other variables and especially since post COVID. We need to look at industry standards.*

**Action Item:** *Dr. Sias also stated that we need a policy for hybrid workers.*

- Ms. Melanie Jackson, Executive Director, presented the Procurement Services' Budget, outlining the budgetary requirements to enhance the procurement process and optimize cost efficiencies, noting the following:

- There are currently 10 FTEs, 1 vacant unposted position (HUB Coordinator), and 4 critical unfunded positions (1-AP Manager, 2-AP Analysts, 1-Property Manager).

- Will have to add an additional \$20,000 to the proposed budget for the HUB Coordinator position as it is currently listed as a Specialist, instead of a Coordinator.

**Action Item:** *Regent Paige inquired about the timeline to get the HUB Coordinator position posted. Ms. Jackson will get the paperwork to V.P. Bala, tomorrow July 19<sup>th</sup> to sign off on and then work with HR to get it posted expeditiously.*

- Ms. Jackson also noted that there is an upcoming mandatory procurement training for all employees on August 2<sup>nd</sup> and 3<sup>rd</sup>.

**Action Item:** *Regent Johnson inquired about how we rank against other HBCUs, and Ms. Jackson noted that we are number one, within the state of Texas. Regent Johnson further inquired about how we rank nationwide. Ms. Jackson is to get back to him with this answer by tomorrow, July 19<sup>th</sup>.*

#### **President's Extended Cabinet**

- Dr. Raijanel Crockem, Associate Vice President, presented the Institutional Assessment, Planning & Effectiveness' Budget, focusing on initiatives to improve data analytics and strategic planning efforts.

- Dr. Crockem is asking to have the budget to the three current positions (Director of Academic Technology, Database Administrator, and the QEP Assessment Coordinator) that align with the Assessment Office, to be moved under that office instead of in the Registrar and Provost's Office budgets.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

**Action Item:** *Regent Johnson mentioned that he could not access the Argos reporting, especially the executive dashboard, via his email. Dr. Crockem will work to ensure that his access is updated.*

Before the break, Regent Johnson made a quick announcement stating that Dr. William Neeley, a long-time professor who came in the 1970s with Granville Sawyer, had passed away.

He suggested that typically for a faculty member like this, we used to do a Proclamation from the Board and one from the President's Office.

Regent Nellons-Page also noted that Dr. Wells in the School of Pharmacy has left us as well.

**Academic Affairs, Research & Student Life**

- Dr. Carl Goodman, Provost/Senior Vice President of Academic Affairs presented the Academic Affairs' Budget, covering academic program support and faculty development for 11 colleges and schools, TSU online, the Library Learning Center, Enrollment and Student Success, and Faculty Assembly. Some of the key mission-critical requests include:
  - Deans' vacant positions (8)
  - Faculty positions (37 requested, with 10 of these moved forward/approved)
  - SACSCOC and QEP Plan (14 plays over 45 days)
  - Faculty Development (instructional & assessment workshops & travel funds)

**Action Item:** *Dr. Sias noted that we need to break up the block of offering classes only between 8:00am to 1:45pm as we have a large student population who works during those hours.*

**Action Item:** *Regent Rose asked if we are taking care of the shortage in classes being offered. Both Dr. Sias and Provost Goodman noted that they are looking into this right now.*

- Dr. Brian Armstrong, Assistant Vice President of Student Enrollment Success, discussed the budget for enhancing student recruitment efforts and enrollment strategies.
  - Dr. Armstrong noted that there are currently 15 positions in the Office of Admissions and seven positions in the Office of the Registrar.
  - We currently have two positions on a state account for recruitment. However, as a university of this size, we should be at five recruiters for high school students. For the five critical vacant unfunded positions, approximately \$300,000 is needed to fund these positions.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

- It should be noted that for the recruitment center we opened in Dallas, we are paying rent (\$30,000/yr.) for it but currently there is no one there. However, Dr. Armstrong does go to that location every 3-4 weeks.

**Action Item:** *Chairman Myres inquired about what is a good number of students that we can adequately manage right now. Dr. Armstrong and his team will huddle to come up with a good number.*

**Action Item:** *Dr. Goodman's goal is to have the position descriptions for the Dean positions prepared within the next two weeks then share those with the colleges, so faculty members accept.*

- Dr. Erin Wiggins-Gilliam, Assistant Vice President of Student Retention & Matriculation Success, did not present her budget as it was incorporated within ESS. However, she briefly gave an update by answering a question regarding the number of advisors that is comparable to freshmen students, during the transitional period, from the freshmen to sophomore years. She noted that there are 14 full-time advisors, paid from Title III, that are roughly divided by college as it depends on the ratio of the college size.

**Action Item:** *Regent Johnson encouraged them to research the Texas Work Study mentorship program. Drs. Armstrong and Wiggins are meeting to ensure they begin to implement this.*

**Action Item:** *Provost Goodman mentioned that they are looking into revamping the advising system because it is a decentralized advising system as well as adding in a technology component.*

- Chairman Myres inquired about where we are with the Office of Transdisciplinary Studies. Provost Goodman noted that for the Fall there is currently about 30 students enrolled into the program. There is a request to hire maybe one or two adjunct faculty members, however, he and Dr. Sias are looking into how to best incorporate it to ensure we are fully utilizing this program. Dr. Sias also reported the need to complete more outreach and advertising because at one point, there were 200 inquiries into the program, but she is unsure of the follow-up with those students.
- Mr. LaRence Snowden, Assistant Vice President of Corporate Community Partnerships & Career Pathways, provided an overview of the budget for fostering partnerships with the corporate/community sector and facilitating career pathways for students.
  - Mr. Snowden noted that the enrollment for the Child Development Center has decreased during the previous administration, when they eliminated the idea of having meals incorporated for the students, and with that came a reduction in parents. Then they encountered having a daily rate which also caused a reduction as well as the pandemic.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

- In other discussions with the director of the center, for every four infants you must have one instructor. However, when it goes up to five, then you must get an additional instructor. This is where the supplemental staffing was utilized. We are however looking into increasing our rates and returning to a weekly rate, instead of a daily rate.

**Action Item:** *Dr. Sias asked Mr. Snowden to research whether individuals are allowed to bring in a child for part-time. She asked that he finds the history on this and make an appointment to present his findings to her.*

**Action Item:** *Regent Johnson asked Mr. Snowden if we can quantifiably measure how successful we are in placing people, in each one of our colleges, into their career fields? Mr. Snowden responded that we are not at that point but are working to ensure we will be able to soon.*

**Action Item:** *Regent Johnson is to share the data he has with Provost Goodman on Public Schools and higher education within the State of Texas and where we fall in terms of our academic programs and placement rates.*

- Dr. Linwood Whitten, Assistant Vice President of Student Experience, outlined the budget for enhancing student experience and campus life.
  - There are five critical vacant positions (four Coordinators & one DBA) needed to help avoid burnout and a high staff turnover. These Coordinators will assist the Dean of Students and University Responsibility, the Director for Student Organization and Engagement as well as the Department Business Administrator. The total dollar amount requested is \$240,000 (this amount does not include benefits).
  - Outside of these positions, there are no additional requests for budgets for FY23-24.
- Ms. Yvette Barker, Executive Director of Residential Life & Housing, discussed the budget for residential life facilities and support services for students.
  - The budget is fine, but she has concerns because there are not any capital expenditures in the budget. There is revenue overage from the budget on what is collected.
  - The ask is to add capital expenditures into the budget so that it will eliminate the need request for additional money when things need to be repaired.
  - Ms. Barker illustrated a slide that listed the FY24 Capital Expenditures non-budgeted needs for housing.

**Action Item:** *Dr. Sias noted that we need a guide that summarizes how many years certain items need to be repaired, updated, or replaced. We also need to receive*



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

*this in early Spring, around February, to allow for time to place orders and make repairs.*

- Ms. Barker noted that the Residential Assistants (RAs) and the Building Managers are the first line of defense for the students since they live in the dorms and can respond timely.

***Action Item:*** *Regent Johnson commented on the opportunity for a collaboration with mentors and residents who are students to continue to increase the services for first-time freshmen.*

- Dr. Michelle Penn-Marshall, Vice President for Research & Innovation, presented the budget for research initiatives, promoting innovation and advancing the university's research capabilities.
  - Dr. Penn-Marshall highlighted the Division of Research & Innovation's Action Plan by discussing the Year Two goals and priorities outlined on a slide.
  - An illustration of the pattern between the award funding requested and the award funding received over a period of three fiscal years, between September to June, was explained.
  - 70% of the overall budget for salaries/benefits encompasses 12 employees: 13 are in the department and one is fully funded on a grant.
  - Dr. Penn-Marshall gave feedback on how her budget requests tie into the R1 tracking and where we are heading, which includes very high research activity.

#### **Development and Legislative Affairs**

- Ms. Melinda Spaulding, Vice President for University Advancement, and Ms. Isoke Williams, Director of Advancement Initiatives & Business Operations, jointly presented the Division of University Advancement's Budget, focusing on fundraising efforts and alumni engagement.
  - Ms. Spaulding highlighted the idea "*with change comes opportunity*" and discussed her plan for revamping the Communications/Advancement Office. The change is happening at the Vice President level. With this change, Ms. Spaulding proposed the opportunity to take this all-encompassing division and divide it into 2-3 sections.
  - Specifically, the request is to have a new division for development, with six positions, totaling \$819,000. Initially, in 2017, it was presented as the Office of Development had seven positions however, there were not. Currently, the Office of Development only has one staff member. A peer comparison was illustrated showing how we line up in areas comparable to some of our peers: we are over-performing as a division.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

- With the current setup, the department was able to increase funds raised by 35% over the past five years, with a 71% decrease in development staff.
- The proposal is to separate the division with a Vice President for Communications and a Vice President for Development, and an Executive Director for the TSU Foundation. It should be noted that the TSU Foundation has already agreed to have its first fully funded 100% Executive Director. Also, proposed is a Director of Stewardship (critical), Executive Director for Advancement Services, Assistant Director for Alumni Engagement, and two Development Officers.
- To assist with this change, some of the current funds can be reallocated. It should be noted that five of these positions have existed at the University previously.
- The positions were posted before but they never filled. There is an opportunity to repost these positions. The ask for today is at \$227,000, after the reallocation of funds, for those six requested positions.

#### **Personnel & Litigation**

- Mr. Charlie Nhan, Acting General Counsel, presented General Counsel's Budget, outlining resources allocated for legal support.
  - Budgeted for five FTEs, consisting of four full-time attorneys and one DBA. Also, with the CCAP project in 2024, they are also requesting the addition of a Paralegal, estimated at approximately \$60,000.

***Action Item:*** Regent Hurley inquired about how our General Counsel's Office compares to our peer institutions. Mr. Nhan did not have that information but will research and respond back to Regent Hurley with it within 24 hours.

#### **Athletics**

- Dr. Kevin Granger, Vice President for Intercollegiate Athletics, and Mr. Christopher LeBlanc, Business Finance Manager, jointly presented Athletics' Budget, emphasizing support for student-athletes and athletic programs.
  - Dr. Granger noted that our golf video, in partnership with the PGA Tour, came out yesterday. The TSU Golf program was highlighted to the extreme. It is also posted on the United Airlines' website.
  - The Cheer and Dance Team had an excellent weekend, capturing a numerous amount of first place trophies and ribbons.
  - There were not any issues with the budget proposed, except for the Travel item.
  - The new Strength and Conditioning facility is scheduled to open the next few weeks.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

- Chairman Myres commented that we want to ensure we are treating our athletes properly, especially when it comes to traveling.

**President's Extended Cabinet**

- Dr. Demetria Johnson-Weeks, Executive Director, presented Title III & Sponsored Programs' Budget, discussing funding initiatives for sponsored research and grant programs.
  - Has one item pending with the department that is under the Historical Black Graduate Institutions (HBGI) and it is not able to proceed forward until she receives feedback from the Department of Education.
  - Provided the purpose and allowable activities of Title III Part B as well as HBGIs.

***Action Item:** Chairman Myres noted that we need a strategic plan/methodology in place to ensure this time next year, we will understand the reasoning behind the numbers.*

***Action Item:** Dr. Sias reported that they will continue to identify sources of funding that can possibly be used or even do a fundraiser for the building that seats 325 people.*

**IX. Closing Remarks**

The meeting concluded with closing remarks from Chairman Myres, expressing appreciation for the comprehensive budget presentations and the dedication of all attendees in contributing to the university's success.

**X. Adjourn**

The Texas Southern University Board of Regents adjourned the Retreat at 5:18 P.M.



**MINUTES OF THE  
TEXAS SOUTHERN UNIVERSITY BOARD OF REGENTS  
BOARD RETREAT  
TUESDAY, JULY 18, 2023**

---

**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 Houston, Texas on July 18, 2023.

\_\_\_\_\_  
Faith Ruiz, Executive Director  
Office of Board Relations

\_\_\_\_\_  
Date Approved by the Board

\_\_\_\_\_  
James M. Benham, Secretary  
Board of Regents

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Board Business

**ITEM:** Fiscal Year 2024 Board of Regents Meeting Calendar

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Proposed meeting dates for FY24:

Standing Committee & Regular Meetings

February 8, 2024

April 18, 2024

June 13, 2024

August 15, 2024

October 17, 2024

Board of Regents Retreat

March 1-2, 2024

**SUPPORTING**

**DOCUMENTATION:** Draft Calendar

**FISCAL NOTE:** No Fiscal Impact

**ACTION REQUESTED:** Approval

  
\_\_\_\_\_  
**BOARD CHAIR**

Albert H. Myres

\_\_\_\_\_  
8/9/23  
**DATE**

**Texas Southern University**  
**FY 2024 Board of Regents Meeting Calendar**  
 \*Subject to change. Please contact the Board Relations Office to confirm\*

September '23	October '23	November '23
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

December '23	January '24	February '24
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

March '24	April '24	May '24
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

June '24	July '24	August '24
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

- Sept 4 Labor Day Holiday
- Oct 19 Standing Committees & Regular Board Meeting, 8:30 a.m., 3100 Cleburne, Library Learning Center, 5<sup>th</sup> Floor
- Nov 23 - 24 Thanksgiving Holiday
- Dec 12-13 TXHECB Leadership Conference, Austin, TX
- Dec 15 Board of Regents Holiday Lunch, 12:00 p.m.
- Dec 16 Winter Commencement
- Dec 22-29 Winter Holiday
- Jan 1 New Year's Day Holiday
- Jan 15 Martin Luther King, Jr. Day Holiday
- Feb 8 Standing Committees & Regular Board Meeting, 8:30 a.m., 3100 Cleburne, Library Learning Center, 5<sup>th</sup> Floor
- Mar 1-2 Board Retreat, Location: TBD
- Mar 26-28 Association of Governing Boards National Conference on Trusteeship, Boston, MA
- Mar 29 Good Friday Holiday
- Apr 18 Standing Committees & Regular Board Meeting, 8:30 a.m., 3100 Cleburne, Library Learning Center, 5<sup>th</sup> Floor
- May 11 Spring Commencement
- May 27 Memorial Day Holiday
- Jun 13 Standing Committees & Regular Board Meeting, 8:30 a.m., 3100 Cleburne, Library Learning Center, 5<sup>th</sup> Floor
- Jun 19 Emancipation Day Holiday
- Jul 4 Independence Day Holiday
- Aug 15 Standing Committees & Regular Board Meeting, 8:30 a.m., 3100 Cleburne, Library Learning Center, 5<sup>th</sup> Floor

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Academic Affairs, Research and Student Life

**ITEM:** Legal Education and Advancement Program (LEAP)

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

The Legal Education Advancement Program (LEAP) is a six-week summer program at Texas Southern University Thurgood Marshall School of Law designed to educate and prepare prospective law students for success in law school and to become attorneys. Typically, potential law students are selected for admissions based on their undergraduate grades and LSAT scores, which may predict students' success or failure in law school. Thurgood Marshall School of Law has become aware that these two indicators alone are not always reliable or accurate in predicting a student's success or failure in law school. Thus, Thurgood Marshall School of Law has instituted the Legal Education Advancement Program (LEAP) to recruit, select, and admit students who possess additional experiences that may more accurately indicate success in law school.

**SUPPORTING DOCUMENTATION:** LEAP Proposal

**FISCAL IMPACT:** \$110,504.40

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

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/11/23  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/11/23  
\_\_\_\_\_  
DATE



# LEAP

## Legal Education and Advancement Program

Texas Southern University Thurgood Marshall School of Law  
3100 Cleburne, Houston TX 77004  
June 2024 - July 2024  
Monday - Friday

### PROPOSAL PACKET CONTENTS

- I. Abstract
- II. Narrative
- III. Implementation Strategy and Timetable Form
- IV. Activity Objectives and Performance Indicators
- V. Individual Activity Budget Narrative Form

## **LEGAL EDUCATION ADVANCEMENT PROGRAM (LEAP)**

### **Abstract**

The Legal Education Advancement Program (LEAP) is a six-week summer program at Texas Southern University Thurgood Marshall School of Law designed to educate and prepare prospective law students for success in law school and to become attorneys. Typically, potential law students are selected for admissions based on their undergraduate grades and LSAT scores, which may predict students' success or failure in law school. Thurgood Marshall School of Law has become aware that these two indicators alone are not always reliable or accurate in predicting a student's success or failure in law school. Thus, Thurgood Marshall School of Law has instituted the Legal Education Advancement Program (LEAP) to recruit, select, and admit students who possess additional experiences that may more accurately indicate success in law school.

## **Narrative**

LEAP is a performance-based education program that admits prospective law students based on criteria in addition to under-graduate grades and LSAT scores. For example, the admissions committee considers the following factors for admission into the program: students with varied experiences, backgrounds, and accomplishments; and students who may have been deprived of obtaining a quality education due to factors beyond their control. Because LEAP is a performance-based program, each person enrolled is given the opportunity to demonstrate achievement of the requisite array of abilities, as measured by the program's competencies, to warrant admission to the Thurgood Marshall School of Law. Each LEAP student is given six weeks to demonstrate this achievement.

With respect to each skill, or competency, the LEAP student must demonstrate the ability to engage critical thinking, reasoning and behavior crucial to success in law school and the practice of law. Demonstrations of the acquisition of these skills will be measured by a series of written exams, multi state exams, and assignments. These assessments will be administered within each course and on occasion, across courses. Performance on these formative and summative assessments will determine whether the LEAP student possesses the requisite competencies and skills necessary for admission to Thurgood Marshall School of Law.

## **Statement of the Problem**

One of the missions of Texas Southern University is to educate and transform the lives of a diverse group of students. Thurgood Marshall School of Law has prepared and graduated a significant number of minority attorneys who would not normally be admitted into a predominately White law school. Currently, in the United States 5% of attorneys are African American and 5.8% are Hispanic/Latino. Due to the uncertain future of affirmative action, those numbers are expected to decrease. More than ever, in today's society, a critical need exists for minority attorney representation to serve minority communities who are vulnerable and underserved in the legal system. The LEAP program is an avenue to give students who have been denied admission to law school the opportunity to demonstrate that they possess the qualities, skills, and tenacity to succeed in law school and become future attorneys.

## **Objectives and Action Steps**

Four concepts serve as the framework for assessing success in the LEAP program:

- Critical Reading
- Reasoning
- Analysis
- Critical Writing

At the end of the six-week program students will demonstrate the ability to:

- Identify the theory of the case/cause of action
- Identify the relevant/irrelevant facts in a case
- Identify the holding/ answer from a case based on the controversy presented
- Identify the reasoning of a case
- Identify the rule of law (statutory or common law)
- Read and interpret a statute
- Accurately state key legal principle in the core areas of law
- Develop and synthesized rule of law based on multiple cases
- Identify the rule of law in new or novel facts patterns or hypotheticals
- Apply the correct rule of law in response to new fact patterns or hypotheticals
- Organize and express ideas with precision, clarity, and logic
- Use proper grammar, syntax, and punctuation
- Draft a well-organized legal essay
- Competently answer a law school essay exam under timed test conditions
- Demonstrate competence in correctly responding to multi-state questions

**GRANT APPLICATION FOR THE  
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND  
HISTORICALLY BLACK GRADUATE INSTITUTIONS PROGRAM**

**FORM APPROVED:  
OMB.: 1840 – 0113  
Exp. Date:05/31/23**

**IMPLEMENTATION STRATEGY AND TIMETABLE FORM**

**1. NAME OF APPLICANT INSTITUTION: Texas Southern University**

**2. ACTIVITY TITLE**

**Legal Education Advancement Program (LEAP)**

**3. SPECIFIC  
TASKS TO BE  
COMPLETED**

**4. PRIMARY  
PARTICIPANTS**

**5. METHODS  
INVOLVED**

**6. TANGIBLE  
RESULTS**

**7. TIMEFRAME  
FROM/TO**

Critical Reading

Leap Students

Small Group  
Instruction

Legal problem  
solving

10-1-23

9-30-24

Reasoning

Interactive Lecture

Identify legal  
issues and  
application of law

Analysis

Socratic  
questioning

Synthesize and  
prioritize legal  
concepts

Critical Writing

Active Learning

Effective written  
communication  
skills

**GRANT APPLICATION FOR THE  
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES  
AND HISTORICALLY BLACK GRADUATE INSTITUTIONS PROGRAMS**

**FORM APPROVED  
OMB NO.: 1840-0113  
EXP. DATE: 05/31/23**

**ACTIVITY OBJECTIVES AND PERFORMANCE INDICATORS FORM**

<p><b>NAME OF APPLICANT INSTITUTION:</b></p> <p><b>Texas Southern University</b></p>	<p><b>ACTIVITY TITLE:</b></p> <p><b>Activity Name</b> Legal Education Advancement Program (LEAP)</p>
<p><b>OBJECTIVES IN MEASURABLE TERMS</b></p>	<p><b>PERFORMANCE INDICATORS</b></p>
<p><b><u>Objective 1:</u> Critical Reading</b></p> <p><b><u>Objective 2:</u> Reasoning</b></p> <p><b><u>Objective 3:</u> Analysis</b></p> <p><b><u>Objective 4:</u> Critical writing</b></p>	<p>1.1 Ability to read a passage closely and identify important key facts and legal concepts.</p> <p>2.1 The cognitive ability needed to work through a problem and research a legal proposition or conclusion including inductive reasoning, deductive reasoning, analogical reasoning, and synthesis of information.</p> <p>3.1 The ability to argue toward a conclusion through the application of legal rules or positions to facts including sorting facts, relevance and prioritization, application of rule, multi-dimensionality of arguments and specificity to outcomes.</p> <p>4.1 Ability to express ideas in writing with precision, clarity and logic. Ability to draft properly formatted and competent law school essays.</p>

APPLICATION FOR THE TITLE III, PART B PROGRAMS	FORM APPROVED: OMB NO. 1840 – 0113 EXP. DATE: 05/31/23
<b>INDIVIDUAL ACTIVITY BUDGET NARRATIVE FORM</b> Provide detailed narrative for each budget line item. Add pages as needed.	
<b>1. Name of Applicant Institution:</b> Texas Southern University	<b>2. Activity Title:</b> LEAP
<b>3. List of Personnel (use position title)</b>  Director Prof. 1 Prof. 2 Prof. 3 Prof. 4 Tutor 1 Tutor 2 Tutor 3	<b>4. Salary Amount for Each Position</b>  \$24,500 \$14,490 \$14,490 \$14,490 \$14,490 \$1,500 \$1,500 \$1,500
<b>5. SUB- TOTAL</b>	\$86,960.00
<b>6. FRINGE BENEFITS %</b> Director Professors Tutors	\$6,479.25 \$15,359.40 \$1192.50
<b>7. TRAVEL</b>	0
<b>8. EQUIPMENT</b>	0
<b>9. SUPPLIES</b>	\$500.00
<b>10. CONTRACTAL</b>	0
<b>11. CONSTRUCTION</b>	0

<b>12. OTHER</b>	
<b>13. TOTAL DIRECT CHARGES</b>	<b>\$110,504.40</b>

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Academic Affairs, Research and Student Life

**ITEM:** Education/Teacher Training, Certification and Outreach

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

To assist teacher education candidates/students in completing an educator preparation program leading to state certification, which qualifies students to teach in a public elementary or secondary school in the State (Texas).

To establish community outreach programs that will encourage elementary and secondary students to develop academic skills and the interest to pursue postsecondary education.

**SUPPORTING DOCUMENTATION:** NONE

**FISCAL IMPACT:** \$292,215

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

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/11/23  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/11/23  
DATE

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Academic Affairs, Research and Student Life

**ITEM:** Faculty Salaries

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**


The Faculty Salaries information was shared from 2018 compensative analysis from an external company that used several metrics. Its purpose was to make sure that the budget reflects the Board’s vision and mission statement, which is student success. This means that its vital for TSU to be able to compete with other institutions by providing fair, equitable compensation for full-time faculty.

**SUPPORTING DOCUMENTATION:** N/A

**FISCAL IMPACT:** TBD

**ACTION REQUESTED:** Information

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/11/23  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/11/23  
DATE

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Academic Affairs, Research and Student Life

**ITEM:** Updates from the Division of Research and Innovation

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Dr. Michelle Penn-Marshall, Vice President for Research and Innovation will provide updates on TSU Division of Research and Innovation's award funding requests and received.

**SUPPORTING DOCUMENTATION:** Division of Research & Innovation's PowerPoint

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/11/23  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/11/23  
DATE



# DIVISION of RESEARCH & INNOVATION UPDATES

**Michelle Penn-Marshall, Ph.D.**  
Vice President for Research & Innovation

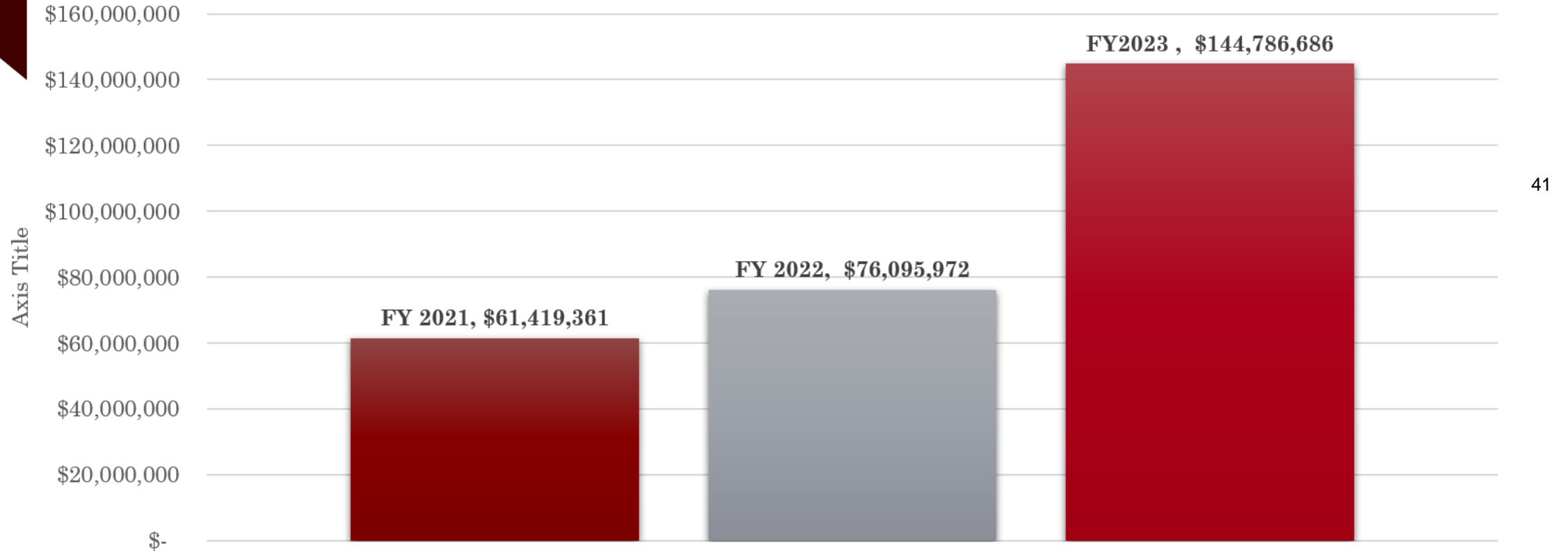


DIVISION OF  
**RESEARCH &  
INNOVATION**

**August 17, 2023**

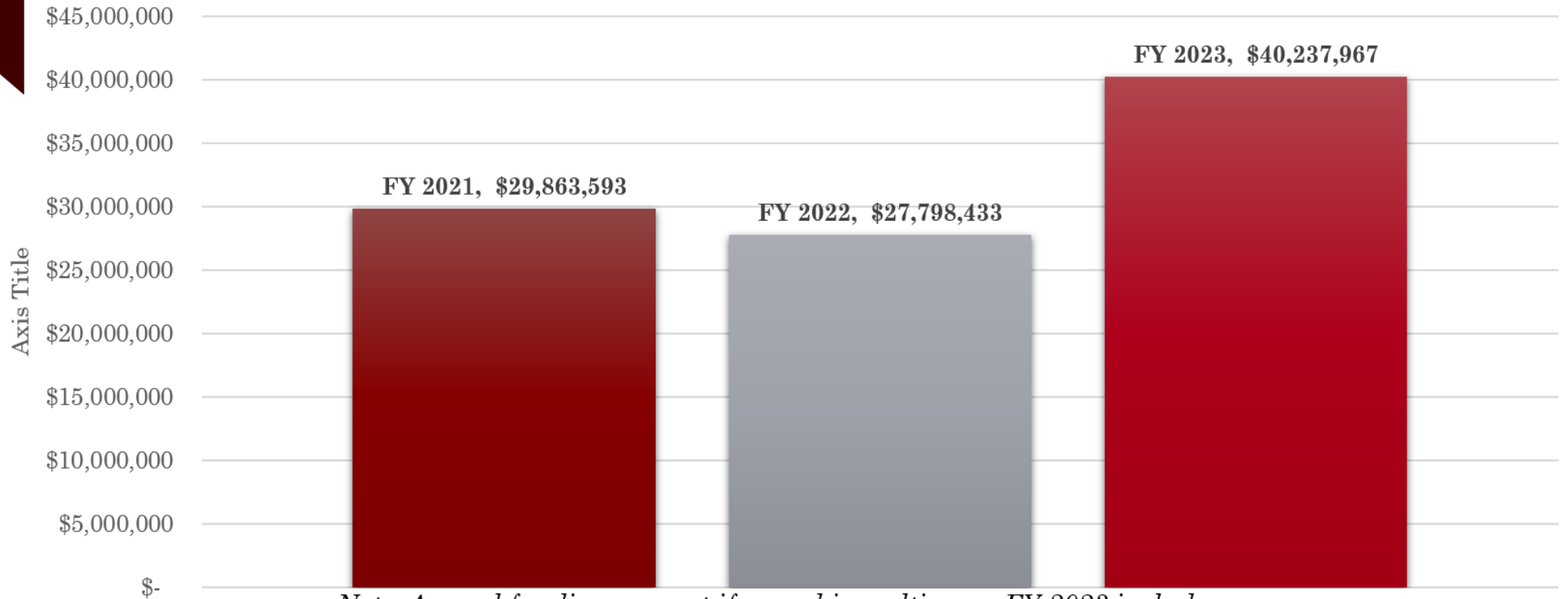
# Award Funding Requested

September to July



# Award Funding Received

September - July



*Note: Annual funding amount if award is multi-year. FY 2023 includes Foundation Awards*

# SELECTED ONGOING & NEW RESEARCH AWARDS



# Center for Justice Research School of Public Affairs



Dr. Howard Henderson  
Baylor College of Medicine/National Institutes of Health  
Child Health and Human Development Extramural Research Subaward  
*“Impacts of Structural Racism on Racial and Ethnic Disparities in Perinatal Health”*  
\$131,121 (05/03/2023-02/29/2024)

## University Partnerships and Transformative Initiatives Office of The President

44



Mr. David Lewis  
Partnership for Education Advancement  
*“Slate Captain Grant”*  
\$120,000 (07/01/2023-06/30/2025)

# Department of Computer Science

## College of Science, Engineering, and Technology

Dr. Wei Lei and Dr. Roderick Holmes  
Prairie View A&M University/National Aeronautics & Space Administration  
*“DEAP Institute in Research and Education for Science Translation via Low-Resource  
Neural Machine Translation Subaward”*  
\$300,000 (03/06/2023-03/05/2026)



# Fiscal Year 2024

## Department of Computer Science College of Science, Engineering, and Technology



National Science Foundation

*“Collaborative Research: CISE-MSI:DP:CNS: Enabling On-Demand and Flexible Mobile Edge Computing with Integrated Aerial-Ground Vehicles Grant”*

\$200,000 (10/01/2023-09/30/2026)

## Department of Educational Administration and Foundations College of Education

46



Dr. Lillian Poats

National Science Foundation

*“Conference: Equity, Innovation, and STEAM – Strengthening the R&D Connections”*

\$236,606 (09/01/2023-08/31/2025)

# Updated Division of Research & Innovation Website

Students Faculty/Staff Alumni Visitors

TSU  
TEXAS SOUTHERN UNIVERSITY

MyTSU Apply Give Search

ABOUT ADMISSIONS ACADEMICS ATHLETICS CAMPUS LIFE TSU ONLINE

EVENTS

**DIVISION OF RESEARCH & INNOVATION (DRI)**

[home](#) > [about](#) > [administration](#) > [division of academic affairs](#) > [research - home](#)

Welcome to the Division of Research & Innovation (DRI)!

We are excited about our new layout, in addition, we will have more interesting information for our TSU family and visitors. Check back often, as we will be publishing the new pages and new format as they are completed.

News & Information

**Press Release**

The Greater Houston Partnership and the

47

<https://www.tsu.edu/about/administration/division-of-academic-affairs-and-research/research/>

*Thank You Ms. Rhonni Dixon and the OIT Team*

# DRI: “THE HANDS THAT BUILD”





**T**

**TEAMWORK**

is our strength. We, at TSU, believe that working together, we achieve more.

**S**

**STUDENT SUCCESS**

**FIRST** in everything we undertake; if students see it, they can do it.

**U**

**UNPRECEDENTED**

in our resolve to succeed and be **ACCOUNTABLE** for what we do.

**P**

**PROUD**

to be an **INDEPENDENT, URBAN UNIVERSITY**, committed to **SERVING OUR STUDENTS & COMMUNITY**.

**R**

**RESEARCH-DRIVEN**

and resolved in our commitment to **COLLABORATION** and **EXCELLENCE**.

**O**

**OPTIMISTIC**

in our ability to be **INNOVATIVE AND ENTREPRENEURIAL** in deriving and advancing new ideas.

**U**

**UNITED**

in everything we do, **UNBEATABLE** at what we do, and **UNRELENTING** in our approach to progress.

**D**

**DISTINCT**

in our academic programs and in **DIVERSITY** of thought.

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval Regarding Fiscal Year 2024 Operating Budget

**DATE PREVIOUSLY SUBMITTED:** June 15, 2023

**SUMMARY:**

Approval is requested for the Fiscal Year 2024 Operating Budget for the period September 1, 2023 to August 31, 2024.

**SUPPORTING**

**DOCUMENTATION:** FY24 Operating Budget

**FISCAL NOTE:** NONE

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/04/2023  
**DATE**

# FY2024 PROPOSED OPERATING BUDGET

August 17, 2023



**Student Success  
and Enrollment**

**Faculty &  
Academic Needs**

**Operational and  
Financial  
Efficiency**

**Public Safety  
Marketing And  
Development**

**Procurement,  
HUB, Facilities and  
Maintenance  
Upkeep**



# FY 2022 – FY 2024 OPERATING BUDGET

Texas Southern University  
Operating Budget Summary

Source: Banner - Budget Office

Fiscal Year: 2024 Proposed Budget Scenarios Compared with Prior Fiscal Years as of July, 2023

Expenses Category	FY 2022 Board Approved	FY 2023 Board Approved	FY 2023 Base Budget Per Banner Financials	FY 2023 Current Adjusted Budget	Year to Date Expenses + Encumbrances (July/23)	FY2024 Preliminary Proposed Budget	FY2024 FINAL Proposed Budget 4.0% Reduction
<b>Expenses Category</b>	<b>198,881,946</b>	<b>179,962,841</b>	<b>202,296,112</b>	<b>191,409,901</b>	<b>160,257,305</b>	<b>183,031,077</b>	<b>175,649,834</b>
Salary and Wages	89,332,264	78,319,117	78,562,564	83,821,802	72,881,607	79,276,002	77,604,962
Benefits	22,418,751	19,286,413	28,418,045	20,231,785	15,221,538	23,132,362	22,597,068
Travel			3,280,765	1,399,238	1,714,969	600,466	576,448
Food			1,682,163	874,778	765,493	826,204	793,156
General Operating	38,037,612	37,190,208	50,299,194	50,811,199	31,193,052	34,130,491	31,265,271
Capital			3,872,948	1,892,924	2,127,031	2,087,187	2,003,699
Utilities	6,296,626	6,422,384	6,474,809	8,103,088	5,943,896	8,718,478	8,369,739
Debt Service	12,584,295	9,692,143	9,692,143	9,692,143	9,008,150	15,372,288	14,757,396
Scholarships	18,995,500	16,977,885	16,980,222	14,201,174	21,401,569	18,887,598	17,132,095
Designated Reserves	11,216,898	12,074,691	3,033,258	381,770	-	-	550,000

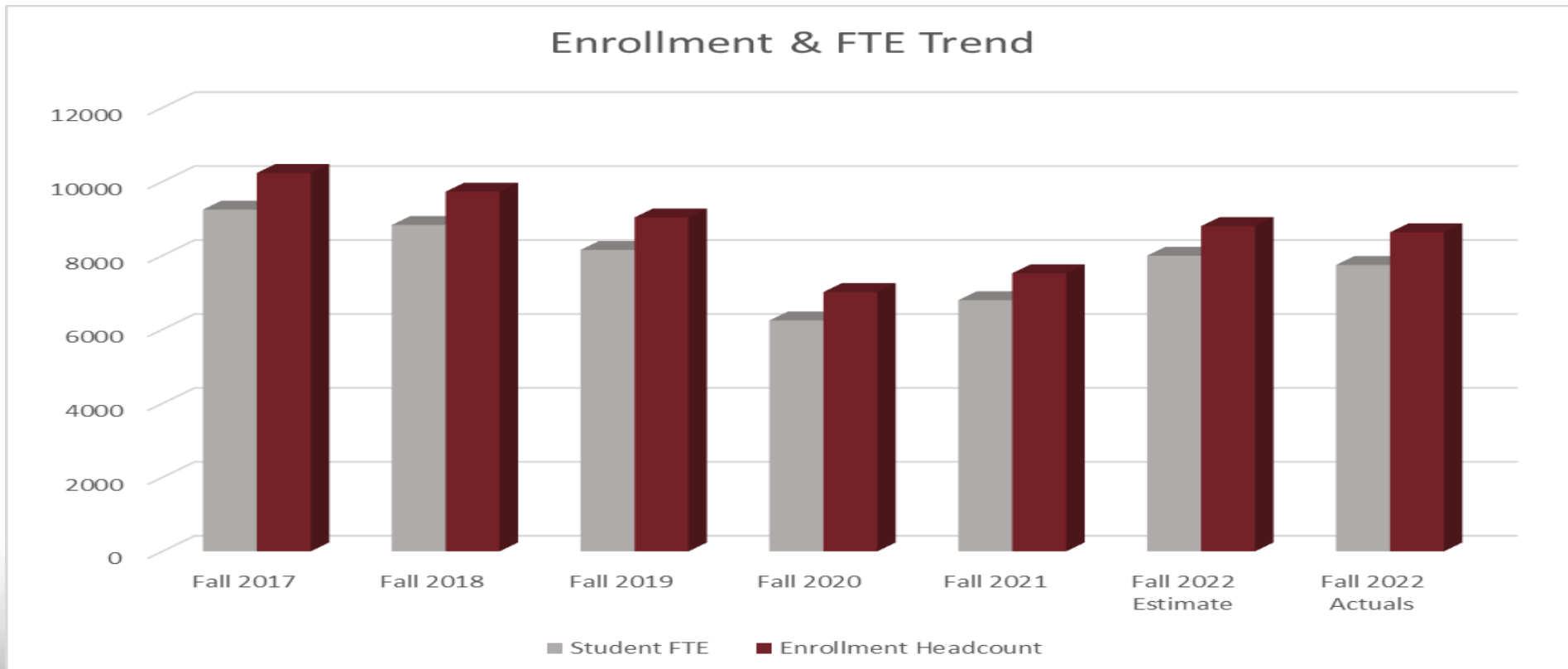


TEXAS SOUTHERN UNIVERSITY

- ❖ This is a proposed budget, the process for which was started in February 2023
- ❖ The personnel extract was from the positions roster as of February 2023 initially updated to include 41 approved positions. Directives provided then updated to include a collaborative process with inputs from our President, Board Regents, and leadership comprising of faculty and staff.
- ❖ Some expenditure items may be consolidated to optimize funding source.
- ❖ The budget assumes Fall 2023 headcount of 8368 and Full-Time Student Equivalent of 7531
- ❖ Includes 3% pay increase for Full-Time employees on the roster with the University as of December 31, 2022. That pay increase would begin on February 1, 2024.
- ❖ Benefits are calculated approximately at 26%



# STUDENT FTE & ENROLLMENT HEADCOUNT



FTE & Headcount	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Student FTE	9245	8829	8155	6248	6794	8000	7531
Enrollment Headcount	10237	9732	9034	7015	7524	8800	8368

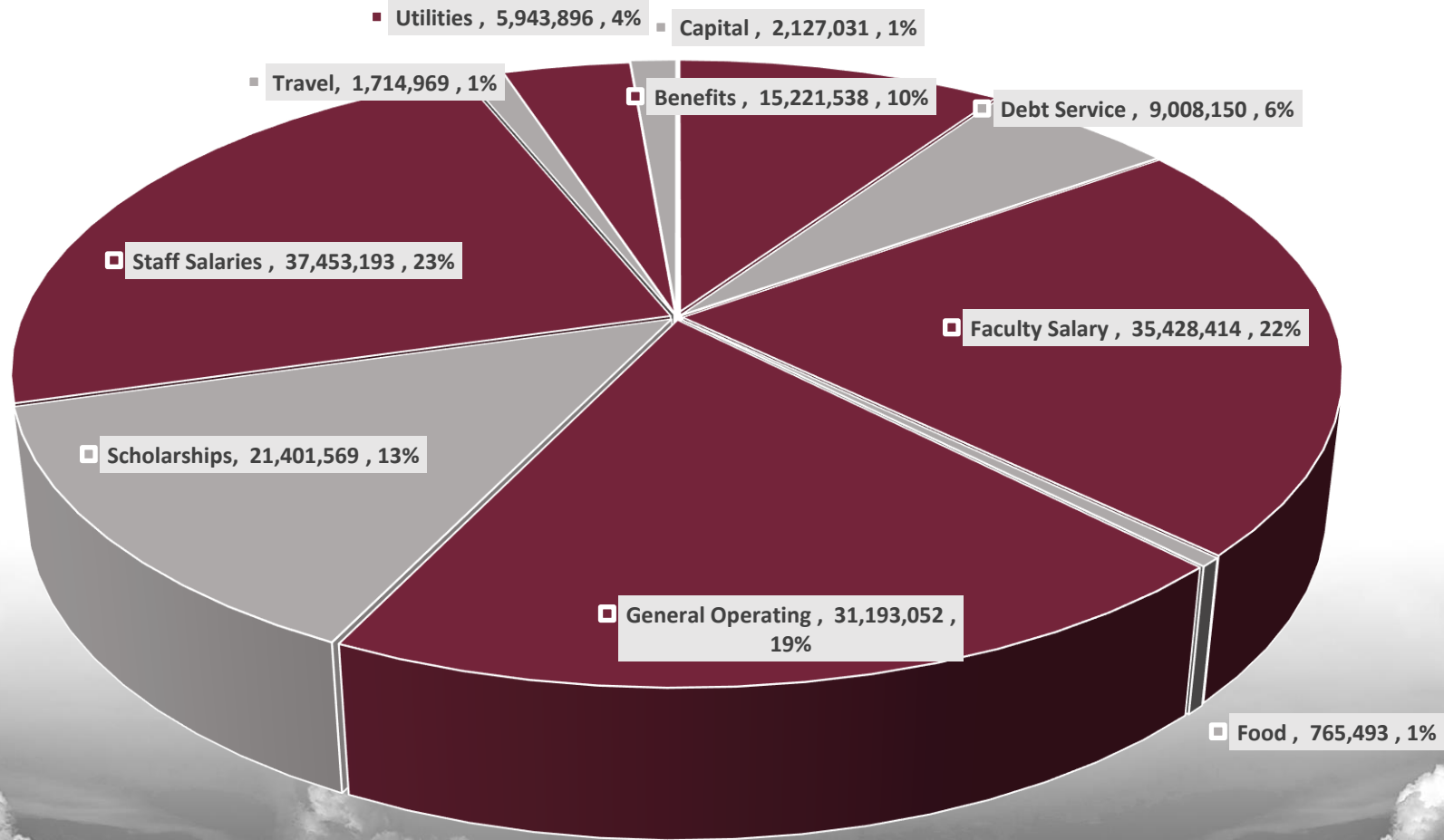


# FY2023 SOURCES AND USES OF FUNDS

Expenses Category	Actual Expenditures	Encumbrances	Total
1. Faculty Salaries	31,396,691	4,031,723	35,428,414
2. Staff Salaries	31,980,492	5,472,701	37,453,193
3. Benefits	15,221,538	---	15,221,538
4. Food	682,620	82,873	765,493
5. Travel	1,706,838	8,131	1,714,969
6. General Operating	26,656,800	4,536,253	31,193,052
7. Capital	2,100,081	26,949	2,127,031
8. Utilities	5,382,691	561,205	5,943,896
9. Debt Service	9,008,150	---	9,008,150
9a. Scholarships	21,401,569	---	21,401,569
9b. Designated Reserves	---	---	---
<b>TOTAL</b>	<b>\$145,537,470</b>	<b>\$14,719,835</b>	<b>\$160,257,305</b>



# FY2023 YEAR-TO-DATE-EXPENSES



Benefits Debt Service Designated Reserves Faculty Salary Food General Operating Scholarships Staff Salaries Travel Utilities Capital





# TSU UNPRECEDENTED PROUD RESEARCH-DRIVEN OPTIMISTIC UNITED DISTINCT

our strength. We, TSU, believe that working together, we achieve more.

**FIRST** in everything we undertake; if students see it, they can do it.

in our resolve to succeed and be **ACCOUNTABLE** for what we do.

to be an **INDEPENDENT, URBAN UNIVERSITY**, committed to **SERVING OUR STUDENTS & COMMUNITY**.

and resolved in our commitment to **COLLABORATION** and **EXCELLENCE**.

in our ability to be **INNOVATIVE AND ENTREPRENEURIAL** in deriving and advancing new ideas.

in everything we do, **UNBEATABLE** at what we do, and **UNRELENTING** in our approach to progress.

in our academic programs and in **DIVERSITY** of thought.

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval/Ratification for Staff Augmentation to Support Office of Information Technology

**DATE PREVIOUSLY SUBMITTED:** April 15, 2023

**SUMMARY:**

Approval/Ratification is requested to contract with the vendors listed below for IT staffing services.

- Robert Half Services procured through a cooperative (Choice Partners: 021-063SG-06). Robert Half is not a HUB vendor. As a publicly-traded company, Form 1295 is not required.
- Global Services procured through a cooperative (DIR: CPO-4528). Global Source is not a HUB vendor. As a publicly-traded company, Form 1295 is not required.
- Columbia Advisory Group procured through a cooperative (E&I Cooperative Contract # CNR01469). Columbia Advisory Group is not a HUB vendor. As a publicly-traded company and a 1295 Form submitted.

Contract Term: September 1, 2023 to February 29, 2024.

**SUPPORTING DOCUMENTATION:** Quotes Attached  
(Under Separate Cover)

**FISCAL NOTE:** Under Separate Cover

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

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/10/23  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/10/23  
\_\_\_\_\_  
DATE

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Debt Policy

**DATE PREVIOUSLY SUBMITTED:** 2022

**SUMMARY:**  
Provide information regarding Debt Policy

**SUPPORTING DOCUMENTATION:** Debt Policy

**FISCAL NOTE:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

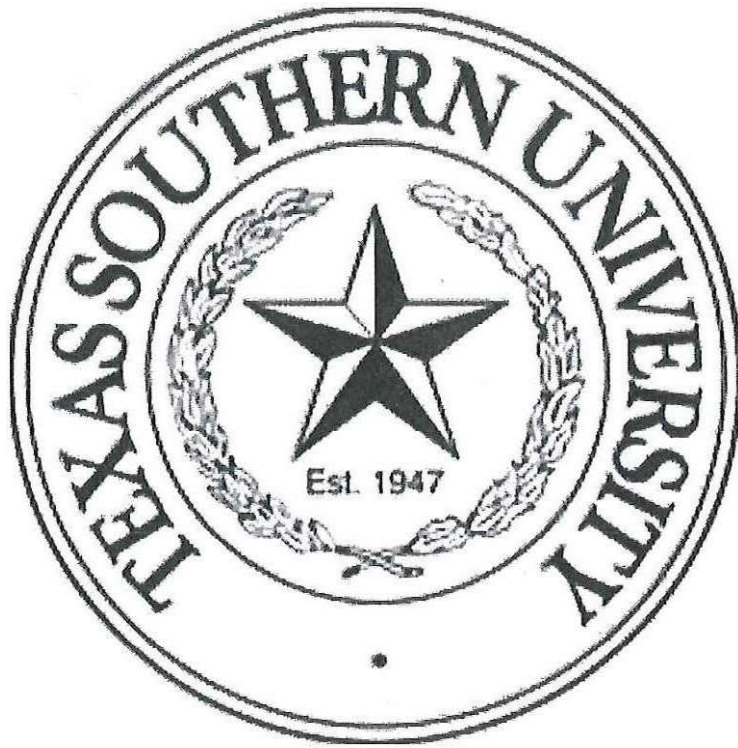
  
\_\_\_\_\_  
**ACTING GENERAL COUNSEL**

08/07/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/07/2023  
**DATE**



Texas Southern University  
Debt Policy

August 2022

## **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~~, 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~~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
- Texas Government Code, Chapter 1207 - Refunding Bonds
- 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.

---

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

---

**Interim President, Texas Southern University**

**Date of Board Approval**

## **VII. CONTACT INFORMATION**

Questions or comments regarding this Rule should be directed to

- Devi Bala – Vice President for Administration and Finance: [devi.bala@tsu.edu](mailto:devi.bala@tsu.edu)
- Edward Gantt - Director of Treasury and Endowments: [edward.gantt@tsu.edu](mailto:edward.gantt@tsu.edu)

## **VIII. REVIEW AND RESPONSIBLE PARTIES**

Responsible Parties: **Treasury Department**

Review: **Annually**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Endowment Performance & Update (May 31, 2023)

**DATE PREVIOUSLY SUBMITTED:** None

**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:** Atlanta Consulting Group TSU Endowment Reports – May 31, 2023  
(Under Separate Cover)

**FISCAL NOTE:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/07/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/07/2023  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** FY23 Sources & Uses of Funds Report

**DATE PREVIOUSLY SUBMITTED:** None

**SUMMARY:**

The current report is presented as information based on the usages of funds for FY23.

**SUPPORTING DOCUMENTATION:** FY23 Sources & Uses of Funds Report  
(Under Separate Cover)

**FISCAL NOTE:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/07/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/07/2023  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Development and Legislative Affairs

**ITEM:** Review of Efforts and Results of the 88th Texas Legislative Session

**DATE PREVIOUSLY SUBMITTED:** 2023-08-07

**SUMMARY:**

The 88th Regular Session of the Texas Legislature, which convened on January 10, 2023, was primarily driven by an unprecedented budget surplus. Going into session, the Comptroller of Public Accounts forecasted an extra \$27 billion in the two-year budget and that lawmakers would also see an increase in their savings account, also known as the Economic Stabilization, or Rainy Day, Fund. However, that figure was later updated to \$32.7 billion, and state revenue from all sources was expected to reach a historic \$342.3 billion for the 2024-25 biennium — including \$108 billion in federal income and about \$68 billion from other revenues, such as fees, both of which are dedicated for specific purposes and thus not available for general-purpose spending.

In the November election, which determined the partisan makeup of the Legislature, the GOP increased their House majority by one, reaching an 86-64 advantage in the 150 member chamber. Although this majority has shrunk since the Republican tidal wave of 2011 when they held a two-thirds majority, it has increased since the 2018 midterm election when they decreased to 83. The Senate also saw an increase in the Republican majority from 18-13 in the last session to 19-12 in this session after gaining an additional Republican seat in South Texas. It's worth noting that the GOP continues to control all statewide elected positions, with no Democrat winning a statewide seat since 1994.

While the Senate's presiding officer was chosen during the November election, the House was required to elect its chair. Representative Dade Phelan of Beaumont, the returning Speaker of the House, was nominated by his fellow members and faced one challenger, Representative Tony Tinderholt of Arlington. Phelan received 146 votes, Tinderholt received 3 votes, and there was 1 member present not voting. Notably, one of Tinderholt's votes came from Rep. Bryan Slaton who was later expelled from the House following credible accusations of improprieties. Slaton's expulsion was the first for Texas' lower chamber in nearly 100 years.

A major issue that bubbled up over this previous interim was whether members of the minority party (Democrats) should be appointed to chair committees. Lieutenant Governor Patrick stated that he would only appoint one Democrat, Senator John Whitmire of Houston, and once he was done serving, the chair would go to a Republican. Speaker Phelan selected Democrats to chair eight of the 34 standing committees, down from the 13 he appointed in 2021 at the start of the 87th legislative session.

After 140 days of hearings, headlines, and contentious debates, a total of 1,259 bills were passed by both chambers out of the 8,345 bills filed. Of those, 13 will be put forward to voters as amendments to the state constitution, 1,038 bills were signed by the Governor, 131 bills will become law without the Governor's signature (similar but opposite to the federal pocket veto), and 77 bills were vetoed by the Governor. The budget included a line item veto, though the vast majority was signed into law. You can find the list of vetoes here or summarized below.

Almost immediately after the gavels struck their sounding blocks, signaling the end of session, Governor Abbott called legislators back for an immediate special session. The legislature had failed to reach a compromise on two important issues: border security and property taxes. Efforts to reach a property tax-cut deal continued until the last day of the

session but were ultimately unsuccessful. The failure to reach an agreement on property tax savings is considered by many to be the most disappointing outcome of session since legislators had promised to use a significant portion of the record surplus for tax cuts. Disagreements arose from differences in proposals to either tighten the cap on annual increases in taxable value, increase the homestead exemption, or compress the school portion of the property tax rate. As of publication, the House and Senate have yet to come to a final agreement.

Lawmakers also failed to pass a school funding bill before a key deadline, resulting in its failure. Without this bill, school districts will not receive significant additional funding to increase teachers' salaries or balance their budgets. The bill underwent changes in the Senate, including the addition of education savings accounts that would allow parents to use taxpayer money for private school tuition, what some call vouchers. However, lawmakers could not reach an agreement, with the Senate unwilling to compromise on vouchers and the House trying to find a middle ground that could gain sufficient votes amongst its membership. This marks another defeat for school vouchers, as Democrats and rural Republicans have historically opposed them due to concerns about diverting funds from public schools. Notably Governor Greg Abbott has been heavily advocating for "parental choice" including campaigning across the state. This will likely come up again in the near future.

At the end of the session, the House announced the results of its internal investigation of Attorney General Ken Paxton, a powerful and controversial Republican figure in the state. The 20 articles of impeachment filed in the Texas House accused Paxton of a range of criminal acts, including disregarding his official duties, misusing his power, misapplying public resources, engaging in bribery, obstructing justice, making false statements in official records, and abusing public trust. Paxton has been suspended from his office while awaiting trial in the Texas Senate, and Governor Greg Abbott appointed former Secretary of State John Scott to temporarily run the agency in Paxton's absence. Paxton has faced criminal investigations and accusations of wrongdoing for some time, and according to the House managers of the effort, the impeachment process was triggered by his request for \$3.3 million in taxpayer funds to settle a lawsuit brought by former staffers. In Texas, the House has the power to impeach, while the Senate conducts impeachment trials for elected executives and judges. If convicted by a two-thirds majority vote in the Senate, Paxton will be permanently removed from office.

While there were conservative victories, such as the ban on puberty blockers and hormone treatments for transgender children; providing state funds for loans to upgrade or build new gas-fueled power plants; and eliminating diversity, equity, and inclusion (DEI) offices on public college campuses, there were also successful bipartisan initiatives. Lawmakers voted to create a \$3 billion endowment fund for a group of public universities; allocate \$1 billion for water infrastructure improvements; and dedicate \$1.5 billion to expand broadband internet access in the state. Community colleges also saw an infusion of over \$650 million as part of the state's funding overhaul for two-year schools. Though the legislature's work is clearly not done and will be addressed in several more special sessions until the 89th regular session begins in 2025.

#### Governor's Priorities

Governor Greg Abbott devoted the bulk of his 2023 State of the State address to laying out his top priorities for the 88th Texas Legislature including his designation of seven emergency items. The Texas Constitution limits the House and Senate from passing legislation during the first 60 days of a regular session. There are only two exceptions: when four-fifths of either chamber votes to suspend that rule or if the governor declares the matter an emergency. Following the Governor's message to the chambers, lawmakers could immediately take up the priority items below. Of those items, three passed, four failed, and two were added to an immediate special session call. Education freedom or school choice will likely be added to a later special session.

- Cutting Property Taxes (As described herein, the Legislature failed to finalize a property tax deal during the regular session and they are now in special session for this issue. The first called session of the 88th is set to end on June 28, 2023.)
- Ending COVID-19 Restrictions (the Legislature passed SB 29 which prohibits governmental entities from enforcing a vaccine, mask, or stay at home order for COVID-19. However, some conservatives have pushed for prohibiting all entities, including private businesses, from requiring a COVID-19 vaccine.)
- Education Freedom also known as "school choice" or "vouchers" (Like other education related priorities, both

chambers failed to make a deal as session ended. Governor Abbott has hinted this will be the subject of a fall special session.)

- School Safety (As described herein, the Legislature approved HB 3 which enhances the enforcement of security procedures and gives the state additional oversight.)
- Ending “Revolving Door” Bail (The Legislature again failed to pass a constitutional amendment to limit bail for certain egregious crimes.)
- Securing the Border (Though the Legislature included \$5.1 billion for this purpose, they failed to pass significant policy changes. The Governor added this issue to the special session call.)
- Fighting the Fentanyl Crisis (The Legislature passed HB 6 which will allow for a murder charge to be applied for fentanyl poisoning which differs from a conventional overdose scenario.)

#### Lieutenant Governor Priorities

The Lieutenant Governor (also called the President of the Senate) typically reserves a number of low numbered bills to signal the priorities of that chamber. Of the 30 low numbered bills reserved in the Senate, 13 eventually became law. Those include:

- SB 10 by Sen. Huffman (along with HJR 3 by Bonnen) as described herein will provide a cost of living adjustment to certain retirees under the Teachers Retirement System.
- SB 12 by Sen. Hughes as described herein will limit certain sexually oriented performances and ensure that individuals younger than 18 cannot be legally present.
- SB 14 by Sen. Campbell will prohibit physicians and other health care providers from performing procedures and providing treatments for gender transitioning, gender reassignment, or gender dysphoria for individuals under 18 years old.
- SB 15 by Sen. Middleton will prohibit college athletes from competing on the team opposite to their biological sex, except that an intercollegiate athletic team may allow a female to compete in an intercollegiate athletic competition that is designated for male students if a corresponding competition for females is not offered or available.
- SB 17 by Sen. Creighton will prohibit public institutions of higher education from establishing or maintaining DEI offices, officers, employees, or contractors that perform the duties of a DEI office. The bill also prohibits requiring DEI related training.
- SB 18 by Sen. Creighton as described herein will reform tenure granted by public institutions of higher education. It will require tenure to only be granted by the governing board (typically boards of regents) and remove any property interest associated with tenure. It also requires institutions to create a policy regarding tenure which include a process for removal under certain circumstances.
- SB 22 by Sen. Springer will establish the rural sheriff's office salary assistance grant program and the rural prosecutor's office salary assistance grant program to help increase the productivity of rural sheriff's offices and rural prosecutor's offices and ensure professional law enforcement and legal representation of the people's interests throughout the state.
- SB 24 by Sen. Kolkhorst will consolidate support programs including the Prevention and Early Intervention division at the Department of Family and Protective Services (DFPS), to the Family Support Services division within the Health and Human Services Commission. Additionally, the bill codifies the Thriving Texas Families Program (formerly, the Alternatives to Abortion program) in order to fund services to families to promote healthy pregnancy, childbirth, and family formation; and help families achieve economic self-sufficiency.
- SB 25 by Sen. Kolkhorst will establish grant programs to support nursing education and training and allow part-time nursing faculty to be eligible for loan repayment assistance. The goal of this legislation is to dedicate more funds directly to scholarships for nursing students.
- SB 26 by Sen. Kolkhorst will expand mental health capacity, especially for children and adolescents, through the creation of an innovation grant program. The bill also provides for a structured methodology for transitioning patients out of State Hospitals and promotes transparency and accountability for the Texas community-based mental and behavioral health systems by requiring regular performance and financial audits and to increase data reporting related to the populations they serve.
- SB 28 by Sen. Perry and SJR 75 as described herein will create the New Water Supply for Texas Fund, the statewide water public awareness account, and the Texas Water Fund to provide financial assistance to address these pressing water challenges.
- SB 29 by Sen. Birdwell will prohibit governmental entities from implementing or enforcing a mask requirement,

vaccine mandate, or stay at home order regarding COVID-19. There are limited exceptions for certain health care related facilities.

- SB 30 by Sen. Huffman as described herein is the Supplemental Appropriations Bill which allocates state funding for the remaining part of the FY 2022-2023 biennium.

#### Speaker of the House Priorities

Of the 20 low numbered bills reserved by the Speaker of the House, and considered to be priorities of that chamber, 12 eventually became law. Those include:

- HB 1 by Rep. Bonnen as described herein is the Biennial State Budget which allocates state funding for the upcoming FY 24-25 biennium.
- HB 3 by Rep. Burrows as described herein will expand the state's role in school safety and require armed guards at campuses.
- HB 4 by Rep. Capriglione also known as the Texas Data Privacy and Security Act, will grant Texans new online rights, including the ability to crack down on how companies collect, and at times profit from, their personal data.
- HB 5 by Rep. Hunter as described herein will provide property tax abatements for large infrastructure projects, similar to the previous Chapter 313.
- HB 6 by Rep. Goldman will impose severe and swift punishment for fentanyl-related crimes such as increasing the penalty for manufacturing or delivering less than one gram of fentanyl to a third-degree felony that is punishable by up to 10 years in prison.
- HB 8 by Rep. VanDeaver will establish a new funding model for community colleges in Texas that recognizes and rewards such institutions for the important role they play with awarding associate degrees, non-credit workforce education programs, and other credentials of value that will be required in more than 60% of jobs in the state over the next decade. House Bill 8 will also create a new scholarship program, increasing the opportunity for economically disadvantaged high school students to enroll in dual credit courses, and expand access to higher education opportunities across the state by creating new shared services for institutions through the Texas Higher Education Coordinating Board, enabling colleges to expand their range of offered academic and workforce programs.
- HB 9 by Rep. Ashby as described herein will create the Texas Broadband Infrastructure Fund to administer the state's broadband development program, foster community outreach for expansion and affordability efforts and ensure the universal service program is fully funded, among other things. Under this bill, Texas Legislature will have guidance over the appropriations of the fund and maintain flexibility to address rapidly-evolving technology and consumer needs.
- HB 12 by Rep. Rose as described herein will extend Medicaid eligibility to new mothers in Texas to a year after the delivery of their child, significantly increasing the length of time moms can access critical postpartum health coverage.
- HB 14 by Rep. Cody Harris will streamline the approval process for property development and building reviews, requiring cities and counties that fail to complete such projects in a timely manner to utilize third-party reviewers.
- HB 17 by Rep. Cook will ensure that criminal laws are enforced uniformly across the state by prohibiting district and county attorneys from announcing, adopting, or implementing policies that prevent or materially limit the enforcement of certain criminal offenses in Texas. Under this law, this prohibition will be included in the state's definition of "official misconduct" for purposes of petitioning a local court for removal of a district or county attorney.
- HB 18 by Rep. Slawson also known as the Securing Children Online through Parental Empowerment (SCOPE) Act, will equip Texas parents with tools to keep their children safe online, including the ability to put a stop to addictive algorithms and prevent companies from collecting private information.
- HB 19 by Rep. Murr will create a business court system in Texas, strengthening the state's already strong pro-business reputation that has driven economic and job growth to the state. A specialized court system for complex business cases in the state will establish a new avenue for those companies to solve their legal matters in a fair, streamlined, and consistent manner.

#### Major Legislation Summaries

Property Tax Relief - Notably this was likely the greatest priority to most legislators since it affects every constituent whether they are homeowners, renters, or business owners. Without a state income tax, Texas has come to rely on the property tax to fund many local services such as schools, cities, counties, and hospital districts. During the interim, Governor Abbott declared that at least half of the projected surplus should go to lowering property taxes. Both the House

and Senate included a placeholder provision to dedicate \$15 billion for property tax relief (this total would increase to over \$17 billion when the Comptroller announced the state would have additional revenue). The chambers then introduced difference proposals to accomplish that goal. The Senate opted to increase the current homestead exemption amount and increase the compression of school property tax. The House's proposal instead would have lowered the appraisal cap which would have decreased the amount a property tax appraisal could grow year over year. Unlike the current cap on the growth of homestead properties, this would have applied to all homes, apartments, and businesses. Many tax experts warned that this would have substantial negative side effects including distorting the housing market and would not actually lower property owner's taxes.

After weeks of stalemate and a compromise appearing elusive, both chambers adjourned without a final plan. Both Governor Abbott and Lieutenant Governor Patrick took to social media to encourage a final resolution and promote their preferred plans. Governor Abbott then immediately called lawmakers back for a special session to address this issue and approve select border security related measures. The Senate quickly passed an amended version of their original plan which included the increase in the homestead tax exemption and an increase in property tax compression that Governor Abbott had requested (meaning the state would take a greater share of school funding, but would leave school funding constant, thus decreasing that portion of the property tax rate). The House came into session, abandoned their previous plan for appraisal caps, and instead put the entire \$17.2 billion into additional compression. Patrick assailed this plan as primarily benefiting businesses and owners of higher value properties. He believes the Senate's plan is more egalitarian and helps those with lower home values and in more rural parts of the state. As of this publication, a deal has yet to be reached to end the stalemate. Though given the political salience of this issue, it is likely to continue until a resolution has been agreed to.

**Banning Diversity, Equity, and Inclusion** - Texas lawmakers have reached an agreement to ban diversity, equity, and inclusion (DEI) offices, programs, and training at public universities. If signed into law by Governor Greg Abbott, Texas would become the second state, after Florida, to implement such a ban. The legislation prohibits universities from creating DEI offices, hiring employees for DEI work, or requiring DEI training for employment or admission. It also restricts hiring practices to be color-blind and sex-neutral. The bill does not affect course instruction, faculty research, student organizations, guest speakers, data collection, or admissions. Critics argue that DEI programs promote left-wing ideology and prioritize social justice over merit, while proponents say they support lifting up historically marginalized groups including veterans and individuals with disabilities. Faculty and students have opposed the legislation, expressing concerns about potential impacts on federal and private grants. The final bill includes a provision allowing Texas universities to submit a statement highlighting their efforts to support first-generation college students, low-income students, and underserved populations if required by federal granting or accreditation agencies.

**Tenure Survives** - A year and a half ago, Lt. Gov. Dan Patrick proposed getting rid of tenure for faculty at Texas public universities, a long-standing practice that ensures job security for professors. However, in a surprising turn of events, senators have now accepted the House's counterproposal, which preserves tenure and gives more control over future changes to lawmakers instead of individual university boards. The bill, Senate Bill 18, aims to improve accountability and address concerns about faculty members not meeting the university's standards. It will now go to Gov. Greg Abbott for approval.

The push to eliminate tenure came after a group of University of Texas at Austin faculty defended academic freedom, particularly in response to the Legislature's ban on teaching "critical race theory" in K-12 schools. Lt. Gov. Patrick accused the faculty of promoting societal division and disregarding the law. Throughout the tenure debate, Republican lawmakers have mischaracterized tenure as a "lifetime appointment," ignoring the fact that universities already have mechanisms to remove tenured faculty in cases of misconduct. Critics worry that the House version of the bill, while preserving tenure, could still be misused to dismiss faculty members based on vague reasons. They argue that codifying tenure policies in state law restricts universities from developing their own effective practices.

#### Summary of the State Budget

SB 30 by Huffman is the supplemental appropriations bill. It allocated an additional \$13.2 billion in All Funds and \$7.36 billion in General Revenue Funds for the 2022-2023 biennium. This additional appropriation brings FY 22-23 totals to \$368.1 million under the constitutional spending limit. Of those totals, some highlights of SB 30 include:

- Reducing Foundation School Funding by \$8.42 billion in GR. The net savings results primarily from increased District Property Value growth which necessitated less state spending, lower-than-anticipated average daily attendance, and increased non-General Revenue Funds revenues.
- Providing \$2.5 billion in General Revenue Funds and \$4.7 billion in Federal Funds to cover additional costs related to Medicaid (the Medicaid shortfall).
- Continuing the state's school safety investment with \$1.1 billion in GR to assist school districts in implementing safety initiatives.
- Investing \$1.4 billion in All Funds for semiconductor innovation projects, including a \$698.3 million transfer from GR to the Texas Semiconductor Innovation Fund, \$440 million in GR to the University of Texas at Austin, and \$226.4 million in GR to Texas A&M University System.
- Allocating \$2.15 billion in GR for the construction of state hospitals and additional inpatient capacity.
- Transferring \$200 million in GR to the Port Access Account Fund for maritime port capital improvement projects.
- Providing \$125.0 million in General Revenue Funds to the Texas Parks and Wildlife Department for acquisition of park property.
- Investing \$1 billion in GR to be deposited to the Texas Water Fund to assist in financing water projects in this state, contingent legislation establishing the fund.
- Providing \$625 million in GR to recapitalize the Flood Infrastructure Fund and \$125 million in state match for federal Infrastructure Investment and Jobs Act funds for the Clean Water and Drinking Water Revolving Fund programs.
- Creating the Texas University Fund, a \$3 billion endowment for the University of Houston, Texas Tech University, University of North Texas, and Texas State University.
- Providing a 5% salary increase for classified state employee. The General Appropriations Act provides two additional 5% salary increases.
- Including a one-time legacy payment of \$900.0 million in GR to the Employees Retirement System of Texas for the system's unfunded actuarial liabilities to reduce long-term interest costs.
- Allocating \$155 million in GR for the Moving Image Industry Incentive Program and \$150 million to the Texas Enterprise Fund.

HB 1 (Bonnen) is the General Appropriations Act for the 2024-2025 biennium. It will allocate \$144.13 billion in GR and \$321.34 billion in All Funds. This is an increase from the previous biennium's spending of 10.53% and 5.95% respectively. This budget is \$1.6 billion under the constitutional spending limit and \$10.7 billion under the pay-as-you-go limit. Some high-level investments include:

- \$17.6 billion for property tax relief, including \$12.3 billion above amounts required by current law, contingent on enactment of legislation. Such legislation did not pass in the Regular session but is included in the Governor's special session call.
- \$5 billion to support the construction, maintenance, and modernization of dispatchable electric generating facilities contingent on enactment of legislation and a constitutional amendment that establishes the Texas Energy Fund.
- \$1.5 billion in GR contingent on legislation relating to the development and funding of broadband and telecommunications services and a constitutional amendment creating the broadband infrastructure fund to assist in the financing of broadband and telecommunications services projects in the state.
- \$5.1 billion for border security efforts coordinated through thirteen state agencies, including \$2.27 billion for the Texas Military Department, \$1.39 billion for the Office of the Governor, and \$1.195 billion for the Department of Public Safety.
- Allocating the remaining \$5.45 billion in American Rescue Plan funding to the Texas Department of Criminal Justice for salaries, benefits, and other eligible agency expenditures.
- \$80.8 billion in All Funds across all three Health and Human Services agencies for Medicaid, including: \$2.0 billion to support community attendant services and \$206.8 million to increase rates for pediatric services, women's health related surgeries, private duty nursing, and ground ambulances.
- \$9.4 billion in All Funds in HB 1 and \$2.2 billion in All Funds in SB 30 for behavioral health and mental health services.
- \$5 billion in additional funding for Public Education, contingent on enactment of legislation. It does not appear that such legislation has passed at this time but may be included on a future special session call.
- Fully funds the Foundation School Program (FSP) under current law, including increases of \$3.2 billion to fund projected enrollment growth, \$2.4 billion for increases in the golden penny yield, and \$60.0 million for the New

Instructional Facilities Allotment.


- \$307 million in funding to districts and charter schools for technology and instructional materials.
  - Increases funding for school safety measures by \$300.0 million (in addition to the \$1.1 billion in SB 30), including grants to districts and charter schools and new statewide initiatives.
  - \$1.8 billion in All Funds, including \$1.3 billion in GR Related Funds, for a 5 percent increase to state employee salaries, with a minimum of \$3,000 per year in fiscal year 2024, followed by another 5.0 percent increase with a minimum of \$3,000 per year in fiscal year 2025. Additional targeted salary increases were provided to agencies with significant staff turnover.
  - Increases funding for highway planning and design, right-of-way acquisition, and construction and maintenance by approximately \$5 billion.
  - \$550 million in GR to provide funds to the Gulf Coast Protection.
  - \$400 million in additional GR to complete remaining Alamo Plan construction and restoration projects.
  - \$1 billion in GR to capitalize the Centennial Parks Conservation Fund for the purpose of establishing state parks, contingent on enactment of legislation.
  - \$302 million for mental health community hospitals, \$199.4 million for mental health state hospital operations, and \$83 million for community mental health grant programs.
  - \$447.2 million in All Funds for women's health programs, an increase of \$160.1 million over current spending.
  - \$1.54 billion for need-based higher education financial aid programs such as TEXAS Grants, Tuition Equalization Grants, Texas Educational Opportunity Grants, Texas Leadership Scholars Program and TEXAS Transfer Grants.
  - An additional \$1.1 billion to fund the formulas at our higher education institutions, contingent on institutions not raising tuition in the next two years.
  - \$1.6 billion for a onetime supplemental annuity payment for certain TRS retirees and \$3.4 billion to provide a cost-of-living adjustment to eligible TRS retirees, contingent on enactment of legislation.
  - \$588.5 million to maintain health insurance premium increases below 10 percent each year for TRS-ActiveCare participants.
  - \$150 million for the Texas Pharmaceutical Initiative contingent on legislation creating it.
- More than \$428 million for community colleges contingent on legislation that will reinvent the formula funding system, focusing on positive outcomes.

**SUPPORTING DOCUMENTATION:** Legislative Affairs PowerPoint

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
 \_\_\_\_\_  
 ACTING GENERAL COUNSEL

8/11/23  
 \_\_\_\_\_  
 DATE

  
 \_\_\_\_\_  
 INTERIM PRESIDENT

8/11/23  
 \_\_\_\_\_  
 DATE



# Texas Southern University Development and Legislative Affairs Board Committee Meeting

77

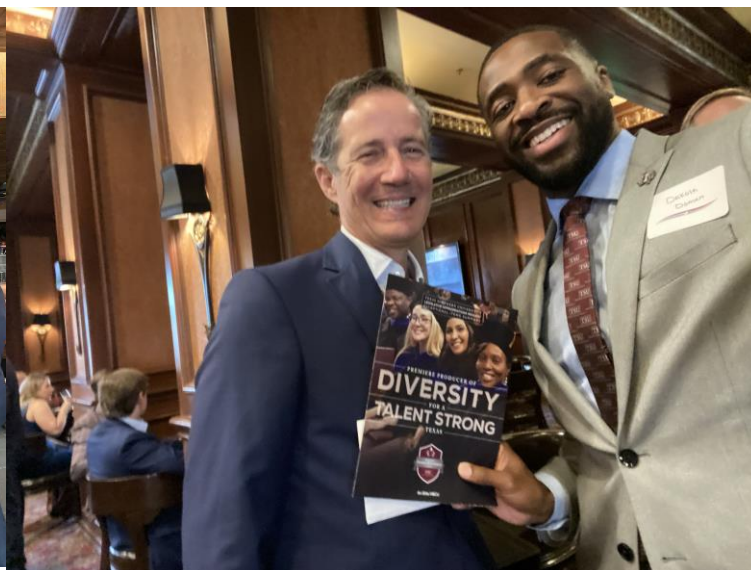
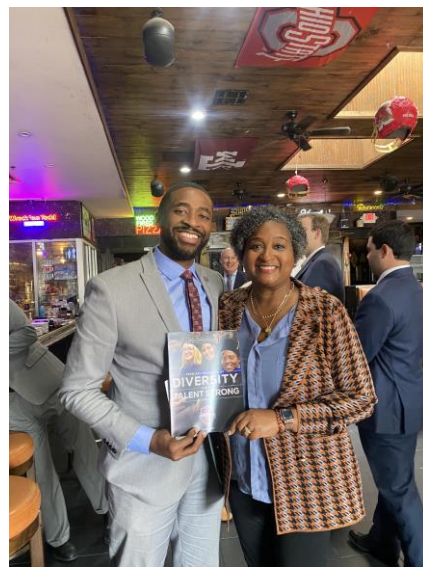
## Legislative Affairs Updates

*Dr. Dakota Doman*

*August 17, 2023*

# Membership Engagement During 88<sup>th</sup> Texas Legislative Regular Session

Senate Higher Education Committee	House Higher Education Committee	Senate Finance Committee	House Appropriations – S/C on Article III	Legislative Budget Board Board Members
Brandon Creighton	John Kuempel	Joan Huffman	Gary VanDeaver	Dan Patrick
	Dennis Paul	Juan “Chuy” Hinojosa		
Mayes Middleton	John Bucy	Paul Bettencourt	Barbara Gervin-Hawkins	Dade Phelan
	DeWayne Burns	Donna Campbell		
Phil King	Dustin Burrows	Brandon Creighton	John Bryant	Brandon Creighton
	Travis Clardy	Pete Flores		
Drew Springer	Sheryl Cole	Bob Hall	Carrie Isaac	Greg Bonnen
	Mary Gonzales	Kelly Hancock		
Royce West	Donna Howard	Bryan Hughes	Armando Martinez	Joan Huffman
	Suleman Lalani	Lois Kolkhorst		
	John Raney	Robert Nichols	Geanie Morrison	Mary Gonzalez
		Angela Paxton		
		Charles Perry	Lois Kolkhorst	
		Charles Schwertner		
		Royce West	Carl Tepper	Morgan Meyer
		John Whitmire		
		Judith Zaffirini	Krona Thimesch	Charles Schwertner
		Armanda Walle		



80



# 88<sup>th</sup> Texas Legislative Regular Session

## Legislative Appropriations Request

*Fiscal Years 24-25*

TEXAS SOUTHERN UNIVERSITY'S  
LEGISLATIVE APPROPRIATIONS REQUEST  
EXCEPTIONAL ITEMS SUMMARY

PREMIERE PRODUCERS OF  
**DIVERSITY**  
FOR A  
**TALENT-STRONG**  
TEXAS



# Exceptional Item Request No. 1: Academic Centers of Excellence

TEXAS SOUTHERN UNIVERSITY'S  
LEGISLATIVE APPROPRIATIONS REQUEST  
EXCEPTIONAL ITEMS

Exceptional Item Request #1:  
**\$414.632 Million**

**ACADEMIC CENTERS OF EXCELLENCE**

**TSUPROUD**

→

*Leveraging existing colleges to create new academic centers of excellence*

Faced with a shortage of workers in critical industries and occupations, TSU is poised to meet the need by creating academic centers of excellence via new consortiums, collaboratives, academies, and institutes in critical areas such as biomedical, pharmaceutical, health sciences, aviation, advanced legal studies, and arts/urban social engagement.

**TSU**  
TEXAS SOUTHERN UNIVERSITY

**TSU.EDU**

# Exceptional Item Request No. 2: Research Amplification Fund

TEXAS SOUTHERN UNIVERSITY'S  
LEGISLATIVE APPROPRIATIONS REQUEST  
EXCEPTIONAL ITEMS

Exceptional Item Request #2:  
**\$163.691 Million**

**RESEARCH AMPLIFICATION FUND**

**TSUPROUD**

→

*Becoming the first R1 HBCU in the nation*

83

TSU is poised to become the first HBCU RI institution in the nation. This investment will ensure our success. TSU currently conducts ground-breaking research that receives national, regional, and local grant funds. TSU continues to create innovative research partnerships that address grand challenges.

**TSU**  
TEXAS SOUTHERN UNIVERSITY

**TSU.EDU**

# Exceptional Item Request No. 3: College of Transdisciplinary Studies

TEXAS SOUTHERN UNIVERSITY'S  
LEGISLATIVE APPROPRIATIONS REQUEST  
EXCEPTIONAL ITEMS

Exceptional Item  
Request #3:  
**\$153.569 Million**

**COLLEGE OF  
TRANSDISCIPLINARY  
STUDIES**

→

*Offering tomorrow's degree today...  
flexibility to the finish line*

With recent approval from the Texas Higher Education Coordinating Board, TSU is launching the state's first College of Transdisciplinary Studies, specifically designed for working professionals who demand speed and flexibility as they reskill & upskill while they finish an uncompleted degree and push their careers to the next level.

TEXAS SOUTHERN UNIVERSITY **TSU.EDU**

# Exceptional Item Request No. 4: Campus Health and Safety Program

TEXAS SOUTHERN UNIVERSITY'S  
LEGISLATIVE APPROPRIATIONS REQUEST  
EXCEPTIONAL ITEMS

Exceptional Item  
Request #4:  
**\$77.713 Million**

**CAMPUS HEALTH  
AND SAFETY  
PROGRAM**

→

*Providing wrap-around services and  
resources for student success*

Every Tiger's eye is on health and safety following the bomb threats that TSU and other HBCUs experienced in 2022. The creation of a comprehensive health and safety program will increase campus-wide community policing, facility enhancements, and highly visible safety resources to guard against threats and other acts of violence.

TEXAS SOUTHERN UNIVERSITY **TSU.EDU**

# Exceptional Item Request No. 5: Mental Health Institute

Exceptional Item Request #5:  
\$26,616,492 Million

**MENTAL HEALTH INSTITUTE**

TEXAS SOUTHERN UNIVERSITY'S LEGISLATIVE APPROPRIATIONS REQUEST EXCEPTIONAL ITEMS

**TSUPROUD**

*Delivering evidence-based mental health services*

Faced with a shortage of workers in critical mental health industries and occupations, TSU is poised to meet the formation of a Mental Health Institute to provide evidence-based services and programs that will combat the statewide rise in mental illness, of which African American students are 20% more likely to suffer from depression and psychological issues.

**TSU**  
TEXAS SOUTHERN UNIVERSITY

**TSU.EDU**

# Exceptional Item Request No. 6: Academic and Student Resource Initiative

Exceptional Item Request #6:  
\$146,286 Million

**ACADEMIC AND STUDENT RESOURCE INITIATIVE**

TEXAS SOUTHERN UNIVERSITY'S LEGISLATIVE APPROPRIATIONS REQUEST EXCEPTIONAL ITEMS

**TSUPROUD**

*Enhancing campus health and safety*

Historically underfunded with regard to faculty and student resources, TSU requests funding to accommodate the growth in student population, including tenure-track faculty, especially those teaching lower division courses, and student-focused initiatives and facilities that will allow our faculty to deliver state-of-the-art instruction.

**TSU**  
TEXAS SOUTHERN UNIVERSITY

**TSU.EDU**

# Five Percent Reeducation Restoration from 87<sup>th</sup> Texas Legislature

- **Budget Restoration**

- Texas Southern University cut base budget funding by 5% per Policy Letter from Legislative Budget Board in July 2020.
- Other Institutions and State Agencies received budget restoration in 87<sup>th</sup> Texas Legislature.

# 88<sup>th</sup> Texas Legislative Regular Session Highlights

## FUNDING

- *\$3 Billion endowment for Texas University Fund*
  - *TTU, UH, UNT, and Texas State*
- *\$156,874,471 TSU Biennium Appropriation*
- *\$5 Million Exceptional Item.*  
*\$12,456,776*
  - **8,345 Bills filed during 88<sup>th</sup> RS**
  - **6,927 Bills filed during 87<sup>th</sup> RS**
  - **7,324 Bills filed during 86<sup>th</sup> RS**

## POLICY

- *SB15 – Save Women’s Sports Act*
- *SB17 – DEI Office Ban*
- *SB18 – Tenure Restriction*
- *SB19/HB1595 – Creation of Texas University Fund*



# General Appropriations Act Biennium Comparison

TEXAS SOUTHERN UNIVERSITY

	FY 22-23	FY 24-25	Diff	Diff
Goal A: Instruction/Operations				
A.1.1. Operations Support	\$55,274,905	\$58,693,940	\$3,419,035	6.19%
A.1.2. Teaching Experience Supplement	\$881,382	\$1,070,810	\$189,428	21.49%
A.1.3. Staff Group Insurance	\$5,934,438	\$4,745,662	-\$1,188,776	-20.03%
A.1.4. Worker's Compensation Insurance	\$416,624	\$416,624	\$0	0.00%
A.1.5. Texas Public Education Grants	\$4,007,016	\$4,784,283	\$777,267	19.40%
A.1.6. Organized Activities	\$81,918	\$95,066	\$13,148	16.05%
<b>Total Goal A: Instruction/Operations</b>	<b>\$66,596,283</b>	<b>\$69,806,385</b>	<b>\$3,210,102</b>	<b>4.82%</b>
Goal B: Infrastructure Support				
B.1.1. E&G Space Support	\$10,635,030	\$12,039,506	\$1,404,476	4.14%
B.1.2. CCAP Revenue Bonds	\$22,963,913	\$29,870,626	\$6,906,713	30.08%
B.1.3. Small Institution Supplement	\$1,571,980	\$720,426	-\$851,554	-54.24%
<b>Total Goal B: Infrastructure Support</b>	<b>\$35,170,923</b>	<b>\$42,630,558</b>	<b>\$7,459,635</b>	<b>18.46%</b>
Goal C: Non-Formula Support Items				
C.1.1. Thurgood Marshall School of Law	\$310,744	\$310,744	\$0	0.00%
C.1.2. Accreditation - Business	\$51,412	\$51,412	\$0	0.00%
C.1.3. Accreditation - Pharmacy	\$51,856	\$51,856	\$0	0.00%
C.1.4 Accreditation - Education	\$64,962	\$64,962	\$0	0.00%
C.2.1. Mickey Leland Center	\$72,292	\$72,292	\$0	0.00%
C.2.2. Urban Redevelopment/Renewal	\$89,714	\$89,714	\$0	0.00%
C.2.3. Texas Summer Academy	\$448,568	\$448,568	\$0	0.00%
C.3.1 Institutional Enhancement	\$13,735,428	\$13,735,428	\$0	0.00%
C.3.2. MIS/Fiscal Operations	\$147,928	\$147,928	\$0	0.00%
C.3.3. Health and Safety Capital Improvements	\$4,035,835	\$0	-\$4,035,835	-100.00%
<b>Total Goal C: Non-Formula Support Items</b>	<b>\$19,008,739</b>	<b>\$14,972,904</b>	<b>-\$4,035,835</b>	<b>-21.23%</b>
<b>Goal D: Academic Development Initiative</b>	<b>\$22,980,524</b>	<b>\$27,980,524</b>	<b>\$5,000,000</b>	<b>21.76%</b>
<b>Goal E: Research Funds/Comp Research Fund</b>	<b>\$661,496</b>	<b>\$1,484,370</b>	<b>\$822,874</b>	<b>124.40%</b>
<b>Grand Total</b>	<b>\$144,417,965</b>	<b>\$156,874,741</b>	<b>\$12,456,776</b>	<b>8.63%</b>

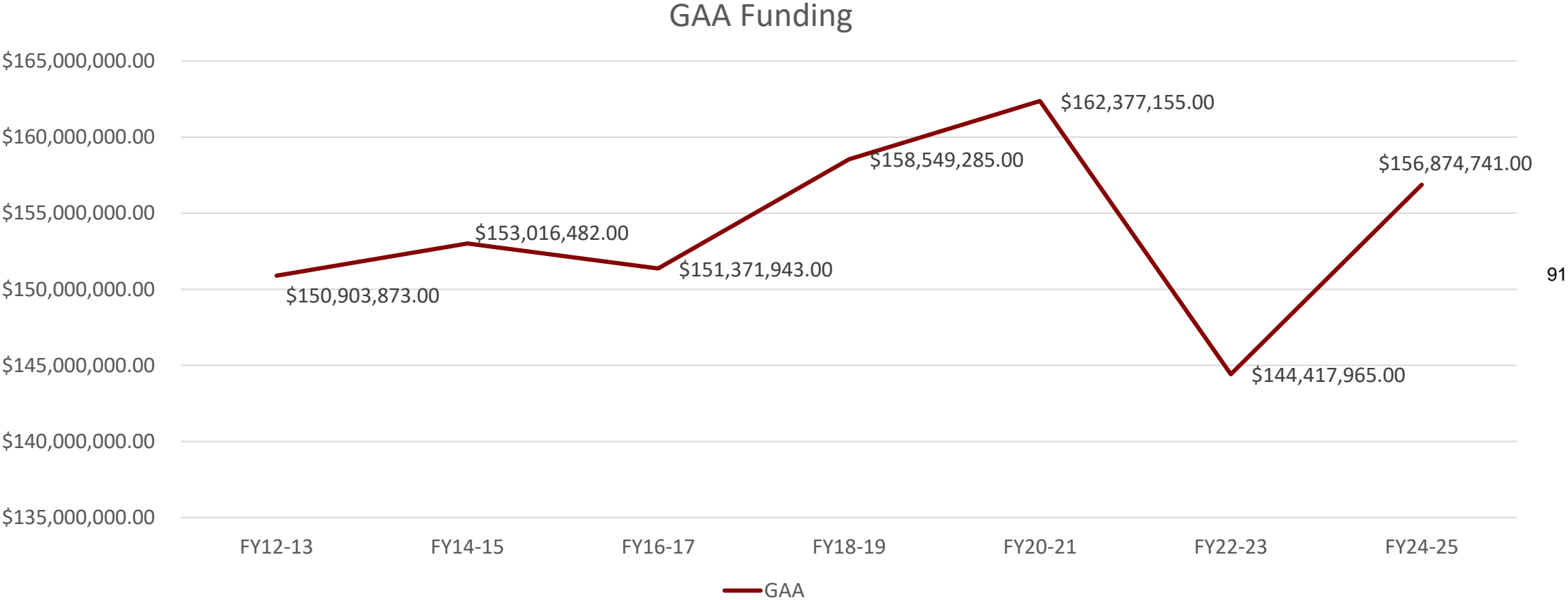
# TSU Biennium Budget Comparison

	Texas Southern	Prairie View A&M	Stephen F. Austin	Texas Woman's
Formula	\$113,921,313	\$87,257,140	\$98,786,103	\$167,742,422
Non-Formula	\$42,953,428	\$50,172,014	\$7,672,708	\$26,074,508
<i>Healthy Houston</i>		\$6,000,000		
<i>Agriculture Research</i>		\$15,000,000		
<i>Rural Innovation</i>			\$2,000,000	
<i>Entrepreneurship Center</i>			\$1,000,000	
<i>Campus Modernization</i>			\$19,000,000	
<i>Nursing Recruitment</i>				\$3,000,000
<i>Bridge Program</i>				\$2,800,000
<i>Institutional Transformation</i>				\$3,000,000
<b>Biennium Allocation</b>	<b>\$156,874,741 (8.63%)</b>	<b>\$158,429,154 (16.25%)</b>	<b>\$128,458,811(19.17%)</b>	<b>\$202,616,930 (13.02%)</b>

# TSU Biennium Budget Comparison

	Texas Southern	UH – Downtown	TAMU – Commerce	UT-Rio Grande Valley
Formula	\$113,921,313	\$81,302,286	\$116,133,404	\$269,978,924
Non-Formula	\$42,953,428	\$3,665,324	\$4,807,096	\$20,397,516
<i>CCAP UH System</i>		\$19,103,075		
<b>Biennium Allocation</b>	<b>\$156,874,741 (8.63%)</b>	<b>\$104,070,685 (4.66%)</b>	<b>\$120,940,500 (2.00%)</b>	<b>\$290,376,440 (4.43%)</b>

# General Appropriations Act Trend



# Exceptional Item Request Trend



# Texas Southern University Development and Legislative Affairs Board Committee Meeting

*Legislative Affairs Updates*

*Dr. Dakota Doman*

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Personnel and Litigation

**ITEM:** Approval to Negotiate, Execute, and Contract for Consulting Services in the Division of University Advancement

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

The University sought competitive Requests for Proposals (RFP 717-23-734) from contractors for this project, with public advertisements posted on Electronic State Business Daily site per Texas Government Code § 2155.083.

The University shall award the contract to a respondent whose proposal provides the best value to the State of Texas and Texas Southern University, as defined by Texas Government Code, § 2155.074.

**SUPPORTING**

**DOCUMENTATION:** Scope of Work (Under Separate Cover)

**FISCAL NOTE:** Not to Exceed \$350,000

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

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/11/23  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/11/23  
DATE

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Audit

**ITEM:** Internal Audit Plan Status Update Report

**DATE PREVIOUSLY SUBMITTED:**

**SUMMARY:**

Internal Audit Director, Ms. Linda Gilliam, will provide updates from the Department of Internal Audit and Assurance Services.

**SUPPORTING DOCUMENTATION:** Internal Audit's PowerPoint

**FISCAL IMPACT:** No Fiscal Impact

**ACTION REQUESTED:** Information

**Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulations. All approvals/signatures from the Vice Presidents, and/or Provost/Senior Vice President have been received, including the fiscal note shown above detailing the true and actual positive or negative financial impact that implementation of this proposal will achieve.

  
\_\_\_\_\_  
ACTING GENERAL COUNSEL

8/11/23  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
INTERIM PRESIDENT

8/11/23  
\_\_\_\_\_  
DATE

# **Texas Southern University**

## **DEPARTMENT OF INTERNAL AUDIT & ASSURANCE SERVICES**

PRESENTED BY:

**LINDA GILLIAM, CPA**  
**INTERNAL AUDIT DIRECTOR**

96

PRESENTED TO:

**Texas Southern University**  
**Board of Regents**

August 17, 2023

# Discussion

- Internal Audit Activities Completed
- Internal Audits In-Progress
- FY2023 Annual Internal Audit Plan Status

## **Internal Audit Activities**

- EthicsPoint Hotline Monitoring
- Network Access Testing
- Risk Assessment Planning

## **Internal Audits In-Progress**

- Single Audit Readiness Testing
- Payroll
- Dual Employment Employees
- NCAA – Athletics Eligibility
- Disbursements

## **Internal Audit Draft Reports In-Progress**

- Endowment Funds
- Public Funds Investment Act Compliance

## **Internal Audit Final Reports Issued**

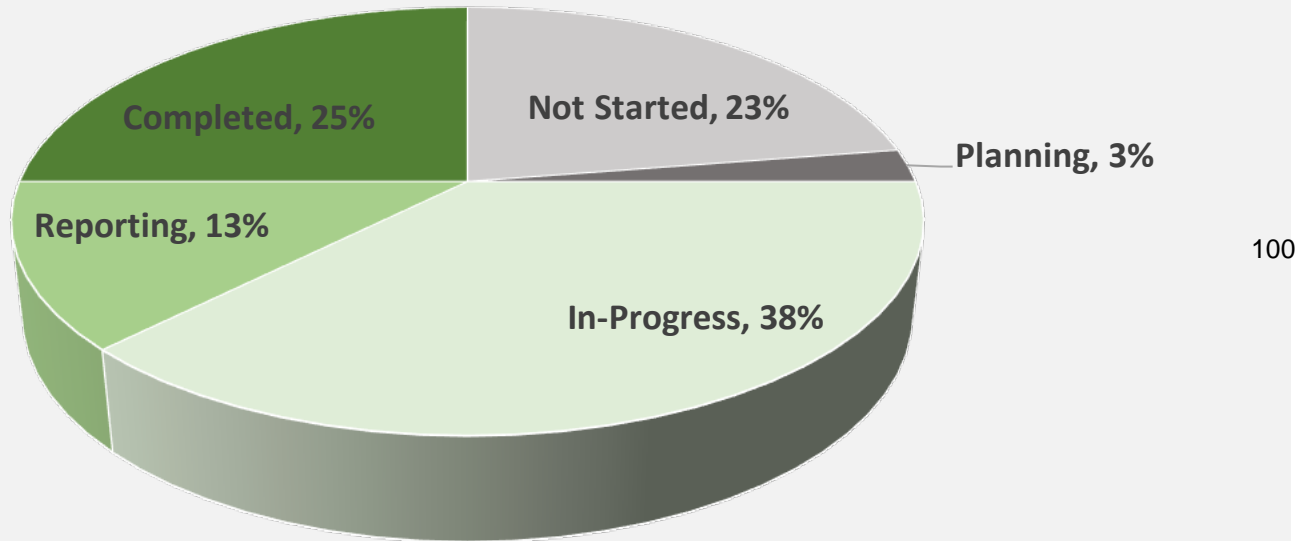
- Student Health Resources

99

# FY 2023 Annual Internal Audit Plan Status

Contract Period: November 7, 2022 – November 6, 2022

40 Approved Audit Plan Activity Status  
July 31, 2023



Contract Period Progress	75%
Percentage of Hours Expended	150%
Percentage of Fees Expended	88%

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Texas Southern University FY 2024 Holiday Calendar

**DATE PREVIOUSLY SUBMITTED:**

**SUMMARY:**

Approval is requested for Fiscal Year 2024 Holiday Calendar.

**SUPPORTING**

**DOCUMENTATION:** Holiday Calendar (BOA0001430)

**FISCAL NOTE:** NONE

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/03/2023  
**DATE**



**Texas Southern University FY 2024 Holiday Calendar –**

<b>Proposed Faculty/Staff Holiday Schedule Fiscal Year 2024</b>		
<b>HOLIDAY</b>	<b>DATE</b>	<b># of Days</b>
Labor Day	Monday, September 4, 2023	1
Thanksgiving Holiday	Thursday, November 23, 2023 & Friday, November 24, 2023	2
Winter Holiday	Friday, December 22, 2023, through Friday, December 29, 2023	6
New Year’s Day	Monday, January 1, 2024	1
Martin Luther King, Jr. Day	Monday, January 15, 2024	1
Good Friday	Friday, March 29, 2024	1
Memorial Day	Monday, May 27, 2024	1
Emancipation Day	Wednesday, June 19, 2024	1
Independence Day	Thursday, July 4, 2024	1
	<b>Total Days</b>	<b>15</b>

Source: Texas Government Code, Chapter 662

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Subscriptions and Databases Renewal with EBSCO

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Approval is requested to renew contracts with EBSCO Information Services to provide print journal subscriptions and electronic databases for Library Learning Center. The renewal of the contracts will provide up-to-date literature in fields appropriate to the to the University's curriculum and research needs for use by students, faculty and staff. The renewals will commence on September 1, 2023. These contracts are exempt from bidding according to the Texas Government Code 2155.139.

- EBSCO (Print Journal Subscriptions and Electronic Databases) \$965,681.00

**SUPPORTING DOCUMENTATION:** Contract (Under Separate Cover)  
(BOA0001404)

**FISCAL NOTE:** Print Journal Subscriptions \$638,743.00/Electronic Database \$326,938.00  
totaling \$965,681.00

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
\_\_\_\_\_  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/03/2023  
\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Subscriptions and Databases Renewal with Elsevier

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Approval is requested to renew contracts with Elsevier Information Services to provide print journal subscriptions and electronic databases for the Library Learning Center. The renewal of the contracts will provide up-to-date literature in fields appropriate to the University's curriculum and research needs for use by students, faculty, and staff. The renewals will commence on September 1, 2023, for Elsevier. These contracts are exempt from bidding according to the Texas Government Code 2155. 139. Pricing for the subscriptions is as follows:

- Elsevier ScienceDirect is the world's leading source for scientific, technical, and medical research. Explore journals, books, and articles. Freedom Collection allows libraries to lease access to Science Direct journals at a reduced rate. Elsevier Digital Commons provides on-demand impact metrics, a hosted infrastructure, unlimited support, training, and consulting. Elsevier also has Embase, Inspec, Compendex, and Knovel Databases. Which comes to a total of \$374,737.96

**SUPPORTING DOCUMENTATION:** Contract (Under Separate Cover)  
(BOA0001423)

**FISCAL NOTE:** Print Journal Subscriptions \$230,271.96/Electronic Database \$144,466.00  
totaling \$374,737.96

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/03/2023  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Subscriptions and Databases Renewal with ProQuest

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Approval is requested to renew contracts with ProQuest Information Services to provide print journal subscriptions and electronic databases for the Library Learning Center, The renewal of the contracts will provide up-to-date literature in fields appropriate to the University's curriculum and research needs for use by students, faculty, and staff, The renewals will commence on September 1, 2023, for ProQuest, These contracts are exempt from bidding according to the Texas Government Code 2155. 139. Pricing for the subscriptions is as follows:

- ProQuest (print journal subscriptions and electronic databases) \$186,892.69

**SUPPORTING DOCUMENTATION:** Contract(Under Separate Cover)  
(BOA0001405)

**FISCAL NOTE:** Print Journal Subscriptions \$186,892.69

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/03/2023  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Adobe Software Licenses from SHI Government Solutions

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Adobe multimedia and creative software has been purchased to support faculty, staff and students' ability to access assignments on multiple devices. This is a cooperative purchase in accordance with Texas Government Code Chapter 2156.181. SHI is a HUB and Form 1295 is submitted.

**SUPPORTING DOCUMENTATION:** 3-year Contract (Under Separate Cover)  
(BOA0001425)

**FISCAL NOTE:** \$175,749.77 per year, totaling \$527,249.31

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/04/2023  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Renewal of Hosted Oracle Subscription Access License through Ellucian

**DATE PREVIOUSLY SUBMITTED:** None

**SUMMARY:**

Approval is requested to renew Ellucian's Hosted Oracle Subscription Access License (HOSAL) bundle designed specifically for and only compatible with Banner 9 in Ellucian's Managed Cloud. The FY 24 year cost is \$970,611 which includes Intelligent Learning Platform (ILP) for Blackboard, Hosted Oracle Subscription Access (HOSAL), CRM Recruit, and Managed Platform. Also under this HOSAL Bundle is FY 24 Projected Ellucian Contract procured through TCC. Core Banner Modules include Student self service, financial aid, Degree Works, finance, HR, etc. Along with other third party extensions (products), such as Evision, Argos, etc. which is totaled at \$480,265 for the year. Banner 9 in Ellucian's Managed Cloud is engineered to reduce the dependency on Oracle Licensing which the University currently pays. The contract term is September 1, 2023 to August 31, 2024.

**SUPPORTING DOCUMENTATION:** TAMU CC HOSAL Proposal, CRM Renewal, ILPO (Under Separate Cover)

**FISCAL NOTE:** Total cost not to exceed \$1.5M

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/08/2023  
\_\_\_\_\_  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/08/2023  
\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Student Accounts Receivable Write-Off

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Pursuant to Section 54.007 of the Texas Education Code, state universities can extend credit to students without consideration of credit history or ability to repay. The write-off is for financial reporting purposes and will reduce the university's gross receivable and allowance for doubtful account balances but will not affect the net accounts receivable balance.

Additionally, the detail records of the debts will be maintained as well as the pursuit to collect on the balance. Students with unpaid debt will be unable to enroll for additional courses or obtain copied of degrees and transcripts.

	<u>Original</u>	<u>Write-off</u>	<u>Adjusted</u>
A/R Receivable (At August 31, 2022 gross)	23,196,962	(1,936,898)	21,260,063
Allowance	(6,010,321)	1,936,898	(4,073,423)
<b>A/R Receivable (At August 31, 2022 net)</b>	<b>17,186,640</b>	<b>-</b>	<b>17,186,640</b>

**SUPPORTING DOCUMENTATION:** Student Accounts Receivable MAPP  
(BOA0001424 - Under Separate Cover)

**FISCAL NOTE:** Accounts and Notes Receivable write-off is \$1,936,898.25 for 932 accounts

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
\_\_\_\_\_  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/03/2023  
\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval/Ratification with Simpson Gumpertz & Heger, Inc. for Investigative Services

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

Simpson Gumpertz & Heger, Inc., provides investigative services for the Heating Ventilation, Air Conditioning, Mechanical, Electrical, Plumbing, Structural components, and Water Intrusion for University Towers.

**SUPPORTING**

**DOCUMENTATION:** NONE

**FISCAL NOTE:** Under Separate Cover

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/03/2023  
\_\_\_\_\_  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/03/2023  
\_\_\_\_\_  
**DATE**

**TEXAS SOUTHERN UNIVERSITY  
BOARD OF REGENTS AGENDA**

**COMMITTEE:** Administration and Finance

**ITEM:** Request Approval of Non-Endowed Investment Policy

**DATE PREVIOUSLY SUBMITTED:** N/A

**SUMMARY:**

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

**SUPPORTING DOCUMENTATION:** TSU Non-Endowed Investment Policy

**FISCAL NOTE:** No Fiscal Impact

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

**Legal Certification:** This proposal and its implementation will not be in violation of any federal, state, or local law or regulation. All necessary approvals from the President, Vice President, and/or Acting Provost/Senior Vice President have been received.

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

08/07/2023  
**DATE**

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

08/07/2023  
**DATE**

# TEXAS SOUTHERN UNIVERSITY, TEXAS INVESTMENT POLICY

## PREFACE

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

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

111

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.

## TABLE OF CONTENTS

SECTION TITLE	SECTION#	Page#
Preface		
Purpose	1.	Page 4
Policy	2.	Page 4
Investment Strategy	3.	Page 4
Scope	4.	Page 7
Investment Objectives	5.	Page 8
Investment Responsibility	6.	Page 9
Authorized Investments	7.	Page 11
Effect of Loss of Required Rating	8.	Page 15
Diversification	9.	Page 15
Authorized Financial Dealers and Institutions	10.	Page 17
Delivery Versus Payment	11.	Page 18
Safekeeping and Collateralization	12.	Page 18
Reporting	14.	Page 20
Investment Policy Adoption and Amendment	15.	Page 21

- 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.

113

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:

114

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.

115

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.

116

**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 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.

117

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.

118

The concept of reasonable assurance recognizes that:

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

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

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

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

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

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

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

119

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

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

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

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

Coordinating Board, the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, the University of North Texas Center Public Management, or any other professional organization, institute of higher learning, or any other sponsor other than a business organization with whom the Board of Regents may engage in an investment transaction.

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

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

120

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.

121

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.

123

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

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

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

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

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

7.1 **Investment Instruments NOT Authorized.** State law specifically prohibits investment in the following securities:

7.1.1 Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal.

7.1.2 Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

7.1.3 Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.

7.1.4 Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

124

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%

125

**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.

126

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.

127

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.

128

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

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

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

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

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

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

129

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,

130

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**

**By:**

---

Adoption Date

---

Chair, Board of Regents