
AGENDA

UNIVERSITY OF HOUSTON SYSTEM BOARD OF REGENTS MEETING

DATE: Thursday, February 25, 2021

TIME: 2:45 PM

PLACE: Hilton University of Houston Hotel
Conrad Hilton Ballroom, Second Floor
4450 University Drive
Houston, Texas 77204
Link to live broadcast of meeting: <https://uh.edu/bor-live>

Chair: Beth Madison
Vice Chair: Jack B. Moore
Members: Durga D. Agrawal
Alonzo Cantu
John A. McCall, Jr.
Alvaro De La Cruz
Tilman J. Fertitta, Ex Officio

I. Board of Regents Meeting

A. Call to Order

Presenter: Chairman Tilman J. Fertitta

B. Open Forum

Presenter: Chairman Tilman J. Fertitta

C. Approval of Minutes:

- December 3, 2020, Board of Regents Meeting

- January 20, 2021, Special Called Teleconference Board of Regents Meeting

Action: Approval

Presenter: Chairman Tilman J. Fertitta

II. Board of Regents Items

A. Presentation by University of Houston Faculty Senate President on "Onward: Report from the Faculty" - University of Houston 6

Action: Information

Presenter: Dr. Jeronimo Cortina, President of the Faculty Senate

III. **Committee Reports Listing Consent Docket Items for Board Approval**

All action items considered and unanimously approved by the Endowment Management Committee, Item A; the Audit and Compliance Committee, Item B; the Academic and Student Success Committee, Item C; the Facilities, Construction and Master Planning Committee, Item D; and the Finance and Administration Committee, Item E, held on Thursday, February 25, 2021 are listed under each Committee Report as Consent Docket Agenda items requiring final Board approval unless otherwise noted. Pursuant to Board By-Law 6.9, any regent may request that an individual item be removed from the Consent Docket Agenda and be considered by the full Board.

A. **Endowment Management Committee Report - February 25, 2021**

Presenter: Chair Steve I. Chazen

1. Annual review and approval of the UH System Endowment Fund Statement of Investment Objectives and Policies - University of Houston System 7

Action: Approval

2. Annual review and approval of the UH System Investment Policy for Non-Endowed Funds - University of Houston System 22

Action: Approval

3. Approval is requested for the FY2021 University Advancement Endowment Assessment Rate - University of Houston System 29

Action: Approval

B. **Audit and Compliance Committee Report - February 25, 2021**

Presenter: Chair Jack B. Moore

1. Report on University of Houston System, Board of Regents' Policies on Internal Audit, Institutional Compliance and Identity Theft Prevention - University of Houston System 30

Action: Approval

C. **Academic and Student Success Committee Report - February 25, 2021**

Presenter: Chair Beth Madison

1. Approval of a Master of Science in Data Science - University of Houston-Victoria 38

Action: Approval

2. Approval of a Bachelor of Arts and a Bachelor of Science in Public Policy - 42
University of Houston

Action: Approval

D. **Facilities, Construction and Master Planning Committee - February 25, 2021**

[No items were brought forward from the Committee requiring final Board approval]

Presenter: Chair Doug H. Brooks

E. **Finance and Administration Committee Report - February 25, 2021**

Presenter: Chair Gerald W. McElvy

1. Approval is requested to delegate authority to the Chancellor to negotiate and 47
execute contracts exceeding \$1 million for the purchase of goods or services,
excluding construction contracts, at the University of Houston System -
University of Houston System

Action: Approval

2. Approval is requested to delegate authority to the Chancellor to negotiate and 49
execute construction contracts exceeding \$1 million for projects at the
University of Houston System - University of Houston System

Action: Approval

3. Approval is requested to write-off Accounts and Notes Receivable for Fiscal 51
Year 2020 - University of Houston System

Action: Approval

4. Approval is requested of the Thirtieth Supplemental Resolution to the Master 53
Resolution, the Preliminary Official Statement, and Notices of Sale authorizing
the Board of Regents of the University of Houston System Consolidated
Revenue Refunding Bonds, Series 2021A and Consolidated Revenue
Refunding Bonds, Series 2021B (Taxable) - University of Houston System

Action: Approval

5. Approval is requested to delegate authority to the Chancellor to 54
negotiate and execute insurance policies for Fiscal Year 2021 -
University of Houston System

Action: Approval

6. Approval is requested for the University of Houston System 58
FY2021 Holiday Schedule - University of Houston System

Action: Approval

IV. **Committee Report Item(s) not Addressed in the Consent Docket but requiring Final Board Approval**

[No items were brought forward from the Committees requiring final Board approval]

Presenter: Chairman Tilman J. Fertitta

V. **Board of Regents Item(s) cont'd.**

Presenter: Chairman Tilman J. Fertitta

- A. Presentation of the Centennial Master Plan for the University of Houston - University of Houston

60

Action: Information

Presenter: Chancellor Renu Khator

VI. **Chancellor's Report: System Profile and Accomplishments**

Presenter: Chancellor Renu Khator

VII. **Executive Session**

Presenter: Chairman Tilman J. Fertitta

- A. 1. Consultation with System Attorney Regarding Legal Matters and/or Contemplated Litigation or Settlement Offers
TEXAS GOV'T CODE SECTION 551.071
- Pre-litigation and Litigation Status Update
- Other pending legal and contract matters, potential legal claims, updates, discussion and advice from General Counsel
2. Deliberations regarding the Purchase, Exchange, Sale or Value of Real Property
TEXAS GOV'T CODE SECTION 551.072
- Real Estate Matters
3. Deliberation Regarding a Prospective Gift
TEXAS GOV'T CODE SECTION 551.073
4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees including but not limited to the Chancellor, Presidents, Vice Chancellors, in the Division of Athletics and members of the Board of Regents
TEXAS GOV'T CODE SECTION 551.074
- Discuss employment agreements for university employees

VIII. **Report and Action from Executive Session**

Presenter: Chairman Tilman J. Fertitta

- A. Approval is requested to delegate authority to the Chancellor to negotiate and execute updated employment agreements for university employees - University of Houston System

93

Action: Approval

Presenter: Chairman Tilman J. Fertitta

IX. **Adjourn**

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

ITEM: Presentation by University of Houston Faculty Senate President on "Onward: Report from the Faculty"

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Dr. Jeronimo Cortina, Faculty Senate President for the University of Houston will give remarks to the Board on "Onward: Report from the Faculty."

SUPPORTING DOCUMENTATION: None

FISCAL NOTE: None

RECOMMENDATION/
ACTION REQUESTED: Information

COMPONENT: University of Houston

Renu Khator
CHANCELLOR

Renu Khator

2/22/2021
DATE

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management Committee
ITEM: Annual review and approval of the UH System Endowment Fund Statement of Investment Objectives and Policies

DATE PREVIOUSLY SUBMITTED: February 27, 2020

SUMMARY:

In accordance with the UH System Endowment Fund Statement of Investment Objectives and Policies, the Endowment Management Committee shall review this policy at least once a year. There are no recommended changes to the policy during this review period.

SUPPORTING DOCUMENTATION: UH System Endowment Fund Statement of Investment Objectives and Policies – redlined copy

FISCAL NOTE: None

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

COMPONENT: University of Houston System

		2/4/2021
SENIOR VICE CHANCELLOR	Raymond S. Bartlett	DATE
		2/22/2021
CHANCELLOR	Renu Khator	DATE

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND
STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES
Approved by the Board of Regents

February 2~~5~~⁷, 202~~0~~¹

PREFACE

The University of Houston System Board of Regents is charged with the fiduciary responsibility for preserving and augmenting the value of the endowment, thereby sustaining its ability to generate support for both current and future generations of students. As part of a commitment to long-range financial equilibrium, the Regents have adopted the broad objective of investing endowment assets so as to preserve both their real value and the long-range purchasing power of endowment income so as to keep pace with inflation and evolving university needs, while generally performing above the average of the markets in which the assets are invested. Pursuant to Board Bylaw, the Endowment Management Committee has been established as a standing committee to assist the Board in fulfilling its fiduciary responsibilities.

To achieve its investment objectives the University of Houston System retains independent investment managers each of whom plays a part in meeting the System's goals over a variety of capital market cycles. The Endowment Management Committee shall:

- a) Review and recommend to the Board changes to investment policies;
- b) Review and recommend to the Board the university advancement assessment rate;
- c) Review and recommend to the Board asset allocation long-term targets and ranges;
- d) Review and recommend to the Board external investment consultants;
- e) Monitor, evaluate, hire or terminate external investment managers;
- f) Establish investment manager guidelines;
- g) Monitor the actual allocation of assets through additions and withdrawals of funds among managers and investment media to conform to the long-term targets insofar as practical; and
- h) Oversee the results of the independent managers and report periodically to the Board and the university community.

FORWARD

This policy is intended to be ongoing until the next review is completed. Comprehensive reviews are to be completed every five years.

In addition to complying with the duty of loyalty imposed by Texas state law, each person responsible for making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing System funds shall do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. It is the general practice of the University of Houston System to pool endowment resources. For investment purposes however, the assets are

managed in separate endowment fund accounts. The following statement sets out explicit policies for the pooled endowment but would apply to non-pooled holdings as well. The Regents seek superior investment returns through professional management without assuming imprudent risks. In managing and investing the System's endowment assets, the following factors, if relevant, must be considered:

- a) general economic/capital market conditions;
- b) the possible effect of inflation or deflation;
- c) the expected tax consequences, if any, of investment decisions or strategies;
- d) the role that each investment or course of action plays within the overall investment portfolio;
- e) the expected return based on levels of liquidity and investment risk that are prudent and reasonable under present circumstances, and such circumstances may change over time;
- f) the expected total return from income and the appreciation of investments;
- g) other resources of the institution;
- h) the needs of the institution and the fund to make distributions and to preserve capital; and
- i) an asset's special relationship or special value, if any, to the charitable purposes of the institution.

Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the System endowment's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably aligned with the endowment fund's stated goals and objectives.

FINANCIAL OBJECTIVES

The primary long-term financial objective for the University endowment is to preserve and enhance the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of portfolio management. Costs to manage and administer the endowment assets should be appropriate and reasonable in relation to the assets, the purposes of the endowment, and the skills of investment consultant(s) and investment manager(s) to whom investment management functions are delegated. Performance of the overall endowment against this objective is measured over rolling periods of five years.

INVESTMENT OBJECTIVES

In order to meet the financial objective stated above, the primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus university advancement assessment fee, if any, plus the costs of managing the investment fund, and expressed in real (or inflation-adjusted) terms. Given the current System spending rate of 5.3% (which includes 4% payout and 1.3% university advancement assessment), the objective of this fund will be to earn a real (inflation adjusted) return of 5.3% when measured over rolling periods of at least five years. It is also

understood that due to market conditions there may be five-year periods where this objective is exceeded and purchasing power is enhanced, as well as five-year periods where the objective is not met and purchasing power is diminished. The medium-term objective for the endowment is to outperform each of the capital markets in which assets are invested, measured over rolling periods of three to five years or complete market cycles, with emphasis on whichever measure is longer. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the university's peer group, as measured by the NACUBO-Commonfund Study of Endowments over rolling five-year time periods, as well as comparison annually to a peer group provided by an outside advisor. Thus, the Endowment Management Committee is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both the median performance of other educational endowments and with capital markets generally.

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

INVESTMENT MANAGERS

In accordance with Board policy, hiring of investment consultants requires approval of the Board. Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Managers of marketable securities are expected to produce a cumulative annualized total return net of fees and commissions that exceeds an appropriate benchmark index over moving three to five-year periods, and should be above a median for active investment managers using similar investment philosophies over the same time periods. At their discretion, managers may hold cash reserves and fixed income securities up to 25% of portfolio market value with the understanding that their benchmark will not be adjusted to reflect cash holdings. Managers who wish to exceed these limits should secure prior approval from the Treasurer. The Treasurer, in turn, shall seek approval from the Senior Vice Chancellor for Administration and Finance or designee.

ENDOWMENT PAYOUT POLICY

The Regents of the University of Houston System have established an endowment payout policy which attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. Payout is derived from interest, dividends and realized gains, net of portfolio management fees. The historical rate of payout has been 4 to 5 percent. Going forward, the endowment will maintain a payout rate of approximately 4% to 5%, with any change to this range to be approved by the Board. The payout rate will be based as a percentage of the fiscal year end market value average over rolling twelve quarter periods. If an endowment has been in existence less than twelve quarters, the average will be based on the number of quarters in existence.

UNIVERSITY ADVANCEMENT ASSESSMENT

The System will annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The Board shall annually review and approve the fee. The fee will be based as a percentage of the fiscal year end market value averaged over rolling twelve quarter periods. If an endowment has been in existence less than twelve quarters, the average will be based on the number of quarters in existence.

APPROPRIATION FOR EXPENDITURE

The endowment payout and the University Advancement Assessment fee constitute the appropriation for annual expenditure. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- a) the duration and preservation of the endowment fund;
- b) the purposes of the institution and the endowment fund;
- c) general economic conditions;
- d) the possible effect of inflation or deflation;
- e) the expected total return from income and the appreciation of investments;
- f) other resources of the institution; and
- g) the investment policy of the institution.

Generally, pursuant to the Uniform Prudent Management of Institutional Funds Act, Chapter 163, Texas Property Code, as amended, subject to the intent of a donor in a gift instrument, the Board of Regents may appropriate for expenditure or accumulate so much of the endowment as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. Notwithstanding the preceding sentence, the Board of Regents may not appropriate for expenditure in any year an amount greater than nine percent (9%) of the endowment, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately

preceding the year in which the appropriation for expenditure was made, so long as the fair market value of the endowment fund is at least \$450 million, otherwise the limit on the appropriation for expenditure in any year is 7%.

EXPENDITURE FROM UNDERWATER ENDOWMENTS

The Board, in managing and investing endowment assets, shall consider the charitable purposes of the institution and the purposes of the endowment fund. Subject to the intent of a donor expressed in an endowment gift instrument, the appropriation for expenditure from an endowment that is underwater in any year shall decrease incrementally and is eventually suspended when the market value of the endowment drops to a designated percentage of the endowment’s historical dollar value. Historical dollar value (HDV) is the aggregate value of contributions made to an endowment over time without regard to increases or decreases because of investment results. The declining spending rate from endowments that are underwater, and not otherwise expressly prohibited by a donor, is as follows:

Fund Value as a Percent of HDV	Spending rate
90 – 99.9%	75% of normal spending rate
80 – 89.9%	50% of normal spending rate
<80.0%	Suspend distributions

ASSET SELECTION AND ALLOCATION

It is understood that return enhancement assets (or equities), including both public and private equities, are to be the dominant asset class in the Endowment due to the superior long-term return offered by such assets. As such, equity assets may be thought of as the drivers of long-term Endowment return.

Although the long-term return from equity assets is superior, they have three primary drawbacks that must be addressed by investing in diversifying growth and risk reduction assets. The first is that periods of prolonged economic contraction (deflation) can be catastrophic. Although such periods are rare, the results of such periods are severe enough to warrant holding a portion of the Endowment in assets (primarily intermediate to long-term high quality, non-callable fixed income securities), which are likely to appreciate in value during such periods. In this context, high quality shall mean a portfolio with an average credit quality of AA or better, although active managers may choose to hold select investment grade securities with lower ratings. The goal of such holdings would be to provide sufficient liquidity to the Endowment to meet payout needs over a three to five-year period without having to sell a significant portion of the equities at “fire-sale” prices.

Adherence to this policy will allow the Endowment to keep returned enhancement holdings intact and reap the rewards of a return to a more normal economic environment.

The second drawback to an overreliance on return enhancement assets is the effects of an unexpected rise in the rate of inflation. Such rises have traditionally been problematic for most types of equity assets, and given the System's stated goal of preserving purchasing power by achieving an attractive inflation adjusted return, some portion of the Endowment should be invested in assets that will appreciate in value during periods of unexpected inflation.

Lastly, equity assets are subject to greater degrees of risk. Risk takes many forms and is usually thought of in terms of volatility of investment returns. Volatile investment returns translate into a level of support for the System's programs that (even with the smoothing effect of the rolling three-year average market value payout rule) is variable over time. In order to control this variability to a tolerable level, some allocation is warranted to diversified growth assets that produce attractive returns, but in a more absolute (or less variable) pattern. It is understood that such absolute return assets will invariably return less than equity assets, given rational markets should provide some degree of volatility mitigation over the course of a market cycle.

After providing for the three broad categories noted above, the remainder of the Endowment should be invested in equity assets, broadly defined and broadly diversified. Broad diversification is required not only to further smooth the pattern of returns, but to protect the endowment from the risks associated with undue concentration in any one type of equity asset. Although other forms of diversification may be considered, it is understood that the Endowment's equity assets will be diversified by style (growth versus value), geography (domestic versus foreign), and market capitalization (large-cap versus small).

Current policy targets and ranges for the Endowment can be found in Appendix A.

ALTERNATIVE INVESTMENT RISKS

For the purposes of this section, "alternative investments" refers to investments in long/short equity, absolute return, private equity, private real estate and venture capital, as well as other investments employing leverage, short sales, or illiquid investment vehicles. The investments are made in the Endowment in order to improve diversification, reduce overall volatility, and enhance return. However, the Endowment Management Committee recognizes that these investments also present additional risks beyond those posed by investments in traditional marketable securities such as stocks and bonds. Among these risks are:

1. *Liquidity Risk*: most alternative investments impose restrictions on redemptions or require multi-year locks.
 - a. This risk is mitigated by imposing restrictions on the amount of the Endowment that may be allocated to alternative investments as detailed

above. In addition, the Endowment Management Committee will review at least annually the level of portfolio liquidity across all asset classes in order to ensure that there is sufficient liquidity to meet all obligations.

2. *Non-regulation risk*: Historically, alternative managers have been exempt from registration with the SEC, which has allowed them to employ strategies (such as short sales and use of leverage) forbidden by most traditional investment managers, as well as to avoid disclosing specific details of their investment practices or portfolio holdings.
 - a. With the passage of the Dodd-Frank Act of 2010, almost all alternative investment managers will be required to register with the SEC under the Investment Advisers Act of 1940. This Act will require registered managers to file documents with the SEC and for public record describing the nature of the business, fees charged, types of clients, and details on compliance policies. It will also provide to investors a greater level of detail into portfolio strategy and investment.
 - b. Venture capital managers will, however, remain exempt from the Investment Advisers Act and will therefore remain unregistered with the SEC.
 - i. This risk will be mitigated by performing detailed due diligence on these managers and monitoring them regularly as described below, as well as by diversifying manager risk through multiple direct and fund-of-fund investments.
3. *Transparency Risk*: alternative managers are not required to disclose portfolio holding details to the same extent that traditional marketable managers are, and are often reluctant to do so in order to preserve their perceived advantage over other investors.
 - a. This risk will be mitigated somewhat by the Dodd-Frank Act and the increased transparency provided by the requirement to file Form ADV with the SEC. Beyond that, however, the Endowment Management Committee, staff, and any outside advisors shall emphasize those managers who will provide at least the following level of detail into their investment portfolios:
 - i. Number of short and long positions
 - ii. The use of leverage
 - iii. Net market exposure
4. *Investment Strategy Risk*: alternatives often employ sophisticated and potentially riskier strategies, and may use leverage.
 - a. This risk will be mitigated by intensive due diligence and monitoring of potential alternative managers described below. An emphasis will be placed on those managers who have extensive experience in employing these strategies, a demonstrated ability to consistently employ them effectively, and an established track record of superior performance.
5. *Foreign Currency Risk*: changes in exchange rates could adversely affect fair value of the Endowment Fund.
 - a. The Endowment Management Committee recognizes that exposure to foreign currency acts as a hedge against a declining or collapsing dollar. In this way, such investments help to reduce risk in the portfolio. However,

the Committee will review the level of exposure to foreign currencies periodically in order to ensure that there are no unintended risks in the portfolio.

The following principles shall guide the selection of alternative investment managers:

- Diversify across managers to mitigate systematic and organizational risk, but avoid over-diversification.
- Diversify by strategy and geography to decrease correlations within the program.
- Emphasize qualitative evaluation of managers, as a manager's quantitative characteristics may change over time and in different market conditions.
- Discourage the use of significant leverage, and emphasize managers with a demonstrated skill in generating returns on assets as opposed to returns on equity.
- Avoid strategies that are trading oriented, highly complex, or quantitatively driven.

In addition, the investment manager due diligence process shall include the following functions, to be performed by some combination of outside consultants/advisors and internal staff:

- Background checks
 - o Reference checks
 - o News searches
 - o Industry consultation
- Review of vendor relationships
 - o Prime brokers
 - o Auditors
 - o Fund administrators
 - o Legal counsel
- Operational review
 - o On site visits
 - o Procedural
 - o Organizational

Monitoring of the overall program-level and manager-level exposures and investment results shall be administered in accordance with the following schedule by some combination of outside consultants/advisors and internal staff:

Monthly (For Long/Short Equity and Absolute Return Managers)

- Reports of performance and asset allocation.
- Proactive contact with investment managers whose performance falls outside of the expected range.

Quarterly or Semi-Annually

- Calls with investment managers.
- For long/short equity and absolute return managers, detailed performance reports and analysis providing information such as top long positions, net and gross exposures, exposure by strategy and geography, and organizational changes.

Annually

- On site meetings with managers and attendance at annual meetings.

The Endowment Management Committee reviews and recommends to the Board the above asset allocation long-term targets and ranges, and the actual allocation of assets will be adjusted through additions and withdrawals of funds among managers and investment media to conform to these targets insofar as practical.

REBALANCING

The Committee recognizes the importance of periodically rebalancing the Endowment's asset allocation, namely to ensure that variation in returns among assets do not create outsized deviations from target allocations that cause Endowment performance to diverge from expected policy performance. To the extent possible, and in order to control transaction costs, the Endowment will utilize naturally occurring cash movement opportunities to rebalance the Endowment portfolio. Such naturally occurring opportunities include:

- The sourcing of cash for spending needs (withdrawals)
- The infusion of cash (contributions) into the existing portfolio
- Manager changes (partial or complete subscriptions or redemptions)
- Other cash transactions (i.e., dividends, interest income, return on capital, etc.)

In recognition that market action may force portfolio allocations outside of their allowable ranges in between Endowment Management Committee meetings, authority is delegated to the Treasurer to rebalance the portfolio in order to bring it back into compliance with the Investment Policy. More generally, the Treasurer, in conjunction with the investment consultant, will closely monitor asset allocation, and will periodically rebalance the portfolio, within allowable ranges, in light of major market movements or material changes in relative asset class valuations, in an effort to control risk and enhance long-term return. Further, with the assistance of the investment consultant, the Treasurer may rebalance up to 2.0% of the Endowment Fund intra-meeting to raise cash for meeting capital calls as well as to invest any cash inflows into the Endowment based on portfolio targets. Any rebalancing must occur across previously approved managers already held within the portfolio.

Any rebalancing actions taken by the Treasurer and investment consultant shall be communicated to the Chair of the Endowment Management Committee and to the Committee by the Senior Vice Chancellor for Administration and Finance or designee in a timely manner, but in any case no later than the next Committee meeting.

The objective of this rebalancing policy is to improve the compound return of the portfolio and to ensure that it is invested in accordance with long-term asset allocation targets. It is not the intention of this policy to force the University to take any action that may endanger the safety or impair the long-term return of the portfolio simply in order to remain in compliance with allowable ranges.

A clear illustration of such a scenario might be a market correction that reduces the value of the portfolio's marketable assets to an extent that forces the private investment allocation (the valuations of which lag those of marketable securities) beyond the allowable limits prescribed above. In order to stay in compliance in such a scenario, the University may be forced to sell interests in its private investment portfolio on the secondary market at a loss, impairing the overall Endowment's ability to recover from a correction of that magnitude.

Therefore, in the event of market action that forces any allocation outside its allowable ranges, the chair of the Endowment Management Committee, in conjunction with the Board chair, with the advice of staff and investment consultant, may temporarily waive the allocation limits imposed above if it is determined that remaining in compliance may cause harm to the long-term return potential of the endowment.

INVESTMENT MANAGEMENT

The endowment of the System will be managed primarily by external investment management organizations. Investment managers have discretion to manage the assets in each portfolio to best achieve the investment objectives, within the policies and requirements set forth in this statement, the investment manager agreement with the System including the guidelines for each investment manager, and subject to the usual standards of fiduciary prudence.

Each active investment manager with whom the System has a separate account will be provided with written statements of investment objectives and guidelines as part of the investment management contract that will govern his or her portfolio. These objectives shall describe the role the investment manager is expected to play within the manager structure, the objectives and comparative benchmarks that will be used to evaluate performance, and the allowable securities that can be used to achieve these objectives. Each manager will report performance quarterly, and if applicable monthly, consistent with these objectives and also indicate current annualized income and yield. These statements will be consistent with the Statement of Investment Objectives and Policies for the overall endowment as set forth herein. Investment managers will be provided with a copy of the Statement of Investment Objectives and Policies.

Additionally, each manager will be expected to use best efforts to realize the best execution price when trading securities, and the settlement of all transactions (except investment pool funds and mutual funds) shall be done on a delivery versus payment basis.

SECURITIES LENDING

Securities owned by the endowment but held in custody by the endowment custodian may be lent to other parties through a contract between the University of Houston System and the custodian pursuant to a written agreement approved by the Board of Regents. Managers may not enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in

commingled vehicles, the Board cannot dictate whether or not the manager will engage in securities lending. Therefore, System and its investment consultant shall make every effort either to avoid commingled investments, or to otherwise limit investment to those managers who will not engage in securities lending. The limited partnerships of marketable and non-marketable alternative investments are excluded from this limitation.

PROXY VOTING

The University of Houston System has delegated proxy voting responsibility for separately managed accounts to its investment managers. Such separate account managers are to vote proxies in such a way as to maximize the value of related shares and in a manner consistent with the best interests of the University. It is noted in the case of commingled vehicles, voting rights on underlying company shares do not flow through to the System.

ADVISORY COMMITTEES

The Endowment Management Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the Endowment Management Committee and the staff of the Senior Vice Chancellor for Administration and Finance.

DISCLOSURE AND CONFLICTS OF INTEREST

Investment managers, advisors, and potential managers must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with their respective duties to the System. Investment managers and advisors must, on an annual basis, ensure that such disclosures are prominently set forth, are delivered in plain language, and communicate the relevant information using the Texas State Auditor's Uniform Disclosure Form. Furthermore, investment managers, advisors, and potential managers are investing public funds and are subject to the Texas Open Records Act.

REVIEW PROCEDURES

A. Performance Measurement

The Endowment Management Committee will review quarterly the performance of the endowment and each investment manager's portfolio relative to the objectives and guidelines described herein. The investment performance review will include comparisons with unmanaged market indices and the Consumer Price Index. A time-weighted return formula (that minimizes the effect of contributions and withdrawals) will be utilized for the overall endowment, although it is understood that individual managers may be evaluated using a dollar-weighted methodology, where appropriate.

B. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

APPENDIX A

Current Policy Targets, Ranges, and Benchmarks

Asset Class	LT Target	Range	Benchmark
Return Enhancement Assets	70%	60 to 80%	
Global Equities	45%	35 to 55%	MSCI ACWI
<i>U.S. Equity</i>		<i>20 to 35%</i>	
<i>Non-U.S. Equity</i>		<i>10 to 20%</i>	
<i>Emerging Markets Equity</i>		<i>5 to 15%</i>	
Private Equity/Venture Capital ¹	25%	10 to 35%	Russell 3000
<i>Private Equity</i>		<i>5 to 20%</i>	
<i>Venture Capital</i>		<i>5 to 15%</i>	
Real Assets ²	10%	5 to 15%	
<i>Marketable Real Assets</i>		<i>2 to 8%</i>	<i>25% Barclays US TIPS / 25% MSCI World Natural Resources / 25% MSCI U.S. REIT / 25% Bloomberg Commodity TR</i>
<i>Private Real Assets</i>		<i>5 to 12%</i>	<i>70% S&P Natural Resource Sector / 30% MSCI U.S. REIT</i>
Diversifying Growth Assets	5%	0%to 10%	
Hedge Funds ³	5%	0%to 10%	HFRI Fund of Funds Composite
Risk Reduction Assets	15%	5 to 20%	
Bonds and Cash	15%	5 to 20%	Dynamic Bonds and Cash Benchmark (Bloomberg Barclays Intermediate Aggregate Index and BofA ML 91 Day Treasury Bills)

¹ Private Equity/Venture Capital: Managers to be considered for inclusion in this category include private equity or venture capital managers and other related partnership funds with similar return objectives subject to multi-year lock-ups. Unfunded commitments plus NAV of Private Equity/Venture Capital investments should not exceed 45% of the Endowment

total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

Unfunded commitments plus NAV of all Private Investments (Private Real Assets, Private Equity, and Venture Capital) should not exceed 55% of the Endowment total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

² Real Assets: Assets included in this category may include private real estate, public real estate (REITs), Treasury Inflation Protected Securities (TIPS), Global Linkers (Non-U.S. Inflation-Linked Bonds), Energy, Infrastructure, Natural Resources, and Commodities. Unfunded commitments plus NAV of Private Real Assets investments should not exceed 18% of the Endowment total market value as of the period measured. If this limit is reached, it will be evaluated by the Board to determine if the limit remains appropriate.

³ Hedge Funds: Assets to be considered for inclusion in this category would primarily include Equity-Oriented Long-Short Hedge Funds, Defensive Arbitrage, Global Macro, and Multi-Strategy Hedge Funds. Other more liquid diversifying funds may also be included. Credit strategies may also be held in some circumstances as absolute return vehicles, and in some circumstances a particular real estate manager may be viewed to qualify as such a holding as well.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management Committee

ITEM: Annual review and approval of the UH System Investment Policy for Non-Endowed Funds

DATE PREVIOUSLY SUBMITTED: February 27, 2020

SUMMARY:

In accordance with Section IX of the UH System Investment Policy for Non-Endowed Funds, the Endowment Management Committee shall review this policy at least once a year. There are no recommended changes to the policy during this review period.

SUPPORTING DOCUMENTATION: UH System Investment Policy for Non-Endowed Funds – redlined copy

FISCAL NOTE: None

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett 2/4/2021
DATE



CHANCELLOR Renu Khator 2/22/2021
DATE

UNIVERSITY OF HOUSTON SYSTEM
INVESTMENT POLICY FOR NON-ENDOWED FUNDS

Approved by the Board of Regents

February 25~~7~~, 2021~~0~~

I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

A. General Statement

All non-endowed financial assets of the University of Houston System are to be invested in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the System and conforming to all state statutes governing investment of such funds. This investment policy applies to all non-endowed financial assets of all funds of the UH System at the present time and any funds to be created in the future.

B. Investment Officer

The System Treasurer may invest funds that are not immediately required to pay obligations of the System. The Board shall designate by resolution one or more additional officers or employees as investment officers. The Endowment Management Committee may also hire an Investment Advisor to assist with the managing and monitoring of non-endowed assets, as well as, appoint one or more investment managers to invest the System's funds under the terms of this policy.

If an investment officer has a personal business relationship with an entity or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the System, the investment officer must file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission.

C. Quality and Capability of Investment Management

The System will provide periodic training in investments for the System Investment Officers through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of the System Investment Officers in making investment decisions.

II. INVESTMENT OBJECTIVES

There are several key objectives which govern the investment philosophy and management of the System's non-endowed funds:

A. Safety and Maintenance of Adequate Liquidity

Safety of principal is a primary objective in any investment transaction involving non-endowed financial assets. The System's investment portfolio must be structured in conformance with an asset/liability management plan that provides for liquidity necessary to pay obligations as they become due.

B. Diversification

The System will diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments.

C. Yield

The System seeks to earn the maximum rate of return allowed on its investments within constraints imposed by its safety and liquidity objectives, and state and federal law governing investment of public funds.

D. Maturity

Portfolio maturities will be structured to meet the obligations of the System first and then to achieve the highest return of interest. When the System has funds that will not be needed to meet current-year obligations, maturity restraints will be imposed based upon investment strategy.

III. ASSET ALLOCATION AND IMPLEMENTATION

The non-endowed funds will be allocated into two tiers of liquidity to better reflect the actual liquidity requirements of these assets. The approved liquidity tiers and target allocation to each tier is as follows:

1. 50% allocated to a Cash Pool with an average one-year time horizon; designed to meet the annual operating needs of the system. The benchmark for this pool will be the Merrill Lynch 91-Day T-Bill Index.
2. 50% allocated to a Liquidity Pool with an average horizon of one to five years, designed to serve as a margin of safety in the unlikely event that the cash pool is insufficient to meet spending needs. The benchmark for this pool will be the BofA ML 1-5 Yr Govt/Corp Index.

A customized Total Portfolio Benchmark will be employed to measure the overall performance of the portfolio. This benchmark will blend the returns of the two benchmarks specified above, weighted according to the target allocation for each respective tier.

Policy targets and allowable ranges for the Non-Endowed Funds are as follows:

	Target Allocation	Allowable Range
Cash Pool	45%	30%% to 100%
Liquidity	55%	0% to 70%

A. Guidelines for the Cash Pool

In order to meet all cash flow requirements for the System, the Cash Pool shall be continuously invested in readily available funds such as money market mutual funds, bank deposits, overnight repurchase agreements or securities with an original maturity not greater than 90 days, to ensure that appropriate liquidity is maintained to meet the University's obligations. Safety and liquidity are the primary objectives of the Cash Pool. The following investments are permitted:

- a. Commercial bank accounts (FDIC insured or in institutions with a long-term rating no lower than A).
- b. Money market mutual funds rated AAA and meeting diversification, quality and maturity requirements of Rule 2a-7 of the Investment Company Act of 1940, or any successor rule. Funds shall be open-ended, no-load funds.
- c. Certificate of deposit issued in the U.S. by a U.S. financial institution rated with a short-term rating no lower than A-1, F-1 or P-1.
- d. U.S. Treasury securities and U.S. Federal Agency securities.
- e. Repurchase and reverse repurchase agreements with a term to maturity of one day, with counterparties having a short-term or counterparty rating of A-1, F-1 or P-1 provided the contract is fully secured by deliverable U.S. Treasury or federal agency obligations, having a market value at all times of at least 102 percent of the amount of the contract, with securities free and clear of any lien and held by an independent third-party custodian acting solely as agent for the University, provided such third party is not the seller under the repurchase agreement. The contract will include a perfected first security interest under the Uniform Commercial Code.

B. Guidelines for the Liquidity Pool

The Liquidity Pool represents non-endowed funds that do not need to be readily available to meet the System's operating needs. Recognizing that this pool will not be accessed on a regular basis and instead serves as a margin of safety in the unlikely event that the cash pool is insufficient to meet spending needs, safety and return are the objectives of this pool. Funds in this pool will be invested in marketable, publicly traded fixed income securities and mutual funds with an average duration of one to five years. In order to achieve the dual goal of protection of principal as well as yield, the Liquidity Pool will be invested with managers who pursue investments across government bonds and corporate credit as well as with managers who pursue absolute return oriented fixed income mandates. In order to appropriately manage risk and return, the following guidelines will be implemented.

Liquidity Pool	Target Allocation	Allowable Range
Short-Term Government Credit	50%	40-100%
Core Fixed Income	20%	0-30%
Core Fixed Income Plus	15%	0-25%
Absolute Return	15%	0-25%

C. Guidelines for Investment Managers

Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Should the University engage an investment manager to manage a separately managed account for the System, detailed investment management guidelines will be agreed upon and should conform to the guidelines set forth in this document. Although the System cannot dictate investment policy to pooled funds or mutual funds, it is expected that pooled or mutual managers that conform to the investment guidelines found in the Guidelines for the Cash Pool and Liquidity Pool will be selected.

D. Guidelines for Rebalancing

Given the difference in expected return among these two pools, and the regular use of funds from the cash pool for operational purposes, these pools may need to be rebalanced occasionally. The Endowment Management Committee should consider rebalancing a pool when it exceeds a five percent over-or-underweight relative to its allowable ranges.

Between meetings of the Committee, should the exposure for any pool reach a level of 5% or more beyond the uppermost limit or 5% below the lower end of the specified range as measured at the end of the month, the Treasurer shall consult with the System's Investment Advisor and make a recommendation to the Senior Vice Chancellor for Administration and Finance or designee as to the appropriate rebalancing actions to take. By mutual agreement, those parties may then proceed to take what rebalancing actions they deem to be reasonable and practical. Any rebalancing actions taken shall be communicated to the entire Committee by the Senior Vice Chancellor for Administration and Finance in a timely matter but in any case, no later than the next Committee meeting.

In addition to rebalancing between the Cash and Liquidity Pools, from time to time the System Treasurer, together with the Investment Advisor, may evaluate the aggregate amount of non-endowed funds to determine if there is excess liquidity held across non endowed funds. In the

event that the Treasurer determines excess liquidity exists, some portion of non-endowed funds may be invested alongside the University's endowment or Long-Term Investment Pool (LTIP). Such funds would only be invested in the LTIP if it is determined that such excess liquidity is not needed to meet the short term or intermediate term operating needs of the System. Such investment in the LTIP requires approval by the Endowment Management Committee.

IV. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

Not less than quarterly, the System shall provide to the Endowment Management Committee a written report of the System's investment activity for the preceding reporting period. The report shall contain:

V. OTHER INVESTMENT GUIDELINES

A. A Standard of Care

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal; liquidity; and yield. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. The investment of all funds, or funds under the System's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the System.

B. Collateral or Insurance

The System Investment Officer shall ensure that all System funds held as bank deposits are fully collateralized or insured consistent with federal and state law. Acceptable forms of insurance or collateral, as shall be stipulated in the System's Bank Depository Contract, are as follows:

1. United States FDIC insurance coverage; or
2. Obligations of the United States or its agencies and instrumentalities.

C. Safekeeping

All purchased securities shall be held in safekeeping by the System, or a System account in a third party financial institution, or with the Federal Reserve Bank. All pledged securities as collateral by a the Depository Bank shall be held in safekeeping by the System, or a System account in a third party financial institution, or with a Federal Reserve Bank.

D. Securities Lending

Securities owned by the System and held in custody by the System's custodian may only be lent to other parties through a contract between the System and the custodian pursuant to a written agreement approved by the Board of Regents. Neither custodians nor investment managers may enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in mutual funds, the Board cannot dictate whether or not the fund will engage in securities lending.

Therefore, the System and its Investment Advisor shall make every effort either to avoid mutual funds that participate in securities lending, or to otherwise limit investment to those managers who will not engage in securities lending.

VI. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management Committee
ITEM: Approval is requested for the FY2021 University Advancement Endowment Assessment Rate

DATE PREVIOUSLY SUBMITTED: February 27, 2020

SUMMARY:

Approval is requested to assess System endowments at a rate of 1.3% for the fiscal year ending 2021 (spendable in FY2022) to fund administrative costs and fundraising activities. This represents the annual review and approval by the Board of this assessment. The investment policy states that the Board shall annually review and approve the fee.

SUPPORTING DOCUMENTATION: None

FISCAL NOTE: Estimated \$7.3 million

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

COMPONENT: University of Houston System

		<u>2/4/2021</u>
SENIOR VICE CHANCELLOR	Raymond S. Bartlett	DATE
		<u>2/22/2021</u>
CHANCELLOR	Renu Khator	DATE

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Audit and Compliance

ITEM: Report on University of Houston System, Board of Regents' Policies on Internal Audit, Institutional Compliance and Identity Theft Prevention

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

The Audit & Compliance Committee Planner, item number 3.03, requires an annual review of the Board of Regents' policies on Internal Audit, Institutional Compliance and Identity Theft Prevention. There have been no suggested changes to the policies since they were reviewed by the Audit and Compliance Committee on February 27, 2020.

SUPPORTING

DOCUMENTATION: Board of Regents' Policies on Internal Audit, Institutional Compliance and Identity Theft

FISCAL NOTE:

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System

Phillip W. Hurd

2-9-21

CHIEF AUDIT AND COMPLIANCE EXECUTIVE Phillip W. Hurd

DATE

Renu Khator

2/22/2021

CHANCELLOR

Renu Khator

DATE

SECTION V – AUDIT AND COMPLIANCE

41 AUDIT AND COMPLIANCE

41.01 Internal Auditing

To develop a framework for the implementation of the internal audit function within the System, and to define the scope of the internal audit function as an effective management tool for use by the Chancellor and the Board in evaluating the System’s fiscal integrity and compliance with the Texas Internal Auditing Act, Texas Government Code, Section 2102, applicable state and federal laws and with approved Board policies, the Board adopts the following policy (which serves as the Internal Audit Charter):

41.01.1 Purpose and Mission

- A. A primary responsibility of the Board is to ensure the legal and fiscal integrity of the System. To that end, the Board directs the Department of Internal Auditing to perform those audit activities necessary to assure that the System’s resources are being properly managed and accounted for and that the institution is complying with approved policies and statutory requirements.
- B. Internal audits are resource tools for management and enable the System to monitor the effectiveness with which policies are followed, objectives met, and control Systems function.
- C. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the System’s operations. The mission of Internal Auditing is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. It helps the System accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, including those related to contracts.
- D. In carrying out their duties and responsibilities, members of the Department of Internal Auditing will have full, free, and unrestricted access to all System activities, records, property, and personnel. The Department of Internal Auditing may also request access to the financial records of private support organizations and foundations chartered for the benefit of the University of Houston System or any part thereof.

41.01.2 Authority

- A. The Chief Audit ~~and Compliance~~ Executive will report directly to the chair of the Audit and Compliance Committee of the Board, and have access to the Chancellor.

- B. The Board is responsible for the employment, evaluation, dismissal, and remuneration of the Chief Audit ~~and Compliance~~-Executive; however, the Chancellor has the authority to make recommendations to the Board on the employment, evaluation, dismissal, and remuneration of the Chief Audit ~~and Compliance~~-Executive.
- C. The Department of Internal Auditing will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing (Standards)*, and the Definition of Internal Auditing. The Department of Internal Auditing will also perform its duties in accordance with generally accepted government auditing standards.
- D. The Chief Audit ~~and Compliance~~-Executive will report periodically to senior management and the audit and compliance committee regarding:
- The Department of Internal Auditing's purpose, authority, and responsibility.
 - The Department of Internal Auditing's plan and performance relative to its plan.
 - The Department of Internal Auditing's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
 - Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the audit and compliance committee.
 - Results of audit engagements or other activities.
 - Resource requirements.
 - Any response to risk by management that may be unacceptable to the University of Houston System.
- E. The Core Principles for the Professional Practice of Internal Auditing are:
- Demonstrates integrity.
 - Demonstrates completeness and due professional care.
 - Is objective and free from undue influence (independent).
 - Aligns with the strategies, objectives, and risks of the organization.
 - Is appropriately positioned and adequately resourced.
 - Demonstrates quality and continuous improvement.
 - Communicates effectively.
 - Provides risk-based assurance.
 - Is insightful, proactive, and future-focused.
 - Promotes organizational improvement.

41.01.3 The Internal Auditing Process

- A. In August of each year, the Department of Internal Auditing will present to the Audit and Compliance Committee an annual internal audit plan and risk assessment for the Board's review and approval. This plan will include a summary of the resources

dedicated to the Internal Audit program in order for the board to determine if adequate resources exist to ensure that risks identified in the risk assessment are adequately covered within a reasonable time frame. The plan will include risk-based testing of contract administration.

- B. The Chief Audit ~~and Compliance~~ Executive will meet with the Chancellor on a regular basis to review audits performed, audits in progress, future audits, and special investigations.
- C. The Chief Audit ~~and Compliance~~ Executive will meet with the chair of the Audit and Compliance Committee on a regular basis to review audits performed, audits in progress, future audits, and special investigations.
- D. Internal Audit reports will be distributed to the Chancellor, members of the Board of Regents, the State Auditor, the Governor's Office of Budget, Planning and Policy, and the Legislative Budget Board, as required by the Texas Government Code, Section 2102.009.
- E. Internal Audit's written responses to the State Auditor's Office's requests of Internal Audit to investigate reports of suspected fraud, waste, abuse and/or ineffective operations at the University of Houston System will be distributed to the Chair of the Audit and Compliance Committee and the Chancellor.

41.01.4 Independence and Objectivity

- A. The Chief Audit ~~and Compliance~~ Executive will ensure that the Department of Internal Auditing remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Audit ~~and Compliance~~ Executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.
- B. Internal audit personnel will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.
- C. The Department of Internal Auditing will be free of all operational and management responsibilities that would impair the ability to make independent reviews of all aspects of the System.
- D. Internal audit personnel will disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- E. The Chief Audit ~~and Compliance~~ Executive will confirm to the Audit and Compliance Committee, at least annually, the organizational independence of the Department of Internal Auditing.

- F. The Chief Audit ~~and Compliance~~ Executive will disclose to the Audit and Compliance Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.
- G. Where the Chief Audit ~~and Compliance~~ Executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

41.01.5 Scope of Internal Auditing

The internal audit activity evaluates and contributes to the improvement of the System's risk management, control and governance systems by addressing the following objectives:

- A. **Risk Management:** Internal audit activity will assist the System by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.
- B. **Control:** Internal audit activity will assist the System in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.
- C. **Governance:** Internal audit activity will contribute to the System's governance process by evaluating and improving the process through which 1. values and goals are established and communicated, 2. the accomplishment of goals is monitored, 3. accountability is ensured, and 4. values are preserved.
- D. The internal audit activity will evaluate risk exposures and adequacy and effectiveness of controls relating to the System's governance, operations and information systems regarding the:
- Reliability and integrity of financial and operational information
 - Effectiveness and efficiency of operations
 - Safeguarding of assets
 - Compliance with policies, procedures, laws, regulations, and contracts
 - Achievement of strategic objectives
 - Results of operations or programs are consistent with established goals and objectives

Identified opportunities for improvement for these areas during the engagements will be communicated to the appropriate level of management.

- E. The Department of Internal Auditing will coordinate audit efforts with those of external CPA firms and the State Auditor's Office.
- F. The Department of Internal Auditing will investigate reports of suspected defalcation, misappropriation or other fiscal irregularities.

G. The Department of Internal Auditing will follow up on engagement findings and corrective actions, and report periodically to senior management and Audit and Compliance Committee any corrective actions not effectively implemented.

41.01.6 Quality Assurance and Improvement Program

A. The Department of Internal Auditing will maintain a quality assurance and improvement program that covers all aspects of the internal auditing activity. The program will include an evaluation of the Department of Internal Auditing's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Department of Internal Auditing and identify opportunities for improvement.

B. The Chief Audit ~~and Compliance~~ Executive will communicate to senior management and the Audit and Compliance Committee on the Department of Internal Auditing's quality assurance and improvement program, including results of internal assessments and external assessments.

Policy last reviewed ~~02/27/20~~ 02/25/21

Related Statutes, Policies, or Requirements

Texas Government Code § 321.0136 – *Investigation*

Texas Government Code, Chapter 2102.~~001~~ – *Texas Internal Auditing Act*

Texas Education Code § 51.9337 – *Purchasing Authority Conditional; Required Standards*

The Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing and Code of Ethics - <http://www.theiia.org/guidance/standards-and-guidance/ippf/>.

U.S. Government Accountability Office, Government Auditing Standards (The Yellow Book) - <http://www.gao.gov/new.items/d07731g.pdf>.

System Administrative Memoranda (SAMs)

01.C.04 – *Reporting/Investigating Fraudulent Acts*

04.A.01 – *Audits by External Auditors*

04.A.02 – *Audits by Internal Auditing*

42 COMPLIANCE

42.01 Institutional Compliance

The Chancellor, as Chief Executive Officer of the System, is responsible for ensuring the implementation of an institutional compliance program for the System designed to promote ethical behavior and ensure compliance with all applicable policies, laws, and rules governing higher education, including research and health care to the extent applicable. Accordingly, the ~~Chief Audit and Compliance Executive~~ System-wide Compliance Officer prepares an executive summary of all institutional compliance activity of the component institutions.

42.01.1 System-Wide Compliance Officer

The University of Houston Chief Compliance Officer shall serve as the~~Chief Audit and Compliance Executive is the~~ System-Wide Compliance Officer and is responsible, and will be held accountable for, apprising the Chancellor and the Audit and Compliance Committee of the institutional compliance functions and activities at each of the component institutions as set out in Subparagraph B, below. The ~~Chief Audit and Compliance Executive~~ System-wide Compliance Officer provides institutional compliance assistance to the Chancellor and the Vice Chancellors in the exercise of their responsibilities.

A. Appointment: The ~~Chief Audit and Compliance Executive~~ System-wide Compliance Officer shall be appointed by the Chancellor. The ~~Chief Audit and Compliance Executive~~ System-wide Compliance Officer is the senior compliance official of The University of Houston System, provides assistance and advice covering all component compliance programs, and shall hold office without fixed term, subject to the pleasure of the Chancellor.

B. Duties and Responsibilities: The primary responsibilities of the ~~Chief Audit and Compliance Executive~~ System-wide Compliance Officer include developing an infrastructure for the effective operation of The University of Houston System Institutional Compliance Program; chairing the System-wide Compliance Officers Council; and prescribing the format for the annual risk-based compliance plan and the quarterly compliance status reports to be submitted by each component institution.

Policy last reviewed ~~02/27/20~~ 02/25/21

Related Statutes, Policies or Requirements

Texas Education Code § 51.971 – *Compliance Program*

42.02 Identity Theft Prevention Program

The Chancellor, as Chief Executive Officer of the System, is responsible for ensuring the implementation of an identity theft prevention program which adheres to the Federal Trade Commission's Red Flag Rule under sections 114 and 315 of the Federal Fair and Accurate Credit Transactions Act. At least annually, the System-wide compliance officer prepares an executive summary of all activities of the Identity Theft Prevention Programs of the component institutions.

Policy last reviewed ~~02/27/20~~ [02/25/21](#)

Related Statutes, Policies, or Requirements

Federal Fair and Accurate Credit Transactions Act, Pub.L. 108-159.

Federal Trade Commission Red Flag Rule, 16 C.F.R. § 681.2.

System Administrative Memoranda (SAMs)
01.C.14 – *Identity Theft*

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic and Student Success

ITEM: Approval of a Master of Science in Data Science – University of Houston-Victoria

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

The University of Houston-Victoria requests approval to establish a Master of Science in Data Science. The proposed degree will prepare students with knowledge in data analytics (applied statistics, data warehousing and datamining, and database system development) data programming (python programming, machine learning and data visualization), and data domain knowledge (predictive analytics, computational science, and computation methods in application domains such as bioinformatics). Graduates from this program will develop data analysis and decision-making skills including hands-on experience with statistics programming languages and use of comprehensive data architecture, design, and analysis tools through coursework and applied research experiences. In July 2019, dice.com listed openings for at least 43,706 open positions in data science nationwide; with more than 3,795 located in Texas. There are currently nine M.S. data science or data analytics programs offered by Texas public higher educational institutions. The University of Houston and University of Houston-Downtown both offer M.S. in Data Science programs via face-to-face instruction whereas this proposed program will be delivered in an online format. The program is expected to generate revenue starting in its fifth year.

SUPPORTING DOCUMENTATION: Program Description and Financial Pro Forma

FISCAL NOTE: None

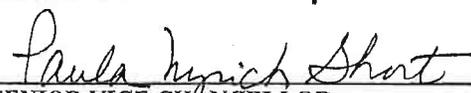
RECOMMENDATION/
ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston-Victoria



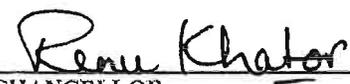
PRESIDENT Robert K. Glenn

02/05/21
DATE



SENIOR VICE CHANCELLOR Paula Myrick Short

2/5/2021
DATE



CHANCELLOR Renu Khator

2/22/2021
DATE

MASTER OF SCIENCE IN DATA SCIENCE UNIVERSITY OF HOUSTON-VICTORIA

Congruence with System Goals and University Mission

The University of Houston-Victoria (UHV) has determined the need to offer a Master of Science (M.S.) degree in Data Science. The proposed degree will address the mission of the University of Houston System and UHV by helping to meet the needs of Coastal Bend residents who wish to serve their local cities and counties as well as Texas and the U.S. by serving as Data Scientists/Architecture/Analyst and Business Intelligence Professionals.

Since UHV is a Hispanic Serving Institution (HSI), additional degrees offered will support the goal of the Texas Higher Education Coordinating Board (THECB) to provide opportunities for Hispanic residents of the region to achieve higher education at a rate that is proportional to their population. Since 2010, UHV has awarded 1034 undergraduate degrees to Hispanic students out of a total of 4367 undergraduate degrees, accounting for 23.7% of undergraduate degrees and 403 graduate degrees to Hispanic students, out of a total of 2843 degrees, accounting for 14% of graduate degrees.

This degree will aid in the overall strategic plan of UHV's School of Arts & Sciences. The school has been successfully offering computer information systems and computer science graduate programs the last 15 years. To continue to serve our regions' IT workforce needs, the school has developed a strategic plan to offer a data science program, which is in great demand from the job market.

The proposed Master of Science in Data Science will advance initiatives of the THECB's 60x30TX strategic plan by providing graduates advanced knowledge and skills to enter the workforce or progress in their current careers. The proposed program advances each of the four 60x30TX goals; an educated population, completion, marketable skills, and (reducing) student debt.

Goal One: An educated population - graduates will obtain an advanced degree in their field of study increasing the advanced educational attainment of Texas residents.

Goal Two: Completion – UHV is an HSI-designated institutions attracting many first-generation, minority, and low socioeconomic students. It is expected that many graduates will remain in Texas to contribute to the state's workforce.

Goal Three: Marketable skills - Coursework made up of practical skills in specific topics in data visualization, machine learning, data mining, predictive modeling, and statistics will allow graduates to obtain the necessary knowledge and skills to advance their careers. Elective courses will provide students flexibility in tailoring the program to their unique needs and career aspirations.

Goal Four: Student debt – In 2018-2019, UHV was the 6th most affordable university in Texas. The 36-hour program will be one of the lower cost masters level programs in the state.

Program Description

The M.S. in Data Science is a 36 semester credit hour program with two tracks, thesis and non-thesis. Both tracks require 24 credit hours of core coursework made up of data visualization, machine learning, data mining, predictive modeling, and statistics. The thesis track will include 6 hours of thesis research and coursework in addition to 6 hours of prescribed elective courses while the non-thesis track will

MASTER OF SCIENCE IN DATA SCIENCE UNIVERSITY OF HOUSTON-VICTORIA

require 12 hours of prescribed elective courses or 9-11 hours of prescribed elective courses and up to 3 credit hours via internship.

The program prepares students with data analysis and decision-making skills, including hands-on experience with statistics programming languages and use of comprehensive data analysis tools, through coursework and applied research experiences. Proposed degree will enable IT and business professionals to advance their career through mastery of data analytics in enterprise.

Student and Job Market Demand

Former UHV students who are currently working in the IT industry have been requesting the creation of an M.S. in Data Science due to the advanced skill sets required to keep up with current industry trends. Program graduates will enhance their knowledge, skills, and credentials in data analytics and processing to accelerate their current career progression or to embark on a new career in both IT and business enterprise sectors.

Society is undergoing a data revolution in terms of collecting and accumulating data across all industries. The proliferation of big data and cloud computing technologies are constantly pushing the boundaries in speed and amount of data being archived. The fierce competition between companies is driven with data analytics. As a result, there is an exponential growth in job market demand for professionals with varying foci of data analytical skills, such as data architect, data engineer, data analyst, or data scientist, etc. and a constant shortage of data scientists with every three data scientists job postings per industry-related job search as of 2020 according to [quanthub.com](https://www.kdnuggets.com/2020/01/data-science-job-market.html).

Proposed program will be offered in both classroom and online formats. UHV will be able to provide data science learning opportunities not only to the Victoria and west Houston area, but also to make the degrees available to working professionals throughout Texas and beyond.

Program Duplication

There are currently nine M.S. Data Science or Data Analytics programs offered by Texas public higher educational institutions. The University of Houston and University of Houston-Downtown both offer M.S. in Data Science programs via face-to-face instruction whereas this proposed program will be delivered in both in-person and online formats.

Faculty Resources

The current UHV computer science and mathematics faculty has the teaching, research, and industry expertise to implement the proposed program as shown by their range of publications and participation in relevant professional organizations, as well as their teaching experience at both undergraduate and graduate levels.

Brief Summary: State or National Need

In July 2019, dice.com listed openings for at least 43,706 open positions in data science nationwide; with more than 3,795 located in Texas. At regional and state levels, Texas has a wide variety of industry sectors, from traditional large oil and gas service companies to medical and IT startups, all requiring professionals skillful at data analytics and data scientists to incorporate data-driven decision-making processes.

PRO FORMA FOR MS in Data Science

FY2022 9

			Year 0	Operating Years				
			FY2022	FY2023	FY2024	FY2025	FY2026	
Enrollments			Fall21	Fall22	Fall23	Fall24	Fall25	
Cohort 1			15	11				
Cohort 2				20	15			
Cohort 3					25	19		
Cohort 4						25	19	
Cohort 5							25	
Cohort 6								
Total			15	31	40	44	44	
Expenses								
Faculty (9 month)	Salary	% effort	Year 0	FY2022	FY2023	FY2024	FY2025	FY2026
Current Faculty - Hardik Gohel	70,000	50%		35,000	35,000	35,000	35,000	35,000
Current Faculty - Yun Wan	102,984	50%		51,492	51,492	51,492	51,492	51,492
Current Faculty - Hongyu Guo	86,793	20%		17,359	17,359	17,359	17,359	17,359
Current Faculty - Qi Zhu	100,344	20%		20,069	20,069	20,069	20,069	20,069
Current Faculty - Junda HU	54,832	30%		16,450	16,450	16,450	16,450	16,450
				-	-	-	-	-
				-	-	-	-	-
Subtotal	414,953	170%	-	140,369	140,369	140,369	140,369	140,369
Faculty FTE								
Staff (12 month)								
Position 1				-	-	-	-	-
Position 2				-	-	-	-	-
Position 3				-	-	-	-	-
Position 4				-	-	-	-	-
Position 5				-	-	-	-	-
Position 6				-	-	-	-	-
Graduate Students				-	-	-	-	-
Subtotal	-	0%	-	-	-	-	-	-
Staff FTE								
Total Salaries			-	140,369	140,369	140,369	140,369	140,369
Benefits @ 33%			-	46,322	46,322	46,322	46,322	46,322
Total Personnel			-	186,691	186,691	186,691	186,691	186,691
Non-Personnel								
Marketing/Recruiting				3,000	3,000	3,000	3,000	3,000
Scholarships & Tuition Assistantships				5,000	8,000	10,000	10,000	10,000
Annual maintenance & operations				3,000	4,000	5,000	5,000	5,000
Library and Information Technology				3,000	4,000	4,000	4,000	4,000
Accreditation				-	-	-	-	-
Facilities				-	-	-	-	-
Laboratory and other equipment				-	-	-	-	-
Other				-	-	-	-	-
Total Non-Personnel			-	14,000	19,000	22,000	22,000	22,000
Allocated to university operations	30%			26,546	54,862	130,950	138,029	163,257
Total Annual Expense			\$ -	\$ 227,237	\$ 260,553	\$ 339,641	\$ 346,720	\$ 371,948
Revenue								
Formula Funding Generated				-	-	228,434	228,434	324,229
Statutory Tuition Applied to Formula				-	-	(27,900)	(27,900)	(39,600)
Subtotal: State General Revenue				-	-	200,534	200,534	284,629
UHV Tuition and Fees				97,146	200,768	259,056	284,962	284,962
Allocated to set aside per student				(8,659)	(17,895)	(23,090)	(25,399)	(25,399)
Total Revenue from Enrollment				88,487	182,873	436,500	460,096	544,192
Philanthropy and other External Revenue				-	-	-	-	-
Net Revenue				88,487	182,873	436,500	460,096	544,192
Net Annual Gain/(Loss)			-	\$ (138,750)	\$ (77,679)	\$ 96,859	\$ 113,377	\$ 172,243
Cumulative Gain/(Loss)			-	\$ (138,750)	\$ (216,429)	\$ (119,570)	\$ (6,193)	\$ 166,050

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Academic and Student Success

ITEM: Approval of a Bachelor of Arts and Bachelor of Science in Public Policy – University of Houston

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

The University of Houston requests approval to establish a Bachelor of Arts and Bachelor of Science in Public Policy. The proposed degrees are designed to empower students in developing the tools necessary for understanding and shaping public policies through training in empirical methods, ethical analysis, cost-benefit analysis, organizational behavior and leadership, and economic forecasting. Students will take introductory courses on the nature of public policy and the policy-making process while meeting with public policy leaders and organizations from Houston to learn more about policymaking. According to the Texas Workforce Commission, social science occupations are expected to grow by 15.96% by 2026 in the Houston Metropolitan Statistical Area. The University of Texas at Dallas offers a B.S. in Public Policy and Southern Methodist University offers a B.A. in Public Policy. UH currently offers undergraduate programs in political science but the practical nature of the public policy degrees, including the Leadership and Policy Laboratory, opportunity for an internship, and quantitative focus on policy analysis set it apart from the broader, more traditional political science program. The B.A and B.S. in Public Policy programs are expected to generate revenue starting in their third year and fifth year, respectively.

SUPPORTING DOCUMENTATION: Program Descriptions and Financial Pro Formas

FISCAL NOTE: None

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

COMPONENT: University of Houston

PRESIDENT Renu Khator

DATE

Paula Myrick Short

SENIOR VICE CHANCELLOR Paula Myrick Short

2/5/2021

DATE

Renu Khator

CHANCELLOR Renu Khator

2/22/2021

DATE

BACHELOR OF ARTS AND BACHELOR OF SCIENCE IN PUBLIC POLICY

UNIVERSITY OF HOUSTON

Congruence with System Goals and University Mission

The mission of the University of Houston is to offer nationally competitive and internationally recognized opportunities for learning, discovery, and engagement to a diverse population of students in a real-world setting. Goals of the University include strengthening its status as a nationally competitive public research university, increasing student success, fulfilling regional and state workforce needs, becoming an engine of social, economic, and intellectual development, and achieving local and national recognition. The proposed Bachelor of Arts and Bachelor of Science in Public Policy degree programs align well with the University's mission and can contribute in important ways to these goals.

Building on the Hobby School of Public Affairs' already existing and highly successful Leland Fellows Program (full-time internships in US congressional offices in Washington, D.C.), Hobby Fellows Program (full-time internships in legislative offices in the Texas Capitol), and the Civic Houston Internship Program (internships with elected officials and non-profit organizations throughout the greater Houston area), undergraduate students will have incredible opportunities to complete full academic training in public policy-making and analysis. Although many departments at the University of Houston offer courses on particular areas of public policy, there is no undergraduate degree program devoted to this field. The Hobby School is already situated to provide further advancement in empirical, ethical, and leadership education at the graduate level in the Master of Public Policy program to students who wish to build upon their undergraduate degrees.

The rigorous and multifaceted training provided by the Public Policy degrees will contribute to other system and university goals. The quantitative aspects of the B.S. degree will differentiate it from the political science degree offered at the undergraduate level at UH. The practical nature of the B.A. degree program will also help to keep students in touch with real-world problems and focused on concrete goals, which should translate into higher levels of successful degree completion.

Graduates of both Public Policy programs will address state and regional workforce needs as they will prepare students for professions in many government, public interest, and business-related policy positions. As students will have opportunities to earn practical work experience and meet key organizational leaders, job placements should be higher than average in the months after graduation in comparison to many other programs. The degrees will also prepare students for careers outside public policy fields by offering them training in quantitative, communication, and critical thinking skills essential for success in the new information economy (e.g., data analysis). These degree programs will help to affirm the University of Houston's reputation as an engine of social, economic, and intellectual development in the state and nation.

Program Description

Both the B.A. and B.S. in Public Policy are 120 semester credit hour programs with roughly 60 hours of core curriculum courses and 33 hours of departmental requirements. The remaining semester credit hours are completed with related subject matter electives including foreign language requirements for the B.A. and quantitative requirements for the B.S.

The proposed degrees are designed to empower students in developing the tools necessary for understanding and shaping public policies through training in empirical methods, ethical analysis, cost-benefit analysis, organizational behavior and leadership, and economic forecasting. Students will take introductory courses on the nature of public policy and the policy-making process while meeting with public policy leaders and organizations from the city of Houston to learn more about policymaking.

BACHELOR OF ARTS AND BACHELOR OF SCIENCE IN PUBLIC POLICY

UNIVERSITY OF HOUSTON

Given the interdisciplinary nature of public policy, students will also be required to take courses in disciplines outside public policy, such as political science, sociology, and economics, in order to develop a specialized knowledge in specific public policy areas. Students will complete their studies by taking a senior seminar on specialized public policy topics or through completing an internship program.

Student and Job Market Demand

The U.S. Bureau of Labor Statistics does not classify public policy analysts as a separate occupation because contingent upon their individual specialization, training and education, workers who analyze policy may be counted as political scientists, economists, survey researchers, urban and regional planners, or other social science occupations, depending upon the job title. Both degrees will, however, prepare students for careers in either qualitative administrative roles or quantitative data analysis, which are among some of the fastest growing occupations in the U.S.

According to the Texas Workforce Commission, social science occupations are expected to grow by 15.96% by 2026 in the Houston Metropolitan Statistical Area. Via Glassdoor, policy analysts earn an average annual salary of \$67,691, as opposed to \$65,817 for financial analysts. It is also 29% higher than the average salary of \$52,581 for positions which require a political science degree.

The National Science Board found that in 2018, social science-related degrees accounted for more than 15% of all degrees awarded in the United States for the past 15 years. The number of social science-related bachelor's degrees awarded rose steadily from about 1,135,000 in 2000 to more than 1,730,000 in 2015.

Program Duplication

The University of Texas at Dallas offers a B.S. in Public Policy and Southern Methodist University a B.A. in Public Policy. Both programs are interdisciplinary and focus on contemporary public policy issues.

The University of Houston does offer undergraduate programs in political science, but the program has scaled back its public policy offerings over the last decade whereas the Hobby School is now positioned to expand its offerings to undergraduate students. In addition, the practical nature of the public policy degrees, including the Leadership and Policy Laboratory, opportunities for internships, and quantitative focus on policy analysis set them apart from the broader, more traditional political science program.

Faculty Resources

The Hobby School currently has six full-time faculty members and two faculty members with joint appointments. The school also employs three post-doctoral fellows who all have teaching responsibilities, and will be conducting a search for additional tenure-track faculty members in the fall of 2021.

State or National Need

The undergraduate programs in Public Policy will provide students with the opportunity to obtain rigorous quantitative and statistical training, conduct rigorous policy analysis, and shape policies and programs at the local, state, national and international levels.

The undergraduate program in Public Policy would address the growing need for skilled public policy graduates due to industry growth or to replace the increasing number of retirees in related social science positions within both the public and private sectors.

PRO FORMA FOR BA in Public Policy

				Operating Years					
FY2022		9		Year 0	FY2022	FY2023	FY2024	FY2025	FY2026
					Fall21	Fall22	Fall23	Fall24	Fall25
Enrollments									
Cohort 1					15	14	13	12	
Cohort 2						27	24	23	22
Cohort 3							42	38	36
Cohort 4								61	55
Cohort 5									78
Cohort 6									
Total					15	41	79	134	191
Expenses									
Faculty (9 month)									
	Salary	% effort		Year 0	FY2022	FY2023	FY2024	FY2025	FY2026
Associate Professor - Pablo Pinto	153,600	10%			15,360	15,667	15,981	16,300	16,626
Professor - Daniel Engster	162,852	10%			16,285	16,611	16,943	17,282	17,628
Professor - Man Chiu Wong	188,700	10%			18,870	19,247	19,632	20,025	20,425
Instructional Assistant Professor - Gail Buttorff	75,915	10%			7,592	7,743	7,898	8,056	8,217
Instructional Assistant Professor - Johanna Luttrell	52,078	10%			5,208	5,312	5,418	5,527	5,637
Provost funded faculty line TBD	200,000	10%			20,000	20,400	20,808	21,224	21,649
Faculty 1 Hobby funded TBD	200,000	10%			20,000	20,400	20,808	21,224	21,649
Faculty 2 Hobby funded TBD	200,000	10%			20,000	20,400	20,808	21,224	21,649
Adjuncts (3)	24,000	100%		-	24,000	24,480	24,970	25,469	25,978
Subtotal	1,257,145	180%		-	147,315	150,261	153,266	156,331	159,458
Faculty FTE									
					1.60	1.60	1.60	1.60	1.60
Staff (12 month)									
Program Manager 2 - Scott Mason	58,265	10%			5,827	5,943	6,062	6,183	6,307
Program Director - Isaiah Warner	67,824	10%			6,782	6,918	7,056	7,198	7,341
Graduate Students	70,000	10%			7,000	7,140	7,283	7,428	7,577
Subtotal	196,089	30%		-	19,609	20,001	20,401	20,809	21,225
Staff FTE									
					1.20	1.20	1.20	1.20	1.20
Total Salaries				-	166,923	170,262	173,667	177,140	180,683
Benefits @ 20.5%				-	34,219	34,904	35,602	36,314	37,040
Total Personnel				-	201,143	205,166	209,269	213,454	217,723
Non-Personnel									
Marketing/Recruiting					5,000	10,000	15,000	20,000	25,000
Scholarships & Tuition Assistantships					50,000	60,000	70,000	80,000	90,000
Annual maintenance & operations					20,000	25,000	30,000	35,000	45,000
Library and Information Technology					5,000	5,000	5,000	5,000	5,000
Accreditation					-	-	-	-	-
Facilities					-	-	-	-	-
Laboratory and other equipment					10,000	10,000	10,000	15,000	15,000
Other					-	-	-	-	-
Total Non-Personnel				-	90,000	110,000	130,000	155,000	180,000
Allocated to university operations		10%			13,775	37,653	73,179	123,689	177,566
Total Annual Expense				\$ -	\$ 304,918	\$ 352,818	\$ 412,448	\$ 492,143	\$ 575,289
Revenue									
Formula Funding Generated					-	-	59,983	59,983	206,087
Statutory Tuition Applied to Formula					-	-	(53,700)	(53,700)	(184,500)
Subtotal: State General Revenue					-	-	6,283	6,283	21,587
UH Tuition and Fees					154,107	421,226	811,630	1,376,689	1,962,296
Allocated to set aside per student					(16,353)	(44,698)	(86,125)	(146,086)	(208,227)
Total Revenue from Enrollment					137,754	376,528	731,788	1,236,886	1,775,655
Philanthropy and other External Revenue					-	-	-	-	-
Net Revenue					137,754	376,528	731,788	1,236,886	1,775,655
Net Annual Gain/(Loss)				-	\$ (167,164)	\$ 23,710	\$ 319,340	\$ 744,743	\$ 1,200,366
Cumulative Gain/(Loss)				-	\$ (167,164)	\$ (143,454)	\$ 175,886	\$ 920,629	\$ 2,120,995

PRO FORMA FOR BS in Public Policy

			Operating Years					
			Year 0	FY2022	FY2023	FY2024	FY2025	FY2026
				Fall21	Fall22	Fall23	Fall24	Fall25
Enrollments								
				8	7	7	6	
Cohort 1					16	14	14	13
Cohort 2						22	20	19
Cohort 3							31	28
Cohort 4								44
Cohort 5								
Cohort 6								
Total				8	23	44	72	104
Expenses								
Faculty (9 month)								
	Salary	% effort	Year 0	FY2022	FY2023	FY2024	FY2025	FY2026
Associate Professor - Pablo Pinto	153,600	10%		15,360	15,667	15,981	16,300	16,626
Professor - Daniel Engster	162,852	10%		16,285	16,611	16,943	17,282	17,628
Professor - Man Chiu Wong	188,700	10%		18,870	19,247	19,632	20,025	20,425
Instructional Assistant Professor - Gail Buttorff	75,915	10%		7,592	7,743	7,898	8,056	8,217
Instructional Assistant Professor - Johanna Luttrell	52,078	10%		5,208	5,312	5,418	5,527	5,637
Provost funded faculty line TBD	200,000	10%		20,000	20,400	20,808	21,224	21,649
Faculty 1 Hobby funded TBD	200,000	10%		20,000	20,400	20,808	21,224	21,649
Faculty 2 Hobby funded TBD	200,000	10%		20,000	20,400	20,808	21,224	21,649
Adjuncts (3)	24,000	100%	-	24,000	24,480	24,970	25,469	25,978
Subtotal	1,257,145	180%	-	147,315	150,261	153,266	156,331	159,458
Faculty FTE				1.60	1.60	1.60	1.60	1.60
Staff (12 month)								
Program Manager 2 - Scott Mason	58,265	10%		5,827	5,943	6,062	6,183	6,307
Program Director - Isaiah Warner	67,824	10%		6,782	6,918	7,056	7,198	7,341
Graduate Students	70,000	10%	-	7,000	7,140	7,283	7,428	7,577
Subtotal	196,089	30%	-	19,609	20,001	20,401	20,809	21,225
Staff FTE				1.20	1.20	1.20	1.20	1.20
Total Salaries			-	166,923	170,262	173,667	177,140	180,683
Benefits @ 20.5%			-	34,219	34,904	35,602	36,314	37,040
Total Personnel			-	201,143	205,166	209,269	213,454	217,723
Non-Personnel								
Marketing/Recruiting				5,000	10,000	15,000	20,000	25,000
Scholarships & Tuition Assistantships				30,000	40,000	50,000	60,000	70,000
Annual maintenance & operations				20,000	25,000	30,000	35,000	45,000
Library and Information Technology				5,000	5,000	5,000	5,000	5,000
Accreditation				-	-	-	-	-
Facilities				-	-	-	-	-
Laboratory and other equipment				10,000	10,000	10,000	15,000	15,000
Other				-	-	-	-	-
Total Non-Personnel			-	70,000	90,000	110,000	135,000	160,000
Allocated to university operations	10%			7,347	21,306	40,431	66,198	96,923
Total Annual Expense			\$ -	\$ 278,490	\$ 316,472	\$ 359,700	\$ 414,653	\$ 474,646
Revenue								
Formula Funding Generated				-	-	33,778	33,778	110,728
Statutory Tuition Applied to Formula				-	-	(30,240)	(30,240)	(99,130)
Subtotal: State General Revenue				-	-	3,538	3,538	11,598
UH Tuition and Fees				82,190	238,352	448,349	736,611	1,071,311
Allocated to set aside per student				(8,722)	(25,292)	(47,576)	(78,165)	(113,681)
Total Revenue from Enrollment				73,469	213,060	400,773	658,446	957,630
Philanthropy and other External Revenue				-	-	-	-	-
Net Revenue				73,469	213,060	400,773	658,446	957,630
Net Annual Gain/(Loss)			-	\$ (205,021)	\$ (103,412)	\$ 44,611	\$ 247,332	\$ 494,582
Cumulative Gain/(Loss)			-	\$ (205,021)	\$ (308,433)	\$ (263,822)	\$ (16,490)	\$ 478,092

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for contracts that are expected to exceed \$1 million that are associated with the purchase of goods or services, excluding construction contracts, at the University of Houston System. Board of Regents policy 55.01.01 states that the board must approve any contract, including any amendment, extension, or renewal thereto, that results in the value of the contract exceeding \$1 million throughout the term of the contract.

SUPPORTING DOCUMENTATION: Summary of Contracts

FISCAL NOTE: See supporting documentation for value of each contract.

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett

2/4/2021

DATE



CHANCELLOR Renu Khator

2/22/2021

DATE

University of Houston System
 Summary of Goods and Services Contracts Greater than \$1 Million
 F&A Committee - February 2021

Component	Project	Procurement Method	Vendor	Purpose	Term	\$ Amount	Funding Source	HUB Goal	Comments
UHS	Automatic/Overhead Door and Gate Preventative Maintenance and Repairs	Request for Proposal	TBD	Preventative maintenance, inspections, repairs and certifications for all overhead doors, automatic doors, and gate openers throughout the UH System campuses and locations.	Original Term: 3 years Optional Term: 2 years	Initial Term: \$900,000 Optional Term: \$600,000	Designated	32.90%	
UHS	Annual Campus Enterprise Software Support and Services	DIR Cooperative	Oracle	Oracle PeopleSoft annual technical support and services cost for application functionality, licenses, and updates to HR, Finance, and Student Administration modules.	Original Term: 1 year	1 year: \$2,100,000	Designated State	0.00%	
UH	Oil and Gas Analysis Equipment	Sole Source	CoreLab	Equipment for analysis of gas oil ratio reservoir fluids under high pressure and temperature conditions. Equipment will be used for multiple sponsored projects within the College of Engineering.	Original Term: Single Purchase	Original Term: \$1,125,000	Designated Grant	0.00%	

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY: Approval is requested for contracts that are expected to exceed \$1 million that are associated with construction projects at the University of Houston System as listed in the supporting documentation. Board of Regents policy 55.01.01 states that the board must approve any contract, including any amendment, extension, or renewal thereto, that results in the value of the contract exceeding \$1 million throughout the term of the contract.

SUPPORTING DOCUMENTATION: Summary of Construction Contracts

FISCAL NOTE: See supporting documentation for value of each contract.

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett 2/4/2021
DATE



CHANCELLOR Renu Khator 2/22/2021
DATE

University of Houston System
 Summary of Construction Contracts Greater than \$1 Million
 F&A Committee December 2020

Component	Project	Procurement	Vendor	Purpose	Amount	Funding	HUB	Comments
UH	Wortham Theater Roof & Building Envelope Repairs	CMAR	TBD	Construction contract. Construction contract for the selected roof replacement and building envelope repairs due to Hurricane Harvey on the Wortham Theater located at the University of Houston.	\$ 2,000,000	State	21.10%	
UH	MD Anderson Library Roof & Building Envelope Repairs	CSP	TBD	Construction contract. Construction contract for selected roof replacement and building envelope repairs due to Hurricane Harvey on the MD Anderson Library located at the University of Houston.	\$ 2,500,000	State	21.10%	

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance & Administration

ITEM: Approval is requested to write-off Accounts and Notes Receivable for Fiscal Year 2020

DATE PREVIOUSLY SUBMITTED: Fiscal Year Write-Off Submitted Annually

SUMMARY:

Approval is requested to write-off Accounts and Notes Receivable totaling \$7,106,113 for Fiscal Year 2020 for the University of Houston, University of Houston-Clear Lake, University of Houston-Downtown, and University of Houston-Victoria, which is approximately 0.63% of the \$1B in revenue that generated the receivables. State Universities are required by law to extend credit to students without consideration of credit history or ability to repay.

	FY 2020	% of Related Revenue	Fed Reserve CC Default Rate	NACUBO Institutional Loan Rate	DOE Student Loan Default Rate
University of Houston	\$5,361,647	0.60%			
University of Houston - Clear Lake	407,206	0.47%			
University of Houston - Downtown	964,996	0.86%			
University of Houston - Victoria	372,264	0.88%			
	\$7,106,113	0.63%	2.00%	3.4%	9.7%

SUPPORTING

DOCUMENTATION: Schedule of Accounts and Notes Receivable Write-Offs for FY2020. Detailed schedules are on file in the UH Division of Finance Offices.

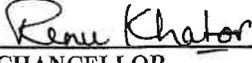
FISCAL NOTE: \$7,106,113

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

COMPONENT: University of Houston System



 SENIOR VICE CHANCELLOR Raymond S. Bartlett DATE 2/4/2021



 CHANCELLOR Renu Khator DATE 2/22/2021

UNIVERSITY OF HOUSTON SYSTEM
SCHEDULE OF ACCOUNTS AND LOANS RECEIVABLE WRITE OFF

-----Delinquent Accounts and Notes Receivable Written Off in 2020-----						
Total Delinquent						
Accounts from 2018						
Proposed Write-Off:		and earlier	UH	UHCL	UHD	UHV
Federal						
	Loans	-	-	-	-	-
	Grants & Contracts	-	-	-	-	-
Non-Federal						
	Tuition & Fees	7,055,448	5,353,739	371,220	958,225	372,264
	Sales & Services	50,665	7,907	35,986	6,772	-
	Grants & Contracts	-	-	-	-	-
	Court Ordered Restitution	-	-	-	-	-
Total Write Off		7,106,113	5,361,647	407,206	964,996	372,264
<u>Tuition/Fee Write Off Statistics</u>						
<u>FY 2020</u>						
Tuition/Fee Write Off as a Percent of Revenue		0.58%	0.60%	0.30%	0.64%	0.72%
Tuition/Fee Revenue		818,439,664	590,901,028	82,651,535	109,449,126	35,437,975
Write Off As a Percent of Related Revenue		0.63%	0.60%	0.47%	0.86%	0.88%
Tuition, Fee, Auxiliary, and Research Revenue		1,129,081,343	888,187,968	85,872,384	112,511,135	42,509,855
<u>FY 2019</u>						
Tuition/Fee Write Off as a Percent of Revenue		0.67%	0.69%	0.39%	0.79%	0.59%
Tuition/Fee Revenue		773,867,889	564,538,571	77,259,220	100,714,164	31,355,934
Write Off As a Percent of Related Revenue		0.79%	0.70%	0.59%	1.08%	0.91%
Tuition, Fee, Auxiliary, and Research Revenue		1,055,193,214	842,638,729	77,259,220	100,714,164	34,581,102

All UHS components, accounts and notes receivables, other than federal loan programs, are written off if more than two years past due and collection efforts remain unsuccessful. The write-off is an accounting entry to report receivables at a realistic asset value. These charges remain on student accounts, and all students are reported to the State of Texas via the TINS Warrant Hold system.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance & Administration

ITEM: Approval is requested of the Thirtieth Supplemental Resolution to the Master Resolution, the Preliminary Official Statement, and Notices of Sale authorizing the Board of Regents of the University of Houston System Consolidated Revenue Refunding Bonds, Series 2021A and Consolidated Revenue Refunding Bonds, Series 2021B (Taxable).

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

The bonds will be sold by competitive sale for refunding purposes. The refunding bonds under consideration include various maturities of three series of bonds. We are refunding bonds with an average coupon of 4.17% with the 2021AB bonds at a preliminary rate of 2.92%.

SUPPORTING

DOCUMENTATION: 1. Thirtieth Supplemental Resolution to the Master Resolution, POS, and NOS's on file in the Board office

FISCAL NOTE: Bonds in aggregate principal amount (not including premium, if any) not to exceed \$57 million. The pro forma net present value savings from the refunding is estimated at \$8.3 million or 14.9%

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

COMPONENT: University of Houston System

		<u>2/4/2021</u>
SENIOR VICE CHANCELLOR	Raymond S. Bartlett	DATE
		<u>2/22/2021</u>
CHANCELLOR	Renu Khator	DATE

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance & Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policies for Fiscal Year 2021

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policy renewals for Fiscal Year 2021. The State Office of Risk Management (SORM) facilitates the Property, Directors & Officers / Employment Practices / Educators Legal Liability, Builder's Risk, Fine Arts, and Automobile insurance programs. Other insurance policies to protect the University of Houston System are administered by the UH Risk Management department. Most of the UHS insurance policies renew March 1, 2021, and others renew over periods ranging through August 31, 2022. The FY2020 annualized insurance expense was \$6.96M.

Not all policy quotations have been received, thus the exact insurance premiums are unknown at this time. Therefore, we are seeking a Delegation of Authority to the Chancellor to negotiate insurance coverage terms and purchase insurance policies in an amount not to exceed \$8.17M for FY21.

SUPPORTING

DOCUMENTATION: Insurance Renewal Status Report

FISCAL NOTE: Estimated annual premiums not to exceed \$8.17 million

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett 2/4/2021
DATE



CHANCELLOR Renu Khator 2/22/2021
DATE

University of Houston System Insurance Renewal Status Report FY21 – FY22

Marketing Projections

Placing the University of Houston's insurance policies has been an ongoing challenge. The majority of insurance policies expect some form of premium increase, either due to rate increases or increase in risk. Additionally, we anticipate that our property policy will suffer from another increase in premium. Property coverage increases are as a result of the market continuing to correct itself from previous soft conditions, our insurance schedule of property increasing due to new construction, as well as the insurance carriers sustaining extensive claim losses worldwide.

Renewal Process

The UH Risk Management department facilitates the purchase of almost all insurance policies for the system. This process includes gathering data from multiple sources across the University community, analyzing insurance needs and market trends, and submitting pertinent information in order to obtain quotes. Most lines of insurance that Risk Management purchases are placed through a dedicated broker, Arthur J. Gallagher. There are a few lines of coverage procured through the State Office of Risk Management, as they are state sponsored programs and UH is currently legislatively required to do so. UHS has staggered renewal dates, with most policies renewing March 1, 2021.

Current and Projected Insurance Premiums

The University of Houston System's insurance program for Fiscal Year 2020 consisted of 21 policies with an aggregate annual cost of approximately \$6,961,180. We are looking at an approximate 20% increase for FY21.

The projected request for Board approval will be **\$8.17 Million** due to anticipated Property program increases and rate increases due to the insurance market conditions.

Items for Consideration:

- The University has sustained approximately a 7% increase in property values due to new construction and renovations
- Insurance markets are still projecting rate increases due to worldwide natural disasters
- The largest exposure to premium increase is associated with the property insurance for the System
 - The proposed premium increase for renewal on 4/30/2021 is coming in at approximately 20% over the current policy cost
- The new College of Medicine will have insurance cost ramifications for this renewal, as well as future renewals
 - This will be most apparent on our medical professional policy, but property and builder's risk will see increases as a result as well

Premium Summary

Premium by Policy Type

Policy	Annual Expense FY19	Annual Expense FY20	Estimated Annual Expense FY21	Policy Period
Property including Equipment Breakdown& Terrorism, Buy Down	\$4,729,794	\$5,636,861	\$6,700,000	April 30 - April 30
Directors & Officers / Employment Practices Liability	\$181,032	\$181,092	\$199,169	Sept. 1 - Sept. 1
Medical Malpractice	\$58,377	\$145,000	\$185,000	March 1 - March 1
Automobile	\$182,881		\$234,564	Sept. 1 - Sept. 1
Builder’s Risk – University of Houston Master Program	0	\$577,146.00	\$577,146	May 1 – May 1
All Others Policies and Broker Fees	\$220,742	\$256,046	\$272,326	Varies
Total	\$4,507,097	\$6,961,180	\$8,168,206	

Premium by Component University

Component	Annual Expense FY19	Annual Expense FY20	Estimated Annual Expense FY21
UH Main	\$4,497,730	\$5,335,102	\$6,193,924
UH Downtown	\$445,452	\$651,618	\$781,941
UH Clear Lake	\$542,943	\$649,524	\$779,428
UH Victoria	\$157,399	\$229,904	\$298,875
UH System	\$86,233	\$95,032	\$114,038
Total	\$5,729,757	\$6,961,180	\$8,168,206

Insurance Policies Not Purchased by Risk Management

In addition to the insurance policies referenced above, Risk Management assists other departments and University organizations with the acquisition of specific insurance coverages.

These insurance policies do not currently fall under Risk Management’s purview to purchase, and are not included in the delegation of authority for this agenda item. They are provided below for informational purposes.

Department/Policy	Premium FY19	Premium FY20	Estimated Annual Premium FY21
College of Business Foundation: Commercial Crime, Primary & Excess Directors & Officers/Employment Practices	\$5,400	\$5,400	\$5,400
Center for Student Involvement: Frontier Fiesta Special Event General Liability	\$13,248	\$0	\$0
Cougar Investment Fund, LLC: Errors and Omissions Policy	\$17,252	\$17,252	\$17,252
Special Event Liability – Bed Races	\$485	\$776	\$776
College of Optometry: Products Liability	\$5,525	\$0	\$0
Athletics: NCAA Medical Accident Stop Loss Policy & Claim Administrative Fee	\$547,500	\$547,500	\$565,000
Total	\$589,410	\$590,953	\$588,428

Informational Items

Workers’ Compensation/Risk Management Services Assessment

The State Office of Risk Management assesses annual fees to each component campus for administering the university’s workers’ compensation self-insurance program and for providing risk management services such as the administration of enterprise-level insurance purchases for various state agencies. These expenses are not included in the delegation authority for this agenda item as participation in this program is mandated by state law and an interagency agreement has already been executed for FY20 – FY21.

Component	WC/SORM Final Assessment FY19	WC/SORM Final Assessment FY20	WC/SORM Initial Assessment FY21
UH	\$930,424	\$1,113,022	\$1,179,937
UH – Downtown	\$86,686	\$111,189	\$138,468
UH – Clear Lake	\$147,474	\$182,175	\$161,075
UH Victoria	\$45,894	\$57,808	\$56,221
UH System	\$6,642	\$8,006	\$7,650
Total	\$1,217,120	\$1,472,200	\$1,543,351

Student Health Insurance

The Student Health Insurance Advisory Committee negotiates the procurement of student health insurance. The coverage is optional for domestic students yet mandatory for international students. The total estimated premium for the 2021-2022 is projected to be approximately \$14.9 million. The student health insurance program is not included in the delegation of authority for this agenda item as the premium costs are borne by the individual students that purchase the coverage. This item is provided for informational purposes.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance & Administration

ITEM: Approval is requested for the University of Houston System FY2022 Holiday Schedule.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for the University of Houston System FY2022 Holiday Schedule. For FY2022, general academic institutions may schedule 12 holidays per the State of Texas. The attached schedule details the University of Houston System FY2022 Holidays.

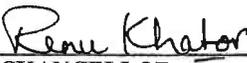
SUPPORTING

DOCUMENTATION: FY2022 Holiday Schedule

FISCAL NOTE: None

RECOMMENDATION/
ACTION REQUESTED: Administration recommends approval of this item.

COMPONENT: University of Houston System

		2/4/2021
SENIOR VICE CHANCELLOR	Raymond S. Bartlett	DATE
		2/22/2021
CHANCELLOR	Renu Khator	DATE

University of Houston System Holiday Schedule Fiscal Year 2022 (Proposed)

Labor Day	Monday, 9/6/2021	1
Thanksgiving	Thursday & Friday, 11/25 – 11/26/2021	2
Winter Holiday	Friday, 12/24/2021 – Friday, 12/31/2021	6
Martin Luther King Day	Monday, 1/17/2022	1
Memorial Day	Monday, 5/30/2022	1
Independence Day	Monday, 7/4/2022	1
TOTAL:		12

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

ITEM: Presentation of the Centennial Master Plan for the University of Houston

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

A Presentation of the Centennial Master Plan for the University of Houston will be presented to the Board by Dean Patricia Oliver, with the Gerald D. Hines College of Architecture and Design.

SUPPORTING DOCUMENTATION: PowerPoint Presentation

FISCAL NOTE: None

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System

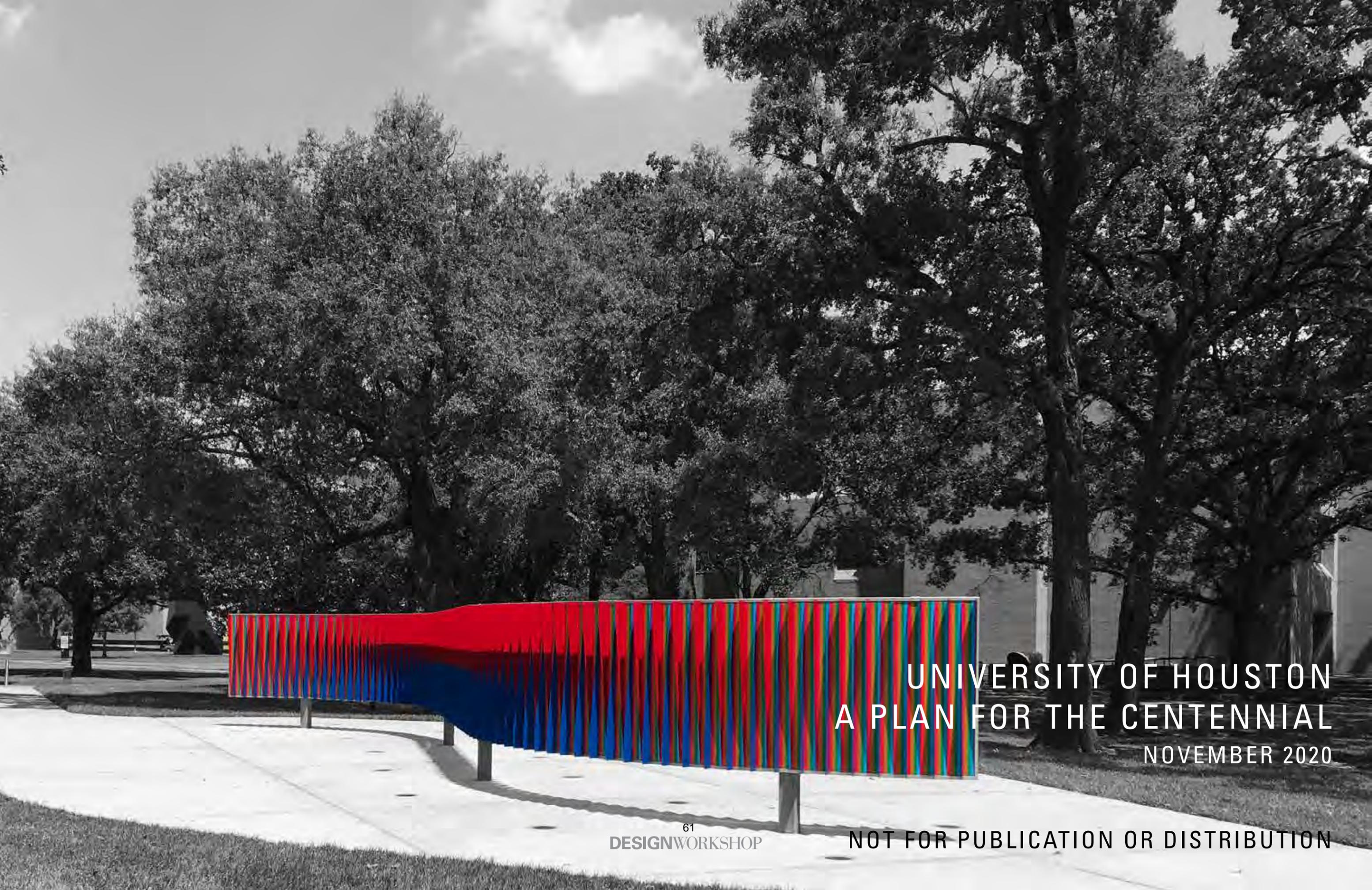


CHANCELLOR

Renu Khator

2/22/2021

DATE



UNIVERSITY OF HOUSTON
A PLAN FOR THE CENTENNIAL
NOVEMBER 2020



Reflecting Pool, Hare & Hare, 1938



Reflecting Pool and Science Building, Lamar Q. Cato, 1939



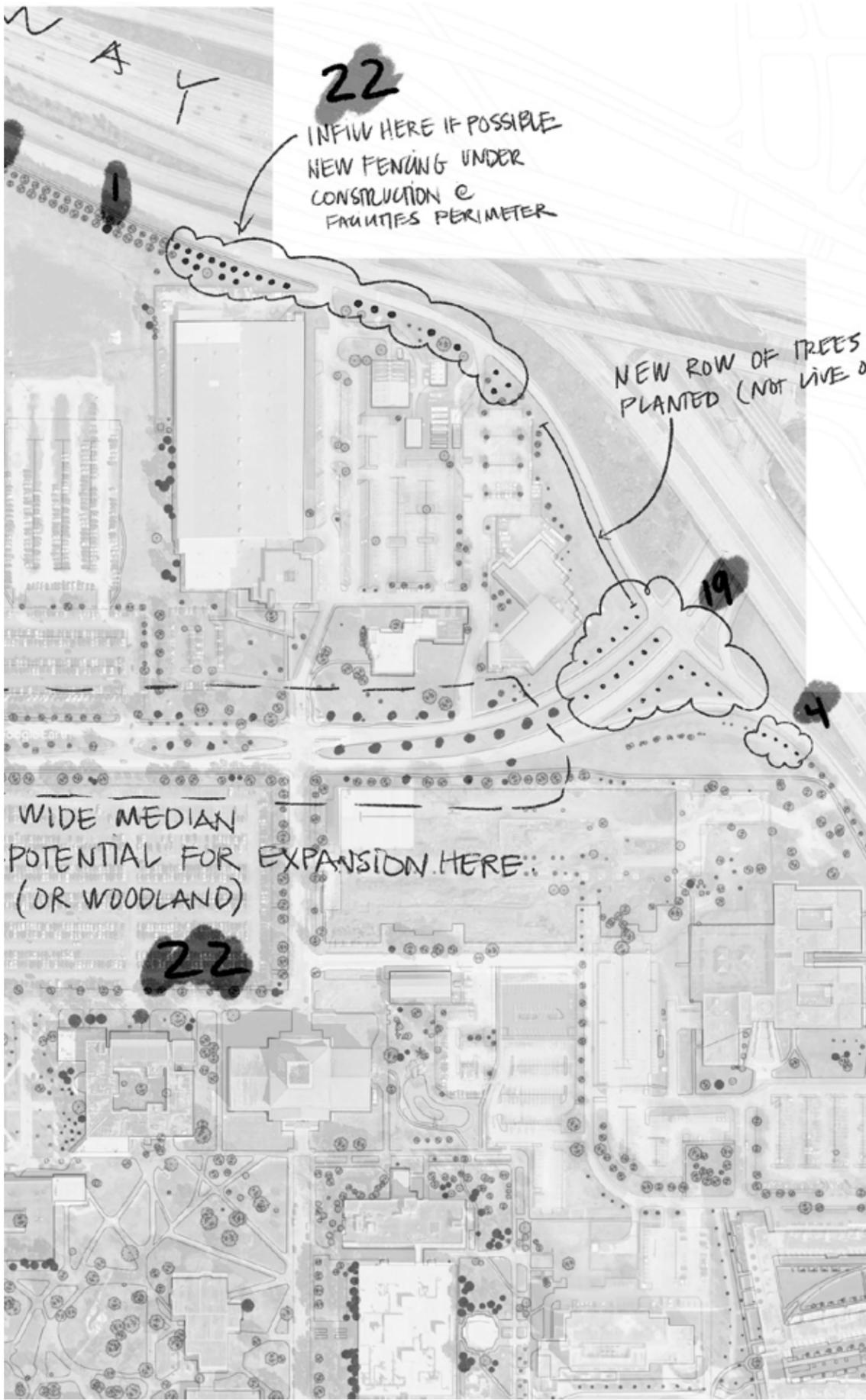
Cullen Family Plaza Fountain, Cornell, Bridgers and Troller with Fred Buxton & Associates, 1970



Centennial Plaza, designLAB, 2019

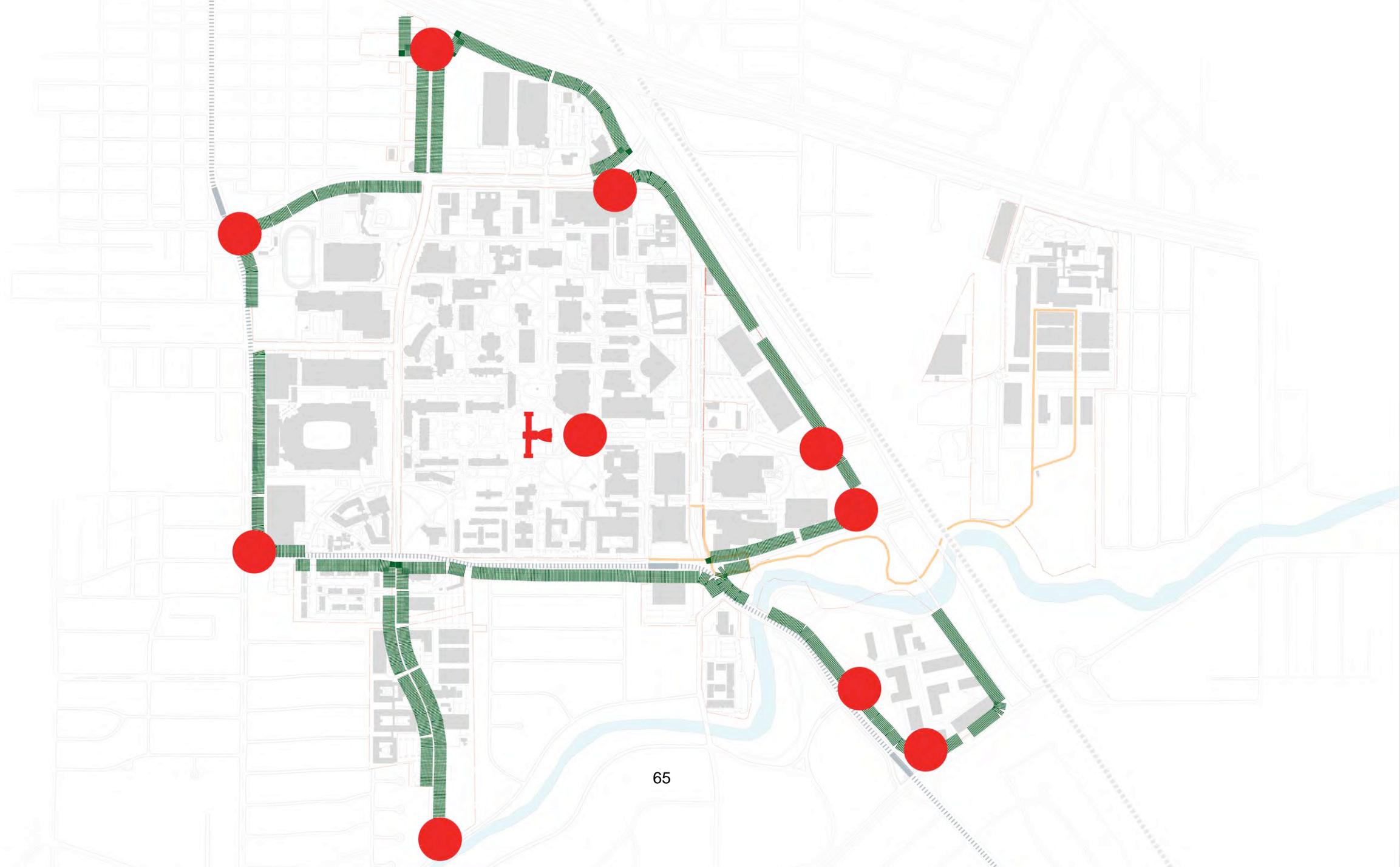


Reflecting Pool, Hare & Hare, 1938



CREATE A STRONG FIRST IMPRESSION

Live Oak Edge Gateways



65

COMPLETING THE LIVE OAK BOUNDARY

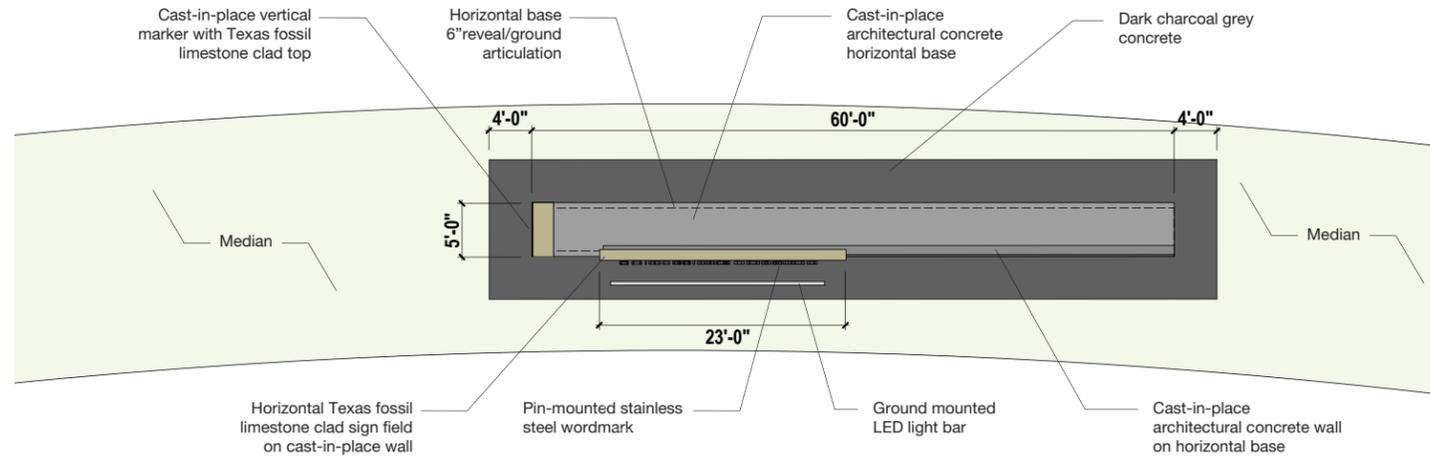
Existing Conditions



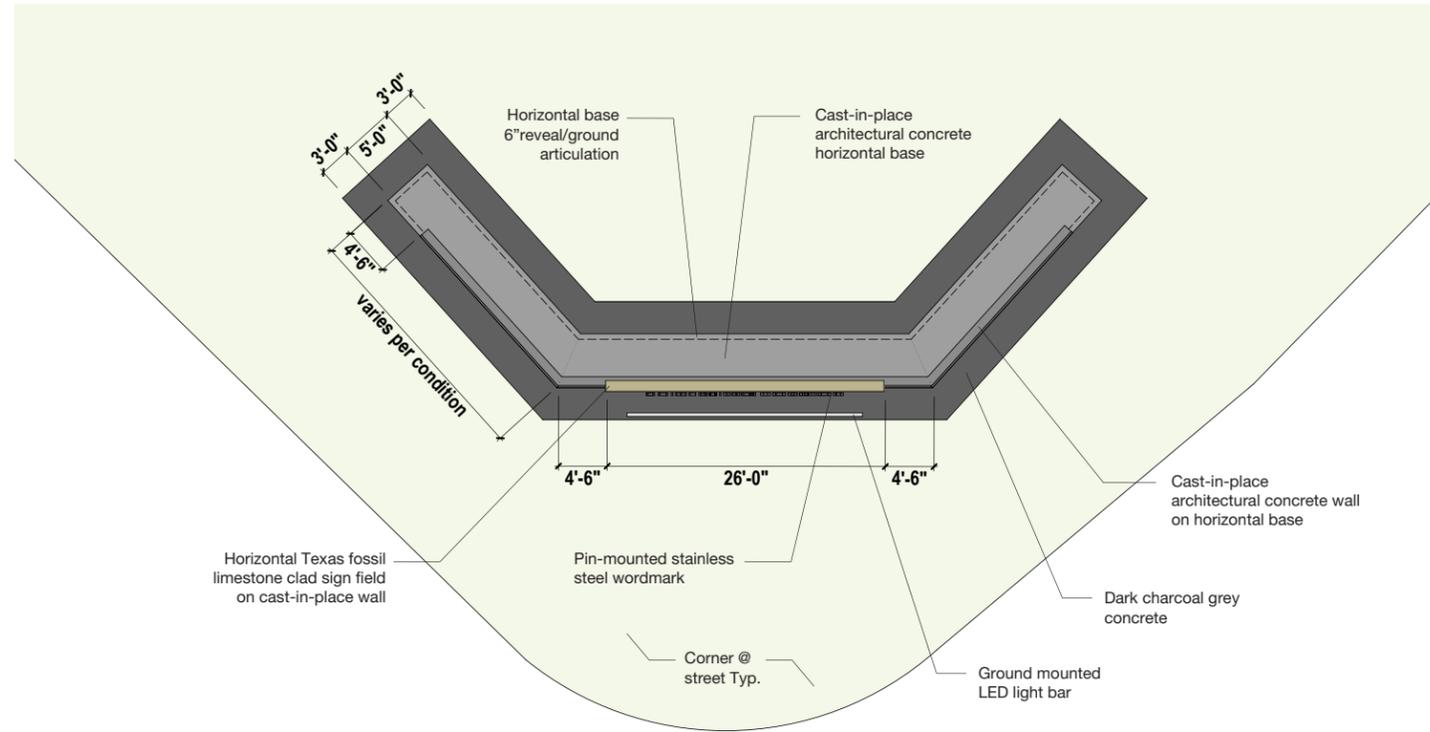
- + Identify segments of live oak boundary that have not been implemented yet
- + Fill in "missing teeth" to the existing live oak edge

GATEWAY ENTRANCE MONUMENTS

Monument Type A - University Drive & College of Medicine Entrances



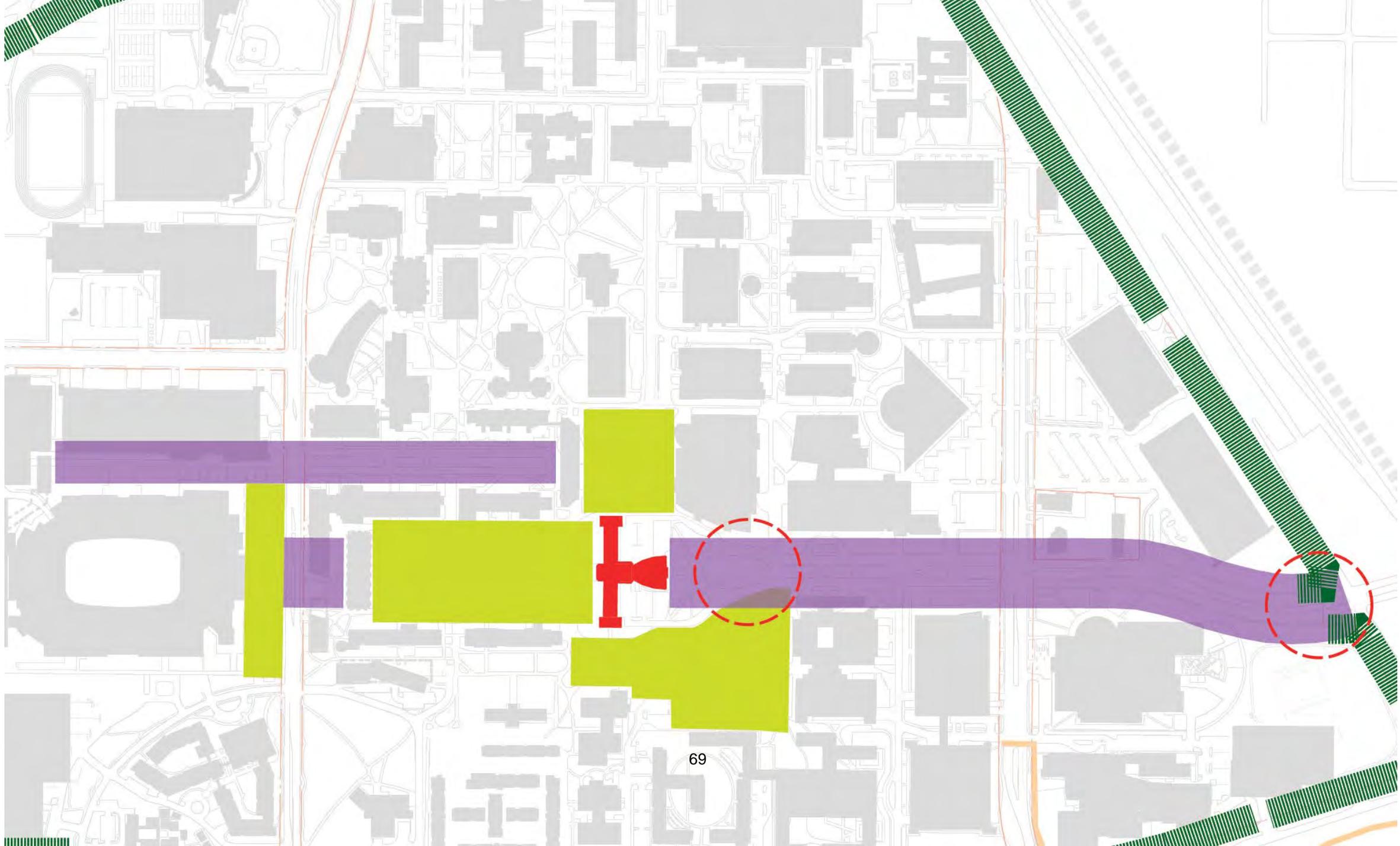
Monument B - 5 Locations





CELEBRATE THE HEART AND LIFE OF THE UNIVERSITY

University Park
Centennial Plaza
University Drive



UNIVERSITY DRIVE



First impressions count: New trees and walkways create a pedestrian-friendly entrance to campus.

UNIVERSITY DRIVE



A shaded, central walkway transforms the student experience in the heart of campus.

CENTENNIAL PLAZA



Graduation ceremony in the new Centennial Plaza, looking east towards Cullen Family Plaza and the Ezekiel Cullen building.

CENTENNIAL PLAZA



Elevated outdoor room overlooking the central plaza and fountain with the iconic Ezekiel Cullen building in the distance.

UNIVERSITY PARK



Entrance 14 transformed: A new student plaza becomes a welcoming front yard for P.G. Hoffman Hall and connects to a central transit hub.

UNIVERSITY PARK

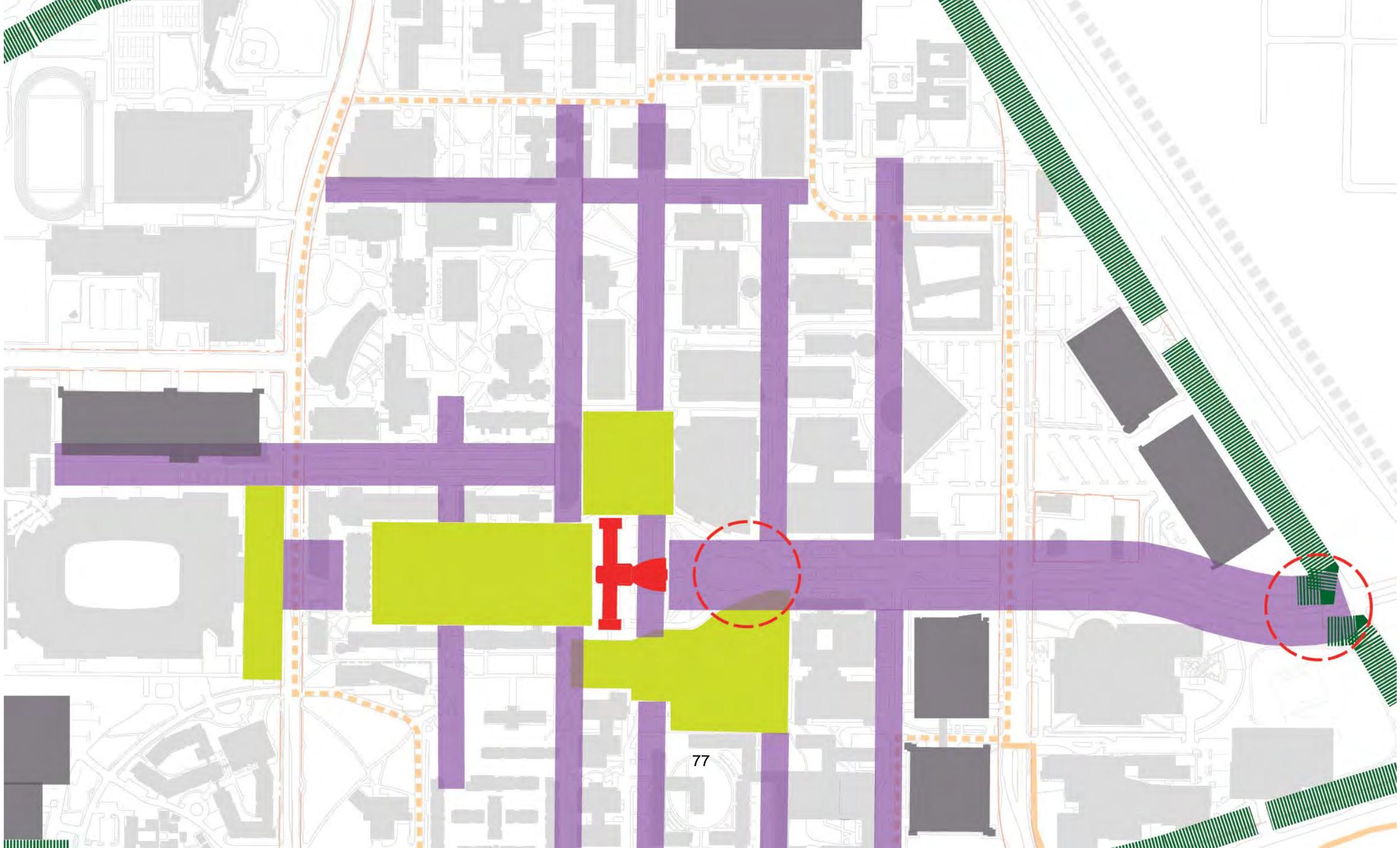


Eye level view of the new student plaza, looking east towards P.G. Hoffman Hall.



BUILD A WALKABLE, WELCOMING, MEMORABLE CAMPUS

Arts Walk
Scholars Walk



ARTS WALK



A place to see and be seen, the Arts Walk provides shaded paths and hangout spaces along the way.

SCHOLARS WALK



Scholars Walk begins at University Drive and ends at a new IDEA Center in the distance.

SCHOLARS WALK

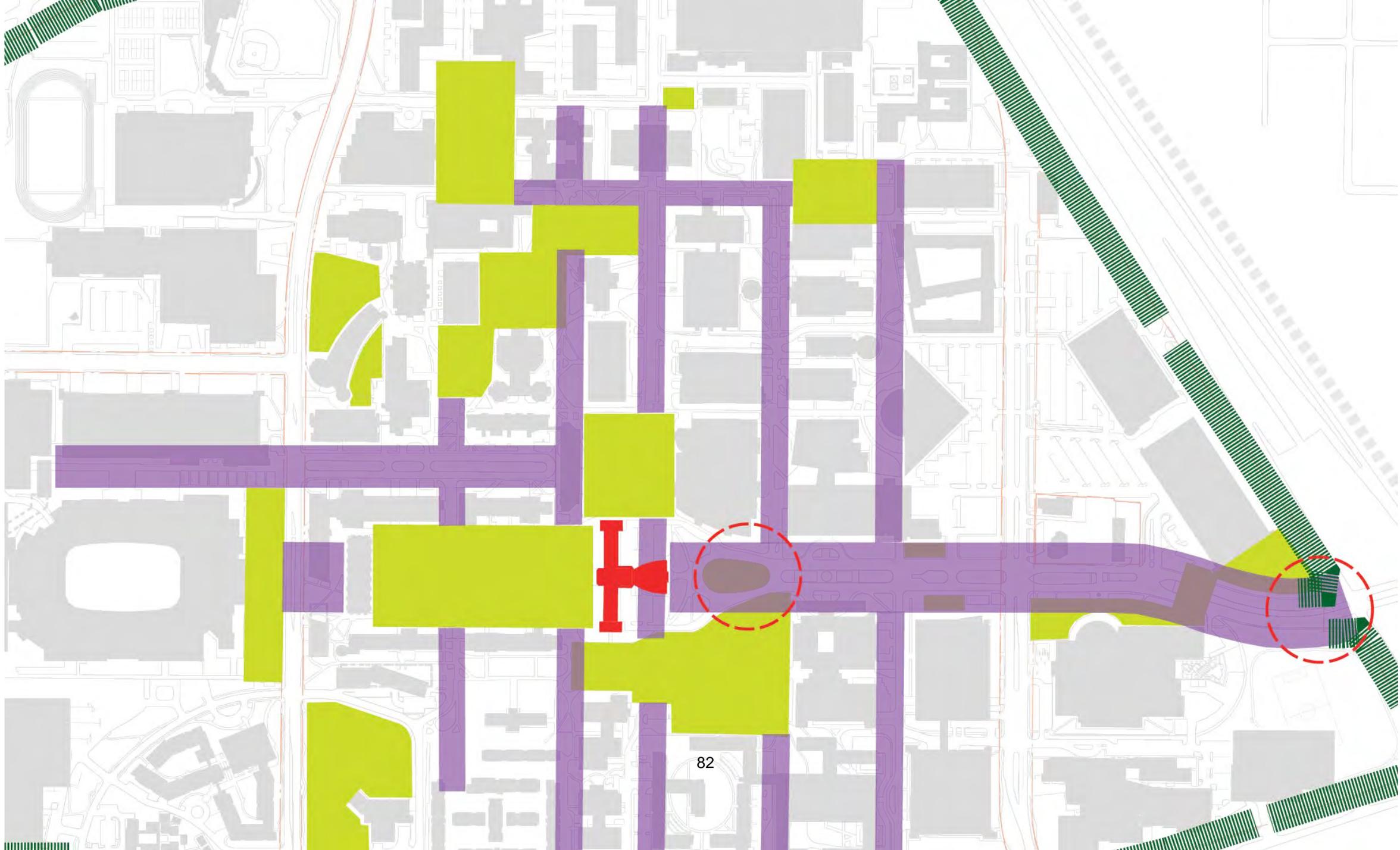


The new Scholars Walk provides a variety of informal gathering spaces along the path to the new IDEA Center.



CONNECT PEOPLE, PLACES, DISCIPLINES

Wilhelmina's Grove
Outdoor Rooms
Inspiration Commons



INSPIRATION COMMONS



A new campus park replaces parking lots and creates a great address for the new John M. O'Quinn Law Building and IDEA Center.

OUTDOOR ROOM AT UNIVERSITY DRIVE



The 9-11 Memorial anchors an “outdoor room” along the transformed University Drive.

OUTDOOR ROOM AT WILHELMINA'S GROVE



Wilhelmina's Grove includes "outdoor rooms" that can be adapted for multiple uses, including this garden space next to the School of Art.

OUTDOOR ROOM AT ARTS WALK



Public Art animates the new Arts Walk in front of the College of Architecture and Design. 86



Wilhelmina's Grove

DaVinci Woods

Science Grove

University Park

Lynn Eusan Park

Technology Bridge

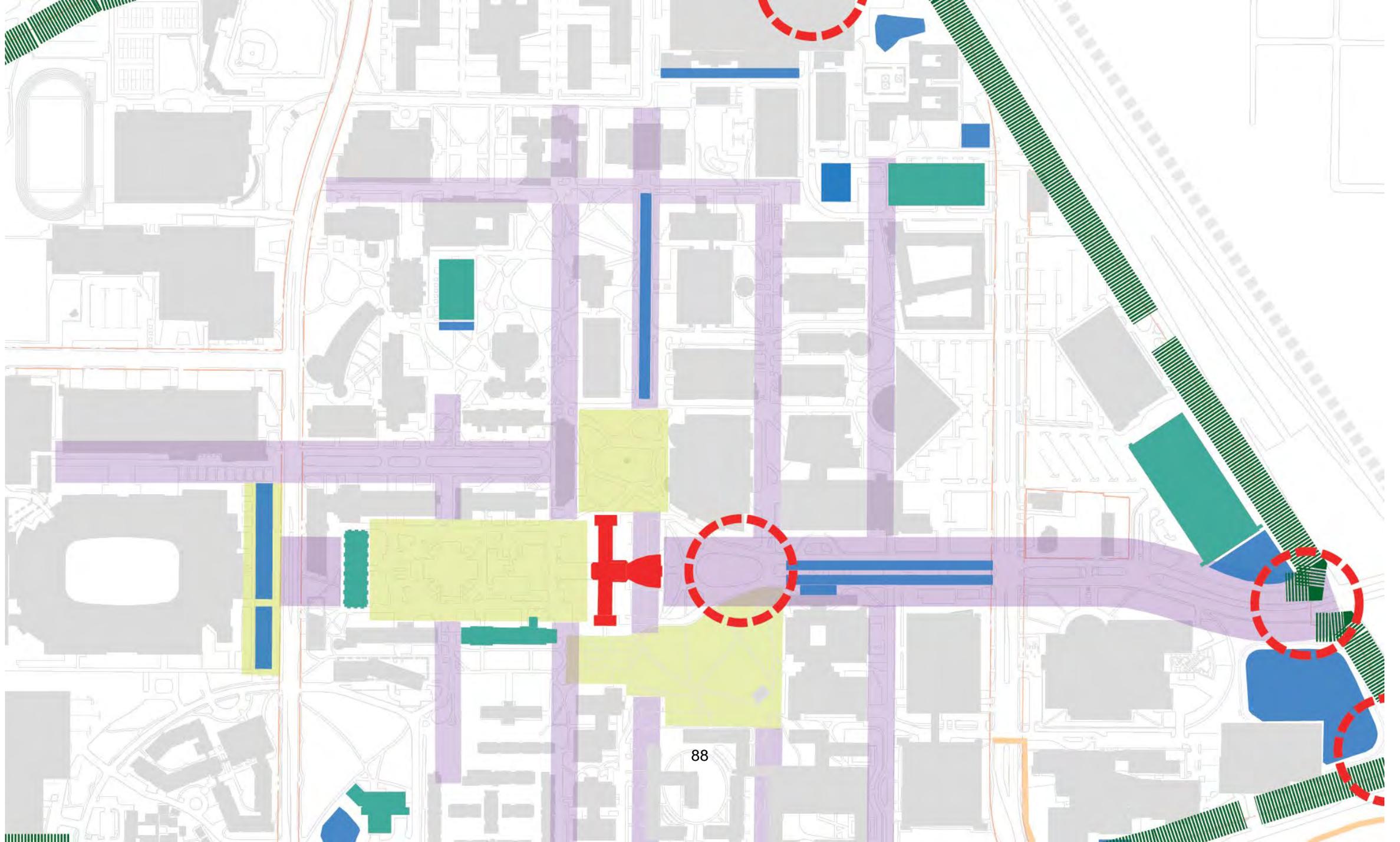
Cougar Woods

MacGregor Tract Woods

DESIGN A SUSTAINABLE, RESILIENT CAMPUS

Campus Woodlands Restoration
Energy, Stormwater, and Sustainability Master Plans
LEED Silver Certification of New Buildings and Major Renovations

Brays Woods



CAMPUS WOODLANDS

- + Develop 'outdoor rooms' for public art, studying, dining, and meeting
- + Make these spaces more habitable, fun and a better resource for the university
- + Restore segments of the woodlands that have been lost or damaged over time
- + How do you restore the woodlands so that it is more resilient to cycles of drought, flooding and disease?

TARGET #1: Increase resilience to flood/drought cycle

TARGET #2: Increase canopy cover and stand density

TARGET #3: Increase biodiversity and native species

1944 - Remnants of Coastal Prairie



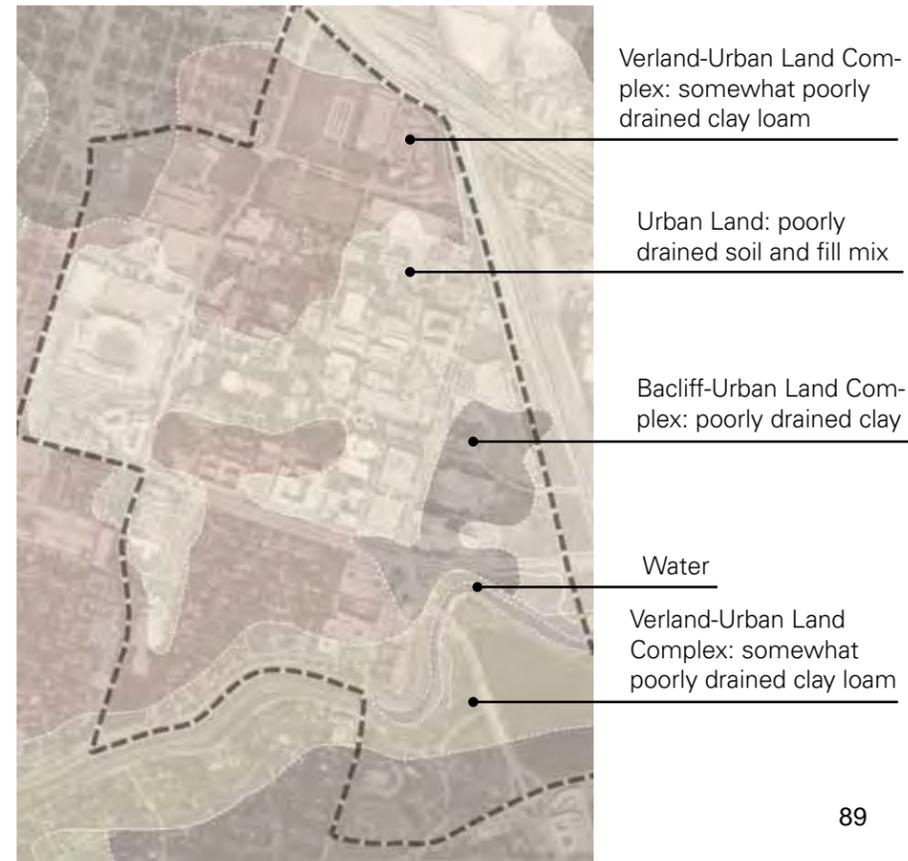
2020



Flood Mapping



Soils Mapping



Today's Grove



CONCEPTUAL EXPANSION OF THE WOODLANDS

SCIENCE & ENGINEERING GROVE

138,996 Square Feet
23% Existing Grove Cover
50% Proposed Grove Cover
 25 New Trees Proposed

TAILGATE GROVE

165,621 Square Feet
25% Existing Grove Cover
58% Proposed Grove Cover
 35 New Trees Proposed

COUGAR WOODS

294,670 Square Feet
26% Existing Grove Cover
49% Proposed Grove Cover
 50 New Trees Proposed

WILHELMINA'S GROVE

154,221 Square Feet
21% Existing Grove Cover
38% Proposed Grove Cover
 15 New Trees Proposed

DAVINCI'S GROVE

509,104 Square Feet
29% Existing Grove Cover
45% Proposed Grove Cover
 70 New Trees Proposed

ZONE 3

153,297 Square Feet
49% Existing Grove Cover
55% Proposed Grove Cover
 7 New Trees Proposed

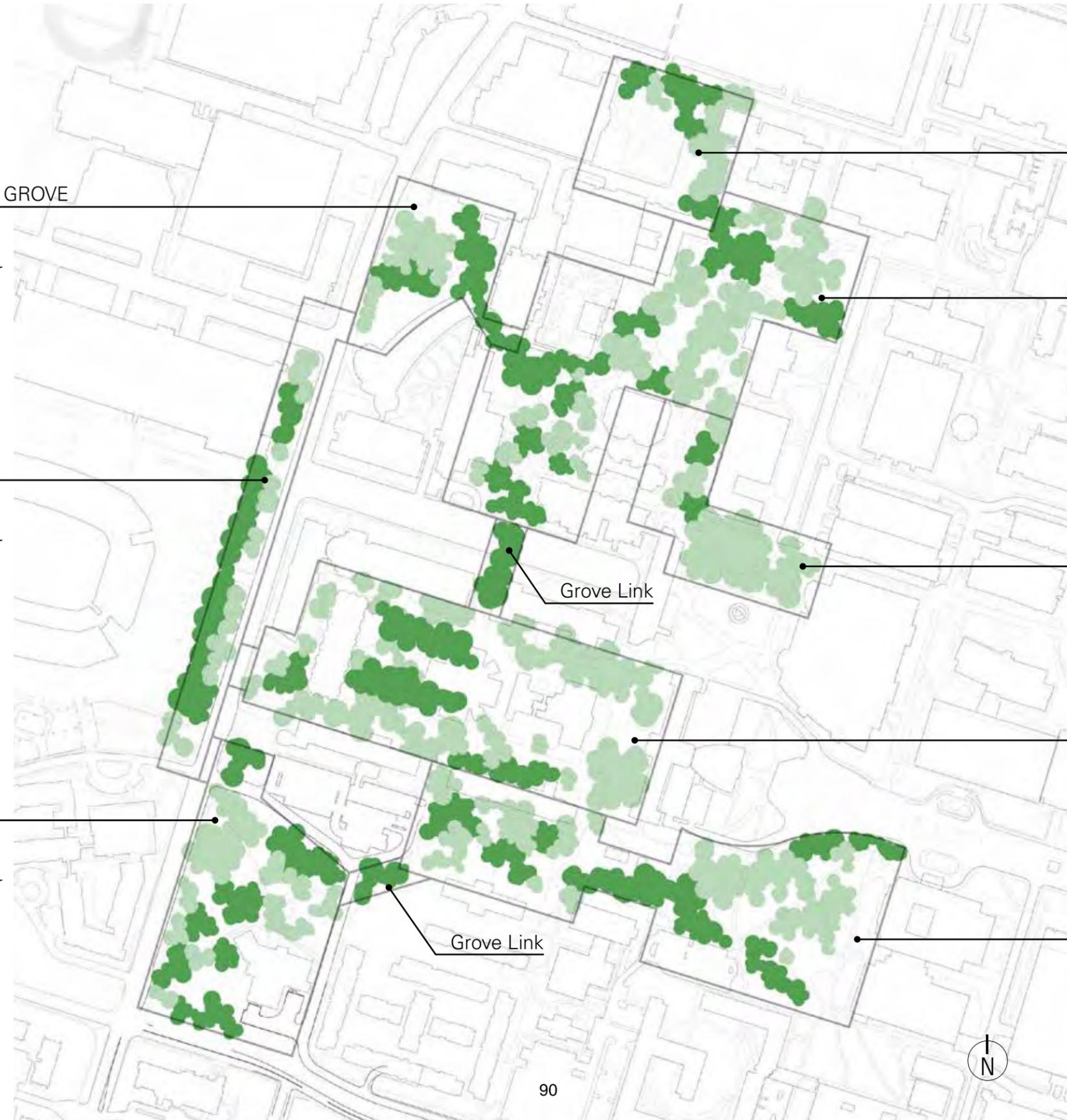
CENTENNIAL PLAZA GROVE

478,592 Square Feet
42% Existing Grove Cover
52% Proposed Grove Cover
 35 New Trees Proposed

LYNN EUSAN PARK

458,467 Square Feet
27% Existing Grove Cover
46% Proposed Grove Cover
 60 New Trees Proposed

-  Grove Zones (Rooms)
-  Existing Groves
-  Conceptual Expansion





GATEWAY MARKER



PERIMETER GREENBELT



PATHWAYS



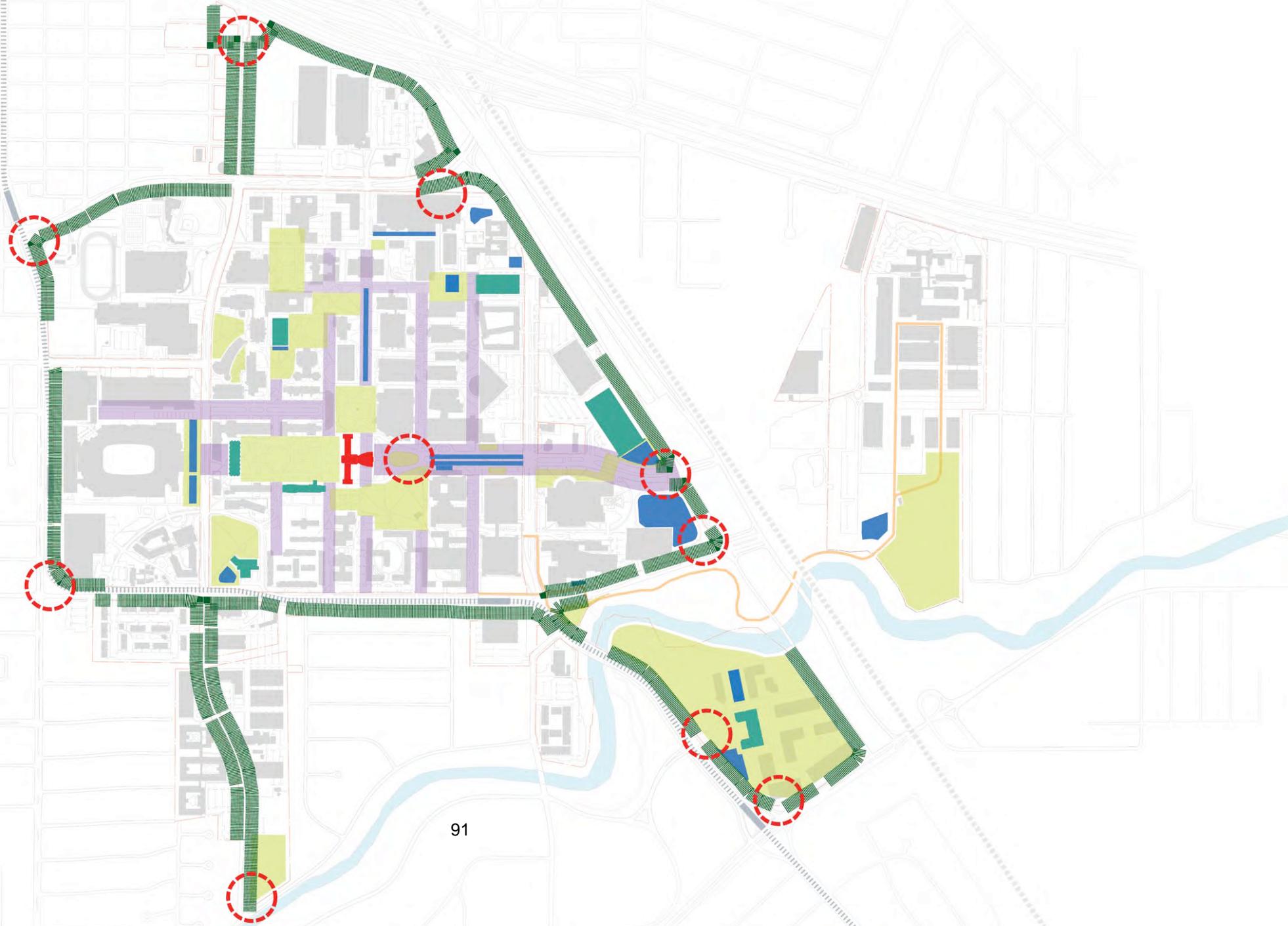
GREENSPACES



LEED CERTIFIED BUILDINGS



STORMWATER DETENTION



WILHELMINA'S GROVE



A group gathers for an event on the central lawn of Wilhelmina's Grove.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute updated employment agreements for university employees

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute employment agreements for university employees per Board of Regents Policy 57.10.

SUPPORTING DOCUMENTATION: N/A

FISCAL NOTE: None

**RECOMMENDATION/
ACTION REQUESTED:** Approval

COMPONENT: University of Houston System



CHANCELLOR

Renu Khator

2/22/2021
DATE