
AGENDA

UNIVERSITY OF HOUSTON SYSTEM FINANCE AND ADMINISTRATION COMMITTEE MEETING

DATE: Thursday, May 20, 2021
TIME: 2:00 PM
PLACE: Hilton University of Houston Hotel
Conrad Hilton Ballroom, Second Floor
4450 University Drive
Houston, Texas 77204
Link to live broadcast: <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. **Finance and Administration Committee**

Presenter: Chair Gerald McElvy

A. Call to Order

Presenter: Chair Gerald McElvy

B. Approval of Minutes

- December 3, 2020, Finance and Administration Committee Meeting

Action: Approval

Presenter: Chair Gerald W. McElvy

C. Update Report on the Impact, Planning, and Actions Regarding
COVID-19 for the University of Houston System - University of
Houston System

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Action: Information

*Presenter: Raymond Barlett, Senior Vice Chancellor for
Administration and Finance*

- D. 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 - University of Houston System 13

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

- E. 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 - University of Houston System 15

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

- F. Approval is requested for changes to voluntary and optional fees at the University of Houston System - University of Houston System 17

Action: Approval

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

- G. Report on the Sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2021A and Series 2021B - University of Houston System 29

Action: Information

Presenter: Raymond Bartlett, Senior Vice Chancellor for Administration and Finance

II. **Executive Session**

Presenter: Chair Gerald McElvy

- III. 1. Consultation with System Attorney Regarding Legal Matters, and/or Contemplated Litigation or Settlement Offers.
Texas Gov't Code Section 551.071
2. Deliberations regarding the Purchase, Exchange, Sale or Value of Real Property.
Texas Gov't Code Section 551.072
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

IV. **Report and Action from Executive Session**
Presenter: Chair Gerald McElvy

V. **Adjourn**

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

COMMITTEE: Finance & Administration

ITEM: Update Report on the Impact, Planning, and Actions Regarding COVID-19 for the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Mr. Raymond Bartlett, Senior Vice Chancellor/Vice President for Administration & Finance, will present to the Committee an update report on the impact, planning and actions regarding COVID-19 for the University of Houston System.

SUPPORTING DOCUMENTATION: Presentation

FISCAL NOTE: N/A

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE



CHANCELLOR Renu Khator

5/17/2021

DATE

COVID-19 Update

UH System Board of Regents
Administration and Finance Committee
May 20, 2021

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Vaccine Update

Nation, State, and Local

- Test positivity is declining nationally, with an average positive test rate of 3.3% as of May 9.⁽¹⁾
- Texas test positivity rates are declining as of May 8.⁽²⁾
- Harris County Percentage of Population Vaccinated with at least one dose (as of 5/10):
 - People 16+: 51.7% (37.6% fully vaccinated)
 - People 65+: 78.9% (65.7% fully vaccinated)
- Greater Houston Area weekly average of daily new positive cases has been declining in the past 30 days.⁽³⁾

⁽¹⁾ Source: Mayo Clinic

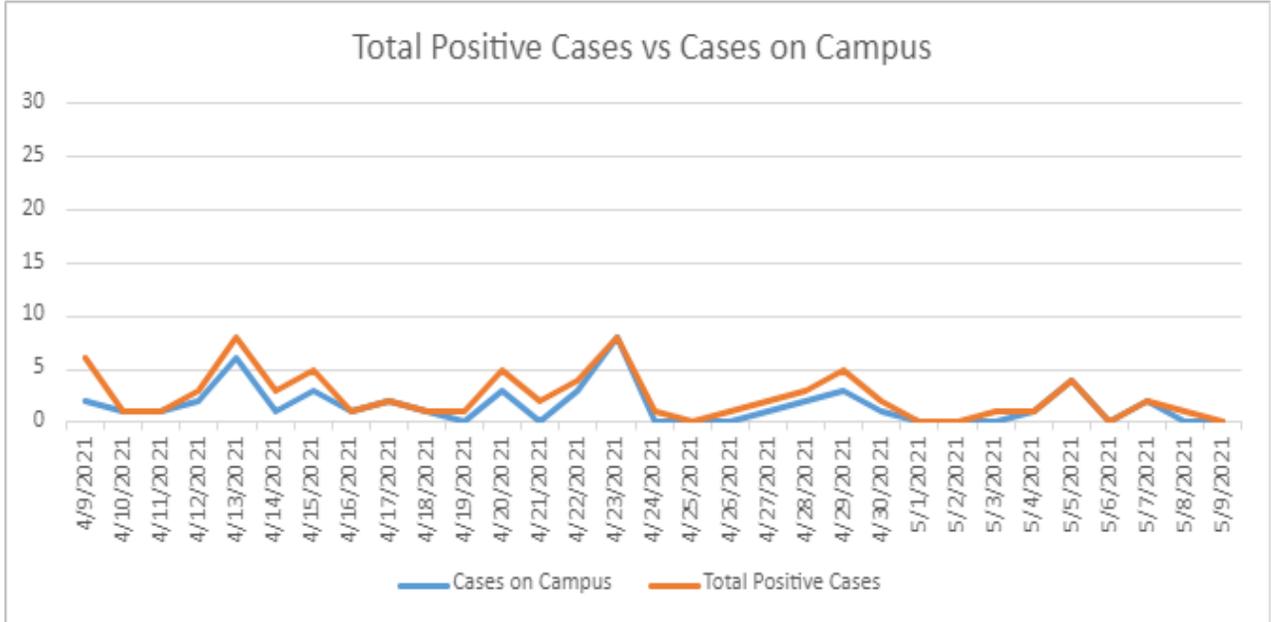
⁽²⁾ Source: Texas Department of State Health Services

⁽³⁾ Source: Texas Medical Center

Health and Safety at UHS

- UH System campuses are offering vaccines via student health centers and partnerships with public health departments and corporate entities.
- Vaccines have been offered to faculty, staff, relatives of same, alumni, retirees, and the general public.
- The total estimated doses distributed exceeds 13,000 (each dose counted separately).
- UH System universities continue to see no outbreak of coronavirus infections in our residential facilities or classrooms.
- Universities continue to focus on physical distancing. Campuses continue to practice enhanced hygiene and cleaning practices.

UH Positive Cases Reported



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Federal Stimulus Funds Update

- Round 1 Funds fully expended: \$58M system-wide (\$27M Student, \$31M Instit.)
- Round 2 and estimated Round 3: \$277.9M (\$111.6M Student, \$166.3M Instit.)

Requirement	CRRSAA/HEERF II	ARPA/HEERF III
Application	No, addition to CARES/HEERF I	Yes, will file as soon as available
Period of Performance	From Jan to June 2022	Expected to be 1 year
Permitted Uses	Student Aid,	
	Costs associated with coronavirus, including changes to distance education	
	Lost revenues associated with coronavirus	
	Coronavirus related health and safety measures that meet CDC guidelines (required use)	
	Payroll costs associated with coronavirus	
	9 Overhead on eligible costs	

Federal Stimulus Funds Update - Other

- Small Business Administration Shuttered Venue Operator Grants
 - UH Cullen Performance Hall potential award is \$534K.
 - This will cover FY2020 and FY2021 losses.
 - Application pending.
- Corporation for Public Broadcasting
 - Distributions to stations to maintain programming and services
 - Houston Public Media received \$883K
 - Will help HPM recapture lost revenues and cover the costs of providing expanded services₁₀

Enrollment

- Expected enrollment
 - It is too early in the enrollment cycle to predict full enrollment results for summer and fall.
- Method of instructional delivery
 - Summer 2021: Enrollment continues to be primarily online for all campuses, which is consistent with pre-pandemic summer terms.
 - Fall 2021: All campuses expect to see an increase in face-to-face enrollment.
 - 88% of UH students are enrolled in at least one course with in-classroom instruction. ¹¹

Fiscal Impact

- FY 2021
 - Estimated losses to the System are \$100M, which continue to be from auxiliaries and health and safety costs.
- FY 2022
 - UH seeing an increase in housing occupancy for the fall 2021 term.
 - Other auxiliaries will benefit from increased housing and more students, faculty, and staff returning.
- Losses will be offset with federal stimulus funding from rounds 2 and 3.

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



DATE



CHANCELLOR

Renu Khator

5/17/2021

DATE

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

F&A Committee - May 2021

Component	Project	Procurement Method	Vendor	Purpose	Term	\$ Amount	Funding Source	HUB Goal	Comments
Goods and Services Contracts Greater than \$1 Million									
UH	Digital Marketing and Recruitment (for Bauer College of Business Programs)	Request for Proposal	TBD	To obtain services related to marketing, branding and student recruitment, combining all the elements of two existing contracts.	Initial Term: 1 year Optional Terms: Four 1-year options	Initial Term: \$600,000 Optional Term: \$2,400,000	Designated Gift	26%	
UH	Insperty LLC (Certified Business Performance Advisor Program) Bauer College of Business	Revenue Contract	Insperty	Modify the amount of an existing revenue contract for the provision of a custom continuing education certificate to participating Insperty employees due to revenues exceeding the original estimates.	Original Term: 5 years	Original Term: \$750,000 Current Amendment: \$950,000	Designated	N/A	
UH	Academic Transcript Delivery and Diploma Replacement Order Processing Service	Request for Proposal	Parchment	Partnership with provider for a web-based transcript service to current and former students.	Original Term: 3 years Optional Terms: Two 1-year option	Original Term: \$1,500,000 Optional Term: \$1,000,000	Designated	N/A	
UH	Custodial Services	RFP	TBD	Renewal of an existing services contract seeking a vendors to provide continuing custodial services for UH buildings.	Original Term: 4 years Optional Terms: Three 1-year options	Original Term: \$18,000,000 Optional Term: \$13,500,000	Various	26%	Multi-award for up to two contractors to provide redundancy.
UH	Package Lockers	Texas Smart Buy	Quadient Inc. (formerly known Neopost USA)	To expand the existing agreement for providing a parcel locker program and support mailing and packaging needs for the campus to include additional locations.	Original Term: 5 years Optional Term: 1 year	Original Term: \$920,000 Optional Term: \$530,000	Designated	N/A	
UHD	Digital Marketing Services	Request for Proposal	Brand Value Accelerator (BVA)	Third amendment to the contract for the UHD digital marketing campaign used to generate leads for students, adding one year of service.	Initial Term: 22 months Optional Term 1: 1 year Optional Term 2: 1 year Optional Term 3: 1 year	Original Term: \$597,117 Optional Term 1: \$325,700 Optional Term 2: \$550,700 Optional Term 3: \$550,700	Designated	12%	
UHS	Digital Signature Software Solution	Request for Proposal	TBD	To contract for a comprehensive digital signature and document workflow system approved by the Texas Division of Information Resources that will allow the System to support electronic signatures and workflow routing.	Initial Term: 5 years	Original Term: \$1,750,000	Designated	26%	
UH	Campus Network Infrastructure	Request for Proposal	TBD	To contract for the purchase of network equipment and equipment maintenance to provide required network services to the UH campus and its facilities.	Original Term: 3 years Optional Terms: One 2-year option	Original Term: \$7,200,000 Optional Term: \$4,800,000	State Designated	26%	
UHS	Executive Search Firm	Request for Proposal	Witt-Kieffer	To increase the maximum amount of the existing Executive Search contract agreement within the current contract period.	Original Term and Optional Terms: 6 years	Original Term and Optional Terms: \$900,000 Current Amendment: \$100,000	Various	N/A	
Real Property and Lease Contracts BOR 55.01.01									
UHD	City of Houston Abandonment and Sale of Utility Easement	Easement Agreement	City of Houston	The University of Houston Downtown is redirecting plumbing to a new location, which requires the City of Houston to abandonment of their equipment and sell the University a utility easement.	Term: in perpetuity	Term: \$45,086	Designated	N/A	

**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

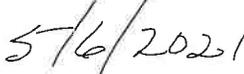
FISCAL NOTE: See supporting documentation for value of each contract.

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE



CHANCELLOR Renu Khator

5/17/2021

DATE

University of Houston System
 Summary of Construction Contracts Greater than \$1 Million
 F&A Committee May 2021

Component	Project	Procurement	Vendor	Purpose	Amount	Funding	HUB	Comments
UH	Roy Cullen Furnishings	Invitation to Bid	TBD	Furnishings Contract. Furniture for the Roy Cullen Building on the University of Houston campus.	\$ 1,200,000	HEAF / Donor	21.10%	
UH	Hilton Expansion & Renovation	TBD	TBD	Furnishings Contract. Furniture and equipment for the Hilton Expansion & Renovation Project on the University of Houston campus.	\$ 2,000,000	Bond Funds	21.10%	
UH	Security Enhancements to Tiger Trail Connection	CSP	CMC Development & Construction Corporation LLC	Construction contract. Change order to a previously approved construction contract to provide additional security features to the connection from the Tiger Trail to the UH Technology Bridge at the University of Houston.	\$ 1,100,000	Designated Funds	21.10%	Additional security enhancements to meet current university security standards.
UH	Agnes Arnold Elevator Upgrades	CSP	TBD	Construction contract. Construction contract to upgrade the elevators at the Agnes Arnold Building located at the University of Houston.	\$ 1,800,000	HEAF	21.10%	
UHD	One Main Building Waterproofing	Cooperative Contract	Liquatech	Construction contract. Construction contract to prep and apply a waterproofing coating to the exterior of the One Main Building located at the University of Houston - Downtown.	\$ 2,500,000	State Funds	21.10%	
UH	Winter Event Repairs	Emergency	Way Engineering LTD	Construction contract. Construction contract for the replacement of coils damaged during the winter event.	\$ 2,500,000	Insurance Funds	N/A	
UH	Winter Event Repairs	Emergency	HVAC Mechanical Services of Texas, LTD	Construction contract. Construction contract for the repair and replacement of coils damaged during the winter event.	\$ 2,800,000	Insurance Funds	N/A	

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested for changes to voluntary/optional fees at the University of Houston System.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for changes to the voluntary/optional fees and charges for FY2022, including meal plan rates and parking rates, at System universities as noted in the fee presentation.

Policies governing fees and other charges are approved by the Board of Regents of the University of Houston System and comply with applicable state statutes. Fees are subject to change by legislative or Board action and become effective on the date enacted.

SUPPORTING

DOCUMENTATION: Fee presentation

FISCAL NOTE: None

RECOMMENDATION/
ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett

5/16/2021
DATE



CHANCELLOR

Renu Khator

5/17/2021
DATE

FY2022 Voluntary and Optional Fee Recommendations

UH System Board of Regents
Administration and Finance Committee
May 20, 2021

University of Houston System FY2022 Voluntary/Optional Fee Summary Proposed Changes

- University of Houston
 - Executive Doctorate in Business administration fee (program fee)
 - Parking (parking rate for Katy Campus)
- University of Houston Clear Lake
 - Meal Plans (update mandatory dining declining balance meal plan)
 - Education Abroad Insurance Fee (emergency medical insurance for students participating in education abroad programs)

University of Houston

Proposed FY2022 Program Fees

- UH Bauer College of Business is adding an Executive Doctorate in Business Administration (EDBA) program.
- The program is geared towards working professionals at the executive or senior executive level.
- This program will allow flexibility of enrollment for students continuing their professional careers.

	Board Approved FY2022 Rate	Proposed Change	FY2022 Rate
EDBA Program Fee	N/A	\$86,964/Program	\$86,964/Program

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University of Houston Proposed FY2022 Parking Rates

- UH has added parking infrastructure/equipment to the Katy location and will begin charging a parking permit fee in the fall semester.
- The rate will be discounted to \$100 for the first year.

Location	Board Approved FY2022 Rate	Proposed Change	FY2022 Rate
UH Katy Campus	\$0	\$295	\$295

- The fee will be applicable to all who park at the Katy location.

University of Houston Clear Lake

Residential Meal Plan Rates – Fall/Spring Semester

- UHCL will update its minimum required residential student declining balance plan to better reflect the actual minimum meal cost for an academic term.
- This rate is for the minimum required plan.

Declining Balance Plan Name	Description	Original Cost Per Semester	Proposed Change	New Cost Per Semester
1,400 Dining Dollar Plan	\$1,400 in Declining Balance/Semester ²²	\$1,000	\$400	\$1,400

University of Houston Clear Lake

Proposed FY2022 Education Abroad Insurance Fee

- UHCL is requesting approval to create an Education Abroad Insurance Fee to provide emergency medical insurance to students participating in approved UHCL education abroad programs.
- The fee will ensure that students will have adequate medical insurance while studying abroad.
- The fee will offset the direct insurance premium and administrative cost.
- Rates will vary with the program activities, duration, and location.

Fee Name	Current Rate	Proposed Change	FY2022 Rate
Education Abroad Insurance Fee	N/A	Varies with program	Varies with program

End of Presentation

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FY2022 Voluntary and Optional Fees

University of Houston FY2022 Optional Fee Changes

	Estimated Revenue Change
SUMMARY COLLEGE OPTIONAL FEES	\$ 579,760
PARKING	10,000
TOTAL UNIVERSITY OF HOUSTON	<u>\$ 589,760</u>

FY2022 Voluntary and Optional Fees

University of Houston System FY2022 Optional Fee Changes						
Fee Description		Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston FY2022 Optional Fee Changes						
<u>University of Houston</u>						
College Optional Fees						
College of Business	Executive Doctorate in Business Administration Program Fee	N/A	\$86,964/Per Student Per Program	\$86,964/Per Student Per Program	\$ 579,760	Faculty instructional salaries, academic material, technology, staff and other administrative support, marketing, computer software, facility rental, catering, costs during required residencies, and all other necessary overhead expenses towards the program.
Subtotal College Optional Fees - University of Houston					\$ 579,760	
Parking						
	Parking Permit Charge for Faculty, Staff and Students at UH at Katy Location.	N/A	\$295	\$295*	\$ 10,000	Revenue from parking fee will be used to support the parking operations at UH Katy, including installation of equipment and parking lot maintenance and upkeep.
Subtotal Optional Parking Fees - University of Houston					\$ 10,000	
Total Optional Fees - University of Houston					\$ 589,760	

*Discount rate for the first year of implementation is \$100

FY2022 Voluntary and Optional Fees

University of Houston-Clear Lake FY2022 Optional Fee Changes

SUMMARY

	Estimated Revenue Change
UHCL OPTIONAL FEES	\$ 57,000
TOTAL UH - CLEAR LAKE	<u>\$ 57,000</u>

FY2022 Voluntary and Optional Fees

University of Houston System FY2022 Optional Fee Changes

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston-Clear Lake FY2022 Optional Fee Changes					
<u>University of Houston-Clear Lake</u>					
Meal Plan - Required declining balance plan for student residents	\$1000/ Semester	\$400/ Semester	\$1,400/ Semester	\$ 54,000	This amount is better aligned with like institutions within our region and is aligned closer to actual cost of meals per semester.
Education Abroad Insurance Fee	N/A	Varies with program	Varies with program	\$ 3,000	Charged only to students participating in UHCL education abroad programs to ensure they have adequate emergency medical insurance while traveling abroad. Fees will offset the direct cost of the insurance and operations. Fee cost varies with the program activities, duration, and location, but will be \$12 to \$25 per week of travel on average.
Subtotal Optional Fees - University of Houston-Clear Lake				\$ 57,000	
Total Optional Fees - University of Houston-Clear Lake				\$ 57,000	

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

COMMITTEE: Finance & Administration

ITEM: Report on the Sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2021A and Series 2021B.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Mr. Raymond Bartlett, Senior Vice Chancellor/Vice President for Administration & Finance, will present to the Committee a report regarding the recent sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2021A and 2021B.

SUPPORTING DOCUMENTATION: Presentation

FISCAL NOTE: N/A

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett



DATE



CHANCELLOR

Renu Khator

5/17/2021
DATE

Board of Regents of the University of Houston System



On March 17, 2021, the System competitively sold the Series 2021A & 2021B Bonds (the “Bonds”) to refinance existing debt for total cash flow savings of \$9.881 million.

The Bonds carry a Moody’s rating of “Aa2” and S&P rating of “AA” and were met with tremendous investor demand as interest rates remain near their lowest point in the last 30 years.

\$16,425,000 - Consolidated Revenue Refunding Bonds, Series 2021A

Bid Statistics

Winning Bidder Hilltop Securities Inc.
Benchmark Securities

True Interest Cost 1.69%

Number of Bidders 8 Bids
Range of 1.69% to 1.97%

Tax Status Tax-Exempt

Refunding Results

Refunded Par \$ 16,605,000

Gross Savings 6,004,800

Average Annual Debt Service Savings 461,908

Net Present Value Savings (\$) \$ 5,444,708

NPV Savings (%) 32.81%

Refunded Bonds & Maturities:

Series 2011 2032-2033

Average Coupon of Refunded Bonds 5.00%

\$33,120,000 - Consolidated Revenue Refunding Bonds, Series 2021B (Taxable)

Bid Statistics

Winning Bidder Robert W. Baird & Co., Inc.
Syndicate included 23 firms,
3 of which are MWBE firms

True Interest Cost 1.39%

Number of Bidders 12 Bids
Range of 1.39% to 1.61%

Tax Status Taxable

Refunding Results

Refunded Par \$ 31,790,000

Gross Savings 3,876,518

Average Annual Debt Service Savings 430,724

Net Present Value Savings (\$) \$ 3,599,969

NPV Savings (%) 11.32%

Refunded Bonds & Maturities:

Series 2011B (Taxable) 2023-2025

Series 2013B (Taxable) 2024-2029

Average Coupon of Refunded Bonds 4.51%