
AGENDA

UNIVERSITY OF HOUSTON SYSTEM FINANCE, FACILITIES, AND ADMINISTRATION COMMITTEE MEETING

DATE: Thursday, November 21, 2024

TIME: 1:30 PM

PLACE: University of Houston-Clear Lake
Bayou Building, Garden Room, Room 1510
2700 Bay Area Blvd.
Houston, TX 77058

Chair: Ricky Raven

Vice Chair: Alonzo Cantu

Members: John A. McCall Jr.
Jack B. Moore
Tammy Murphy
Tomas Bryan - Non-Voting
Tilman J. Fertitta, Ex Officio

I. **Finance, Facilities, and Administration Committee**

Presenter: Chair Ricky Raven

A. Call to Order

Presenter: Chair Ricky Raven

B. Approval of Committee Minutes

- August 21, 2024, Finance, Facilities, and Administration Committee Meeting

Action: Approval

C. 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 4

Action: Approval

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

D. Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for 7

projects at the University of Houston System

Action: Approval

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

- E. Approval is requested for a One-Time Payment to Eligible Faculty and Staff at the University of Houston 9

Action: Approval

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

- F. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction for the expansion of the Student Center North Building 11

Action: Approval

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

- G. Approval is requested of the annual update to the University of Houston-Downtown Master Plan 15

Action: Approval

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

- H. Approval is requested for the annual review of the University of Houston System Board of Regents Finance, Facilities, and Administration Committee Charter 22

Action: Approval

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

- I. Annual report on the condition of buildings and facilities - University of Houston System 24

Action: Information

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

- J. Report on the sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2024A and Series 2024B 44

Action: Information

Presenter: Raymond Bartlett, Senior Vice Chancellor for

- K. Presentation of the Fiscal Year 2024 University of Houston System Results of Financial Operations 46

Action: Information

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

II. **Executive Session**

Presenter: Chair Ricky Raven

- A. 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

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

Presenter: Chair Ricky Raven

IV. **Adjourn**

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

COMMITTEE: Finance, Facilities, 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

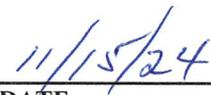
FISCAL NOTE: See supporting documentation for value of each contract.

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE



CHANCELLOR Renu Khator



DATE

University of Houston System
Summary of Goods and Services Contracts Greater than \$1 Million
F&A Committee - November 21, 2024

Component	Project	Procurement Method	Vendor	Purpose	Term	Amount	Funding Source	HUB Goal	Comments
Goods and Services Contracts Greater than \$1 Million									
UH	Online Non-Credit Courses for Web-Based Training	Revenue	Cengage Learning Inc.,	Amend existing agreement for marketing and sales of non-credit courses for an increase in anticipated revenue.	Initial Term: 5 years	Initial Term: \$515,000 Amendment 1: \$3,313,000	Revenue	N/A	
UHS	UH System Employee Financial Advising Services	Request for Proposal	Gallagher Consulting Services	Amend existing agreement to for the addition of Money Coaching for employees and a communication platform portal.	Current Term: 5 years	Current Term: \$750,000 Amended Term: \$525,000	Retirement Planning Fees	N/A	
UHS	Temporary Personnel Services	Request for Proposal	Adroit Partners	Amend existing agreement for an increase in utilization of temporary staffing services across the System.	Initial Term: 5 years	Initial Term: \$13,500,000 Amended Term: \$21,500,000	Multiple Sources	N/A	
UH	Collection Agencies Services	Request for Proposal	Williams and Fudge, Inc. General Revenue Corporation (GRC) Transworld Systems	Contracts with three vendors to provide collection services for federal and institutional debt.	Initial Term: 5 years	Initial Term: \$ 1,500,000	State Designated	26%	
UH	Athletics Team Travel	E&I Purchasing Cooperative Contract	Endeavor Ole Parent LLC., DBA Anthony Travel LLC	Amend existing agreement for the addition of charter air transportation for Athletics team travel to the costs passed through the vendor in the amended term and optional term.	Initial Term: 5 years Amended Term: 4 years Optional Term: 1 year	Initial Term: \$3,167,000 Amended Term: \$8,815,000 Optional Term: \$3,875,000	Auxiliary	N/A	
UHS	Custody Services	Request for Proposal	Bank of New York Mellon	Amend existing agreement for custody services for the endowed and non-endowed investment pools by 1 year.	Initial Term: 7 years Amended Term: 1 year	Initial Term: \$1,400,000 Optional Term: \$250,000	Designated Gift	0.00%	
UHS	Custody Services	Request for Proposal	Bank of New York Mellon	Procure custody services for the endowed and non-endowed investment pools.	Initial Term: 5 years Optional Term: 2 years	Initial Term: \$1,600,000 Optional Term: \$900,000	Designated Gift	0.00%	
UHS	Constituent Relationship Management System	Request for Proposal	Blackbaud	Extend the Constituent Relationship Management System for five years. The system is used for processing, recording, and reporting on philanthropic gifts.	Initial Term: 5 years Amended Term: 5 years	Initial Term: \$2,146,000 Amended Term: \$3,300,000	Designated Gift	0.00%	
UHCL	Library materials	Library (TGC 2155.139)	EBSCO Information Services	Ratification of spending on subscriptions to journals and databases for academic and research purposes.	Current Term: 5 Years	Initial Term: \$2,911,000	State Designated	N/A	
UHCL	Library materials	Library (TGC 2155.139)	EBSCO Information Services	Amend existing agreement for the purchase of academic and research journals for use in scholarship and research for a total period of 5 years.	Current Term: 1 year Amended Term: 4 years	Original Term: \$301,600 Amended Term: \$1,170,000	State Designated	N/A	

University of Houston System
Summary of Goods and Services Contracts Greater than \$1 Million
F&A Committee - November 21, 2024

Component	Project	Procurement Method	Vendor	Purpose	Term	Amount	Funding Source	HUB Goal	Comments
UHCL	Library materials	Library (TGC 2155.139)	EBSCO Information Services	Amend existing agreement for the access to academic and research databases for use in scholarship and research for a total period of 5 years.	Current Term: 1 year Amended Term: 4 years	Original Term: \$345,900 Amended Term: \$1,455,000	State Designated	N/A	
UH	E Procurement consolidation	Cooperative Contract: Omnia Partners	Henry Schein	This vendor provides clinical and medical supplies for teaching and clinical activities.	Initial Term: 5 years	Initial Term: \$1,530,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: DIR	Dell Hied (HUB reseller)	This vendor provides information technology goods and services.	Initial Term: 5 years	Initial Term: \$30,000,000	Multiple Sources	26.0%	
UH	E Procurement consolidation	Cooperative Contract: Higher Education	Apple	This vendor provides information technology goods and services.	Initial Term: 5 years	Initial Term: \$4,300,000	Multiple Sources	26%	
UH	E Procurement consolidation	Sole Source	Sigma Aldrich	This vendor is a manufacturer of scientific equipment and supplies used in research and teaching.	Initial Term: 5 years	Initial Term: \$2,400,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: Omnia Partners	Matheson Tri Gas	This vendor provides industrial gases for clinical and scientific laboratory purposes.	Initial Term: 5 years	Initial Term: \$2,106,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: Omnia Partners	B & H Foto and Electronics Corp	This vendor provides audio-visual, software, photography, optics, and other electronic goods.	Initial Term: 5 years	Initial Term: \$2,800,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: Omnia Partners	Summus	This vendor is a HUB distributor and provides information technology, laboratory and medical supplies for a variety of vendors.	Initial Term: 5 years	Initial Term: \$15,828,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: Omnia Partners	Amazon	This e-commerce vendor provides commodities including office supplies and technology.	Initial Term: 5 years	Initial Term: \$11,800,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Sole Source	Alcon Vision	This vendor provides ophthalmic and optometry supplies such as contact lenses.	Initial Term: 5 years	Initial Term: \$9,250,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Sole Source	Life Technologies	Manufacturer of scientific equipment and supplies for genetic research.	Initial Term: 5 years	Initial Term: \$1,824,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: Premier	Cardinal Health	This vendor provides medical equipment and supplies.	Initial Term: 5 years	Initial Term: \$2,067,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Sole Source	Bio Rad	This vendor provides laboratory supplies for scientific research.	Initial Term: 5 years	Initial Term: \$1,130,000	Multiple Sources	21.1%	
UH	E Procurement consolidation	Cooperative Contract: Omnia Partners	SHI Government Solutions	This vendor provides informaton technology hardware and software.	Initial Term: 5 years	Initial Term: \$7,600,000	Multiple Sources	21.1%	

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

COMMITTEE: Finance, Facilities, 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

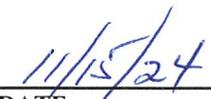
FISCAL NOTE: See supporting documentation for value of each contract.

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE 11/15/24



CHANCELLOR Renu Khator



DATE 11/15/24

University of Houston System
 Summary of Construction Contracts Greater than \$1 Million
 FFA Committee - November 2024

Component	Project	Procurement Method	Vendor	Purpose	Amount	Funding Source	HUB Goal	Comments
UH Main Campus	College of Fine Arts Roof Replacement	CSP	TBD	Construction contract for the roof replacement on the Fine Arts Building located at the University of Houston.	\$ 2,000,000	HEF	21.10%	
UH Main Campus	College of Technology Building Renovations for CLASS	CSP	TBD	Construction contract for the Technology Building located at the University of Houston in support of the temporary relocation for specified CLASS departments.	\$ 6,000,000	HEF	21.10%	
UH Main Campus	Cullen Performance Hall Roof Replacement	RFP	TBD	Construction contract for the roof replacement of Cullen Performance Hall located at the University of Houston.	\$ 1,500,000	HEF	21.10%	
UH Main Campus	Elevator Emergency Response, Maintenance, Repair and Parts	RFP	TBD	Construction contract to provide emergency response, maintenance, repair and parts for the elevators located at the University of Houston.	\$ 2,500,000	Various	32.90%	Award up to 5 vendors maximum with total contract values not to exceed \$2.5M. Each contract to have a maximum term of five years (three years with two one year renewal options).
UH Main Campus	Centennial Master Plan Project Wilhelmina's Grove	CMAR	TBD	Construction contract for the construction of Wilhelmina's Grove located at the University of Houston.	\$ 6,000,000	Designated Gift	21.10%	
UH Main Campus	Central Plant Upgrades	TBD	TBD	Construction contract to install new chiller to meet the campus chilled water demands with new buildings going online.	\$ 3,000,000	CCAP	NA	

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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested for a One-Time Payment to Eligible Faculty and Staff at the University of Houston

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for a one-time payment equal to \$2,000 for eligible employees based on established eligibility criteria and guidelines. This one-time payment will be made prior to the end of calendar year 2024.

SUPPORTING DOCUMENTATION: FY2025 One-Time Eligibility Criteria and Guidelines

FISCAL NOTE: \$7.1 million

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

COMPONENT: University of Houston

 _____ PRESIDENT	Renu Khator	<u>11/15/24</u> DATE
 _____ SENIOR VICE CHANCELLOR	Raymond S. Bartlett	<u>11/15/24</u> DATE
 _____ CHANCELLOR	Renu Khator	<u>11/15/24</u> DATE

University of Houston
FY2025 One-Time Merit Eligibility Criteria and Guidelines

The following guidelines identify employees that will be eligible to be considered for a one-time merit payment.

As a reminder, final approval of one-time merit is required by the Board of Regents.

To be eligible employees must:

- Be classified as a full-time (1.00 FTE) benefits-eligible and not a temporary or contract employee.
- Be employed prior to September 1, 2023.
- Have an annual base salary of \$100,000.99 or less.
- Have a 2023 staff ePerformance appraisal with an “Achieved Expectations” (3) or above rating.
- Employees in interim positions are eligible for the one-time merit based on their base pay.
- Supervisors or managers must have completed 2023 ePerformance documents for all their subordinates by February 2, 2024.
- Have completed the FY2024 mandatory training required for state and federal compliance SAM 02.A.11 by November 17, 2023.
- Not have any delinquent debt to the university.*

*Employees who have outstanding debt will not be included in the initial merit payment file. Employees who clear their debt by December 13, 2024 and would otherwise be awarded a merit payment, will be included in a supplemental merit payment file.

Allocation of Merit:

- One-Time Merit distribution is determined by compliance with merit guidelines.
- One-Time merit payments will be distributed in December 2024.
- The one-time merit payment will be \$2,000.
- Post docs classified as Full Time (1.00 FTE) benefits-eligible and are not temporary employees are eligible for this one-time merit payment.
- University central administration will fund 100% of merit costs on centrally funded sources and 50% of merit costs on non-centrally funded sources.
- Division Business operations will receive Merit Rosters from Human Resources.

Definitions:

Full-time benefits-eligible employee: An employee who is hired to work at least 40 hours per week or 1.00 FTE. Excluded from this definition are students employed in positions that require student status as a condition of employment (both monthly and hourly paid students). Contract employees, Teaching Fellows, Teaching Assistants, Graduate Assistants, and Research Assistants are not considered benefits-eligible staff employees.

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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction for the expansion of the Student Center North Building

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for an expansion of the Student Center North Building located at the University of Houston. This multi-story expansion will consolidate student services programs, including all of Counseling and Psychological Services (CAPS) into one central location. Student mental health is a top priority for the University and the Student Center North expansion will be designed and constructed to improve the student access to CAPS and other student programs, such as Career Services, that are dedicated to student success, learning and involvement as space is available.

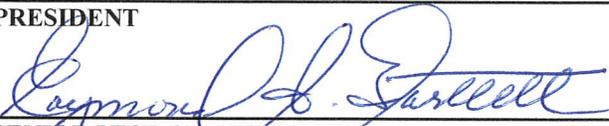
SUPPORTING

DOCUMENTATION: Project Budget, Timeline and Site Plan

FISCAL NOTE: \$39.5 million accrued University Center Student Fees

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

COMPONENT: University of Houston

		<u>11/15/24</u>
PRESIDENT	Renu Khator	DATE
		<u>11/15/24</u>
SENIOR VICE CHANCELLOR	Raymond S. Bartlett	DATE
		<u>11/15/24</u>
CHANCELLOR	Renu Khator	DATE

**UNIVERSITY OF HOUSTON
STUDENT CENTER NORTH EXPANSION
SUPPORTING DOCUMENTATION**

PROJECT BUDGET

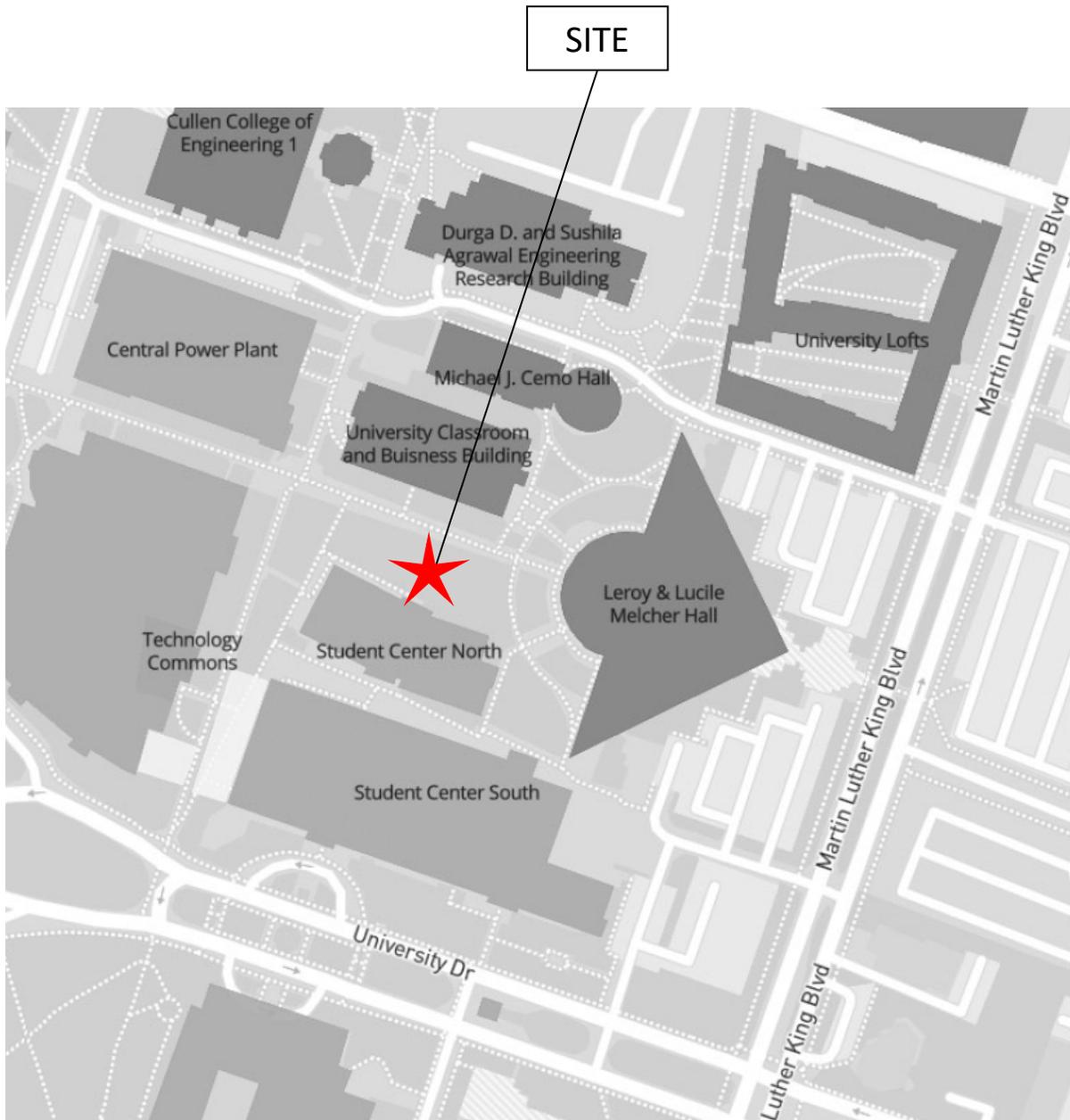
Construction Cost (including contingencies, site development & infrastructure & A/V)	\$ 32,780,000
A/E Fees	\$ 3,100,000
Professional Service & Testing Fees	\$ 2,215,000
Miscellaneous	\$ 405,000
Furniture	\$ 1,000,000
TOTAL PROJECT COST	<u>\$ 39,500,000</u>

PROPOSED SCHEDULE

BOR Review and Approval	November 2024
Design Completion	Spring 2026
Construction Starts	Summer 2026
Completion	Winter 2027

**UNIVERSITY OF HOUSTON
STUDENT CENTER NORTH EXPANSION
SUPPORTING DOCUMENTATION**

SITE MAP 1



University of Houston System
 Summary of Construction Contracts Greater than \$1 Million
 FF&A Committee November 2024

Component	Project	Procurement Method	Vendor	Purpose	Amount	Funding Source	HUB Goal	Comments
UH	Student Center North Expansion	RFQ	TBD	Construction contract. Construction contract for the construction of the Student Center North expansion located at the University of Houston.	\$ 32,780,000	Auxiliary	21.10%	
UH	Student Center North Expansion	RFQ	TBD	Design contract. Design contract for design services for the Student Center North expansion located at the University of Houston.	\$ 3,100,000	Auxiliary	23.70%	
UH	Student Center North Expansion	ITB	TBD	Furnishings Contract. Purchase and installation of the furnishings for the Student Center North expansion located at the University of Houston.	\$ 1,000,000	Auxiliary	21.10%	

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested of the annual update to the University of Houston-Downtown Master Plan

DATE PREVIOUSLY SUBMITTED: November 16, 2023

SUMMARY:

Approval is requested for the annual update to the University of Houston-Downtown Master Plan, which will be presented by President Loren Blanchard.

SUPPORTING DOCUMENTATION: PowerPoint Presentation

FISCAL NOTE: N/A

RECOMMENDATION/
ACTION REQUESTED: Administration recommends approval of this item

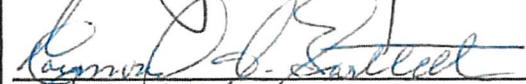
COMPONENT: University of Houston-Downtown



PRESIDENT Loren Blanchard

11/15/2024

DATE



SENIOR VICE CHANCELLOR Raymond S. Bartlett

11/15/24

DATE



CHANCELLOR Renu Khator

11/15/24

DATE



**BOARD OF REGENTS
ANNUAL MASTER PLAN UPDATE
FOR
University of Houston - Downtown**

November 21, 2024

Current Master Plan Goals

- ✓ Clear sense of identity and improved visibility.
- ✓ Attractive and functional spaces that enhance the student experience.
- ✓ Flexible learning spaces that promote academic excellence.
- ✓ Increase multimodal access to and through the campus.
- ✓ Integrate the campus with downtown Houston.

Future Initiatives

2026-27 Legislative Appropriation Request: CCAP

- Construction of a Police and Emergency Operation Center
- Land Acquisition

On-Campus Student Housing

- Feasibility Study Results

Renovation Projects:

- Nursing Program Community Care Space
- Cybersecurity Laboratory



Building Updates (added or removed)

1. Gator Expansion Project:

- The project commences with the renovation of the One Main building 5th floor. Phase 1 work is scheduled to start December 2024.
- Phase 2 of the project is the addition of a 4th floor to the Girard Street building (36,000 sq/ft) Phase 2 work is scheduled to start July 2025.

2. Major progress on the One Main Building elevator modernization project.

3. Continue to address planned/deferred maintenance as per the Life Cycle Index.

Land Purchases or Boundary Updates (added or removed)

- UHD at 1801 Main Street: 10th floor (17,000sq/ft.) of Amegy Bank Build.
- UHD/UHS working with TxDOT to finalize the North Houston Highway Improvement Project MOU.
- North Canal Project: Start Summer 2026 to Complete Winter 2029

Landscape, Art or Misc. Updates (added or removed)

- Student Common Spaces Refresh: New furniture, replace carpeting and paint.
- Upgrade landscaping at the One Main Complex¹⁸, the Sciences and Technology and Wellness & Success buildings.

Gator Expansion Project

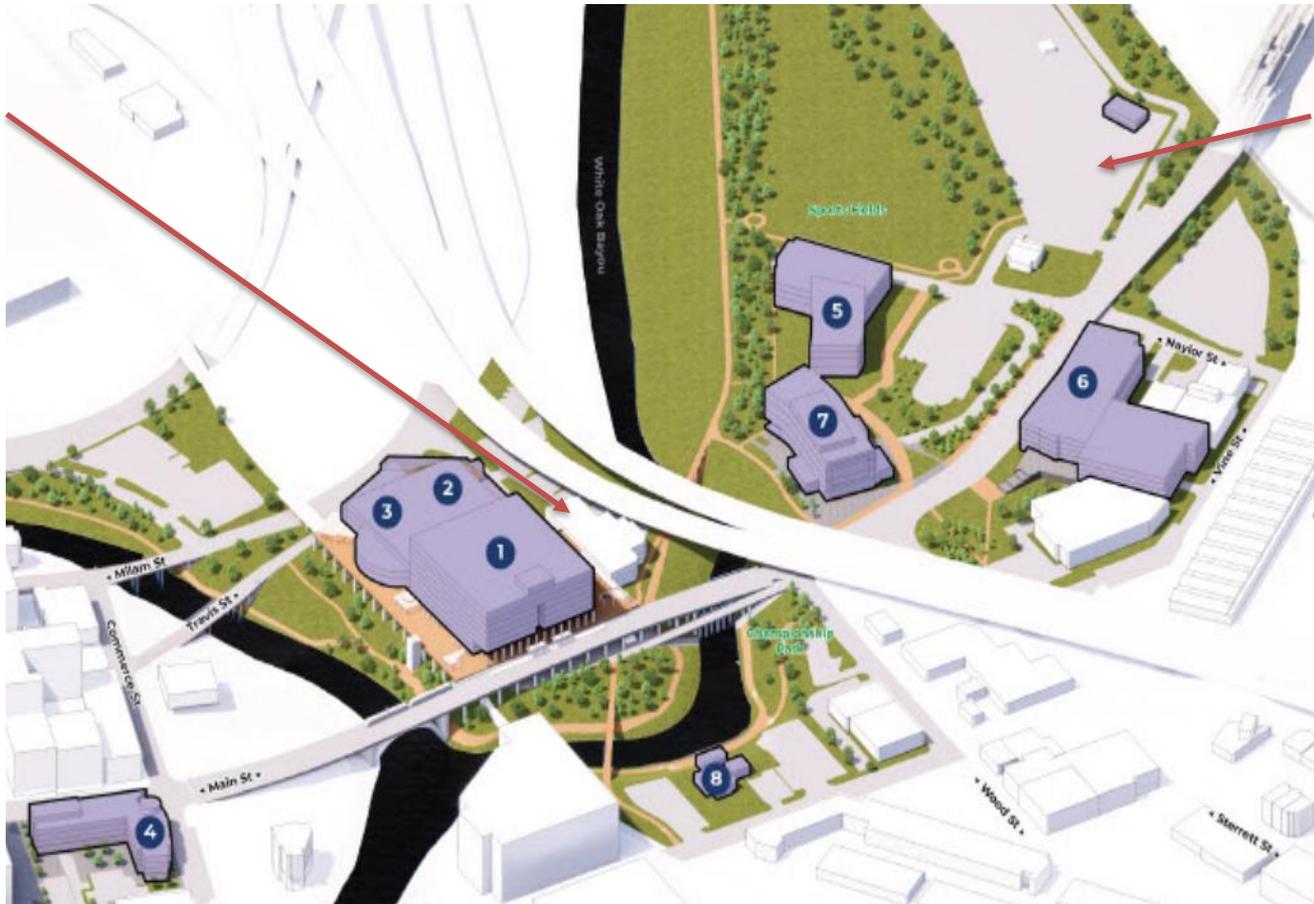


UHD at 1801 Main Street



Future Expansion Planning

Student
Housing



Police
Operations

Key

1. One Main building
2. Welcome Center (Girard Street building)
3. Academic building
4. College of Public Service (Commerce Street building)
5. Wellness & Success Center
6. College of Business (Shea Street building/ Marilyn Davies)
7. College of Sciences & Technology (Sciences & Technology building)
8. Willow Street Pump Station

MASTER PLAN UPDATE OVERVIEW



***BUILDING ON OUR PAST
SHAPING OUR FUTURE***



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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested for the annual review of the University of Houston System Board of Regents Finance, Facilities, and Administration Committee Charter

DATE PREVIOUSLY SUBMITTED: November 16, 2023

SUMMARY:

In accordance with the UH System Board of Regents Bylaws, the Finance, Facilities and Administration Committee shall review this charter at least once a year. There are no recommended changes to the charter during this review period.

SUPPORTING DOCUMENTATION: Finance, Facilities and Administration Charter

FISCAL NOTE: None

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE 11/15/24



CHANCELLOR Renu Khator



DATE 11/15/24

Finance, Facilities, and Administration Committee Charter

Charter: The Finance, Facilities, and Administration committee has oversight of policy and performance related to the physical assets, budget, finance, and business operations, including reviewing the Chancellor’s recommendations on capital priorities, annual budgets, and tuition and fees.

More specifically, the committee shall:

- (a) review and recommend approval of fiscal policies and major financial plans including annual operating budgets;
- (b) review and recommend approval of tuition and fees;
- (c) review and recommend delegation of authority to the Chancellor for banking agreements;
- (d) review and recommend delegation of authority to the Chancellor for major financial contracts and expenditures (single procurements greater than \$1 million annually);
- (e) review and recommend approval of bond issuances;
- (f) review major financial and management reports;
- (g) review and recommend approval of physical and facility master plans as well as capital improvement plans for each UH System site including amendments for purchase, lease, sale or development programs for real estate;
- (h) review and recommend delegation of authority to the Chancellor for programs regarding new construction or major repair and rehabilitation of buildings and facilities when the total cost is equal to or greater than the submittal threshold requiring Texas Higher Education Coordinating Board notification;
- (i) review and recommend delegation of authority to the Chancellor for land acquisition by purchase or gift;
- (j) review major reports regarding the use, occupancy, condition, and security of facilities and property, including information concerning deferred maintenance with respect to buildings and facilities;
- (k) review and recommend naming of facilities consistent with board policy;

The Finance, Facilities, and Administration Committee is required to perform a review of the charter at least annually, as required by Board of Regent Bylaws.

(11/[21/2024](#))

Deleted: 16/2023

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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Annual report on the condition of buildings and facilities – University of Houston System

DATE PREVIOUSLY SUBMITTED: November 16, 2023

SUMMARY:

The annual update of the University of Houston-System deferred maintenance report, per Sec. 61.05821 of the Texas Education Code, will be presented. This report, covering University of Houston System Universities, will be presented by Sr. Associate Vice Chancellor/Vice President for Facilities/Construction Management David Oliver.

SUPPORTING DOCUMENTATION: PowerPoint Presentation

FISCAL NOTE: N/A

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



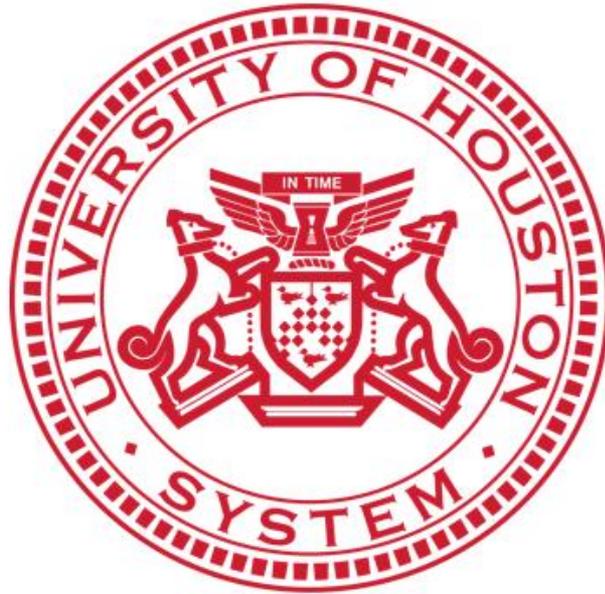
DATE



CHANCELLOR Renu Khator



DATE



Board of Regents
Annual Deferred Maintenance System Report

November 21, 2024

FY 2024 DEFERRED MAINTENANCE REPORT

5 Year Projected Total Campus Deferred/Planned Maintenance

\$ 464,000,000 – E&G

\$ 126,000,000 – Auxiliary

\$ 118,100,000 – Infrastructure

\$ 708,100,000 – Total (includes soft cost)

FY 2024 Deferred/Planned Maintenance Expenditures

\$ 17,000,000 – Standard Allocations

\$ 12,400,000 - Capital Renewal Core projects

\$ 29,400,000 – Total

FY 2025 Deferred/Planned Maintenance Budget

\$ 17,000,000 – Standard Allocations

\$ 48,700,000 - Capital Renewal Core/Life Sciences Projects

\$ 65,700,000 – Total

FY 2024 DEFERRED MAINTENANCE REPORT

Campus at a Glance



Total Campus Replacement Value = **\$ 10.77b**
(Buildings: \$8.8b, Infrastructure: \$1.9b)²



Building count = **163**¹



Total GSF = **16.7m**¹



Avg. Building Age = **38 yrs.**



Total E&G assignable = **3.9m**¹
Total Aux. assignable = **5.8m**¹



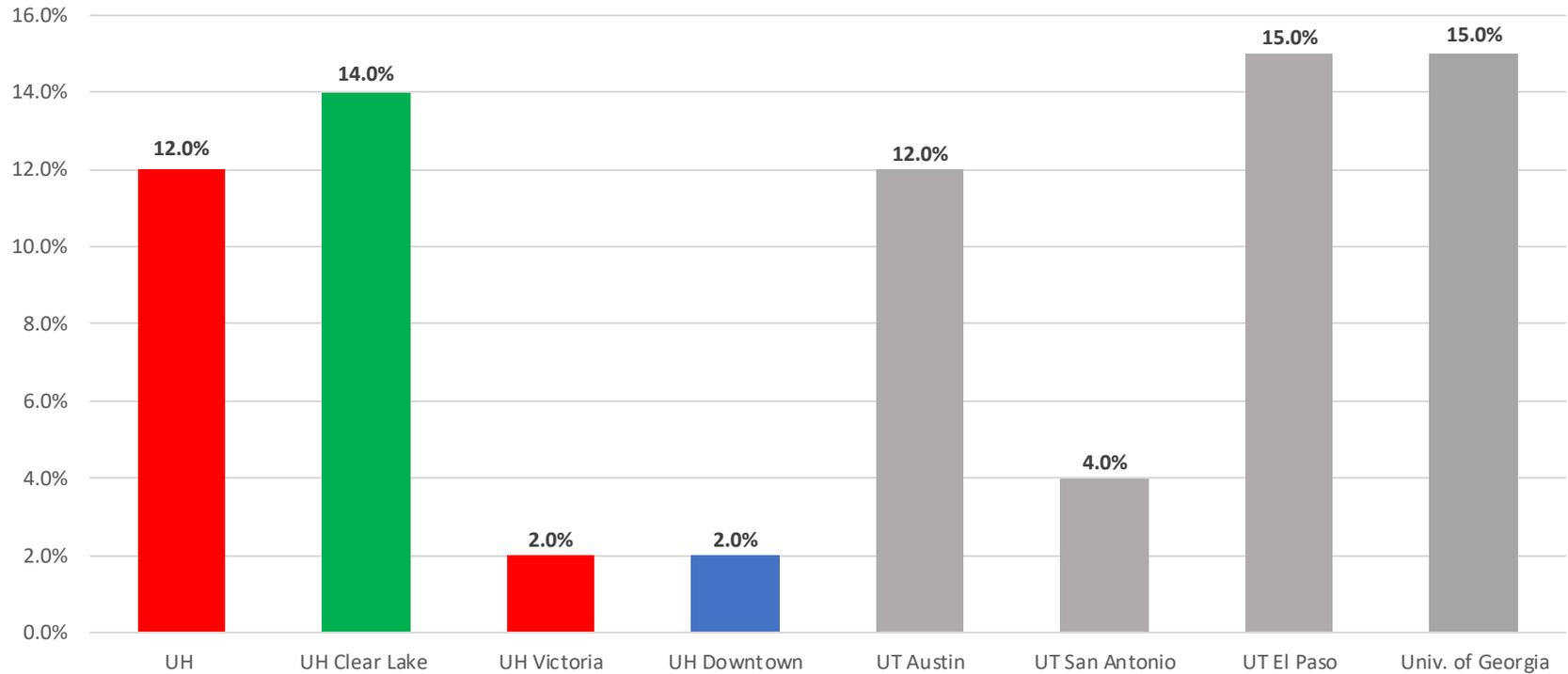
Facility Condition Index = **12%**¹

1- Central Campus, including Technology Bridge, Coastal Center, UH at Sugar Land, and UH at Katy, index based on 10 year DM cost
2 - 4% Escalation from previous year

FY 2024 DEFERRED MAINTENANCE REPORT

FCI Benchmark

FCI - Comparison



Data was provided by each institution
Data from other universities: 2023

FY 2024 DEFERRED MAINTENANCE REPORT

Asset Performance – Poor and Critical Bldgs Ranked by Highest FCI

	Building Name	FCI	FCI Cost	CRV	AGE
Critical	J. Davis Armistead	0.59	\$58,064,807	\$98,493,408	48
	*College of Phar.Tx.Med.Center	0.52	\$16,019,062	\$30,778,567	44
	A. D. Bruce Religion Center	0.58	\$9,479,616	\$16,457,126	60
	Lamar Fleming, Jr.	0.52	\$46,644,109	\$89,516,794	59
	Cullen Coll. of Engineering 1	0.44	\$76,036,288	\$172,051,776	54
	**Stephen Power Farish Hall	0.38	\$32,210,512	\$85,031,856	54
	*Agnes Arnold Auditorium	0.40	\$4,741,199	\$11,968,819	56
	Student Service Center 1	0.39	\$9,137,134	\$23,688,288	56
	Philip Guthrie Hoffman Hall	0.37	\$36,420,743	\$99,615,485	50
	Isabel C. Cameron	0.31	\$6,772,980	\$22,067,510	54
Poor	Ezekiel W Cullen	0.29	\$26,069,584	\$88,519,392	74
	*Agnes Arnold Hall	0.27	\$33,737,109	\$124,051,824	57
	*Charles F. McElhinney Hall	0.28	\$14,951,673	\$53,984,362	53
	Bates Law (Law Center)	0.25	\$16,408,503	\$64,831,104	55
	Fine Arts Building	0.25	\$25,047,248	\$99,989,510	52
	M. D. Anderson Library	0.25	\$61,979,159	\$250,223,126	74
	*Science and Research 1	0.22	\$36,804,119	\$163,947,888	55
	University of Houston Science Cent.	0.20	\$17,754,356	\$87,331,426	33
	Moody Towers Residence Halls	0.17	\$31,948,020	\$184,519,296	54
	Max Krost Hall	0.14	\$3,886,780	\$27,428,544	54
Teaching Unit 2 Building	0.15	\$9,584,406	\$64,831,104	49	

0.11- 0.30 Poor

0.31 – Up Critical

Chart does not include storage buildings, or facilities that are scheduled to be removed

CRV values were rounded up

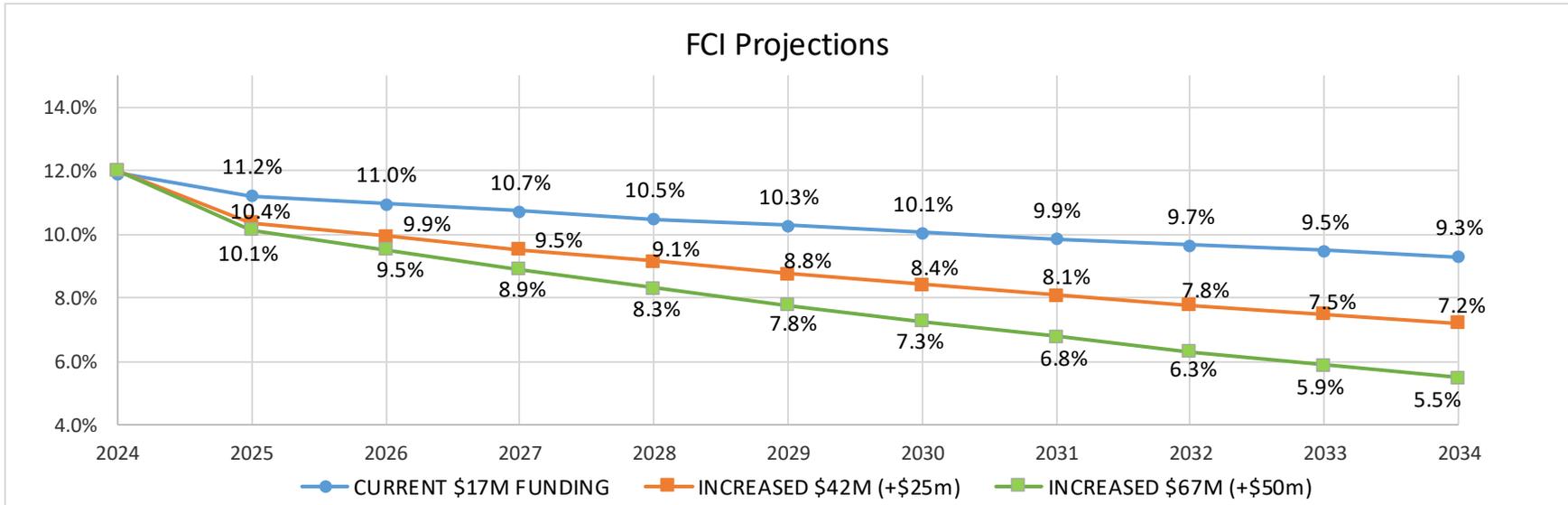
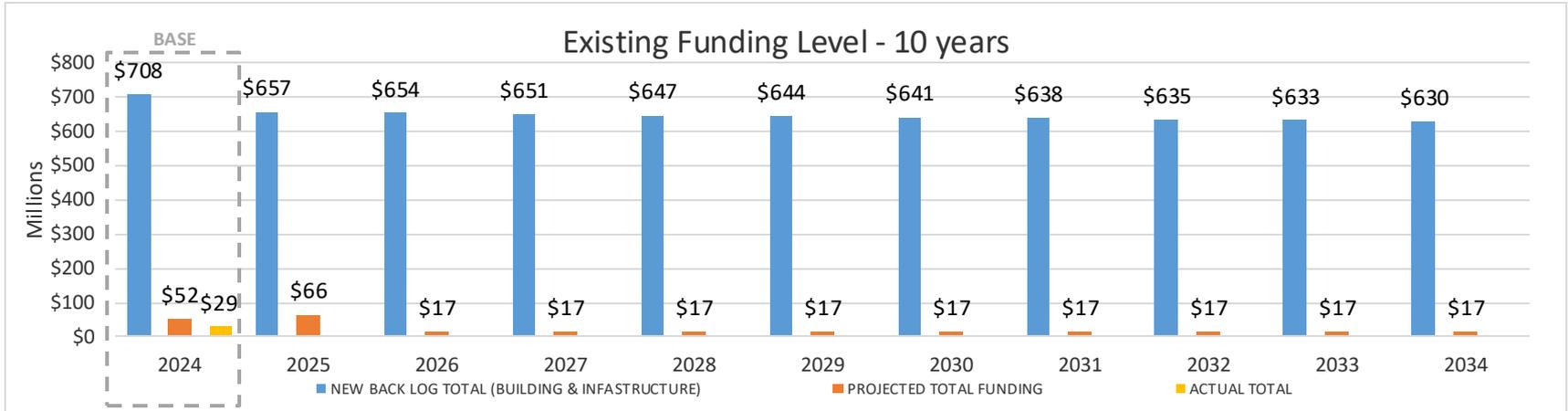
*CORE or Life Science Projects

**To be removed with Centennial Master Plan Project

FCI and CRV values will be recalculated on yearly basis

FY 2024 DEFERRED MAINTENANCE REPORT

10 YEAR PLAN AT CURRENT LEVEL (\$17 per year) WITH CORE AND LIFE SCIENCE PROJECTS INCLUDED



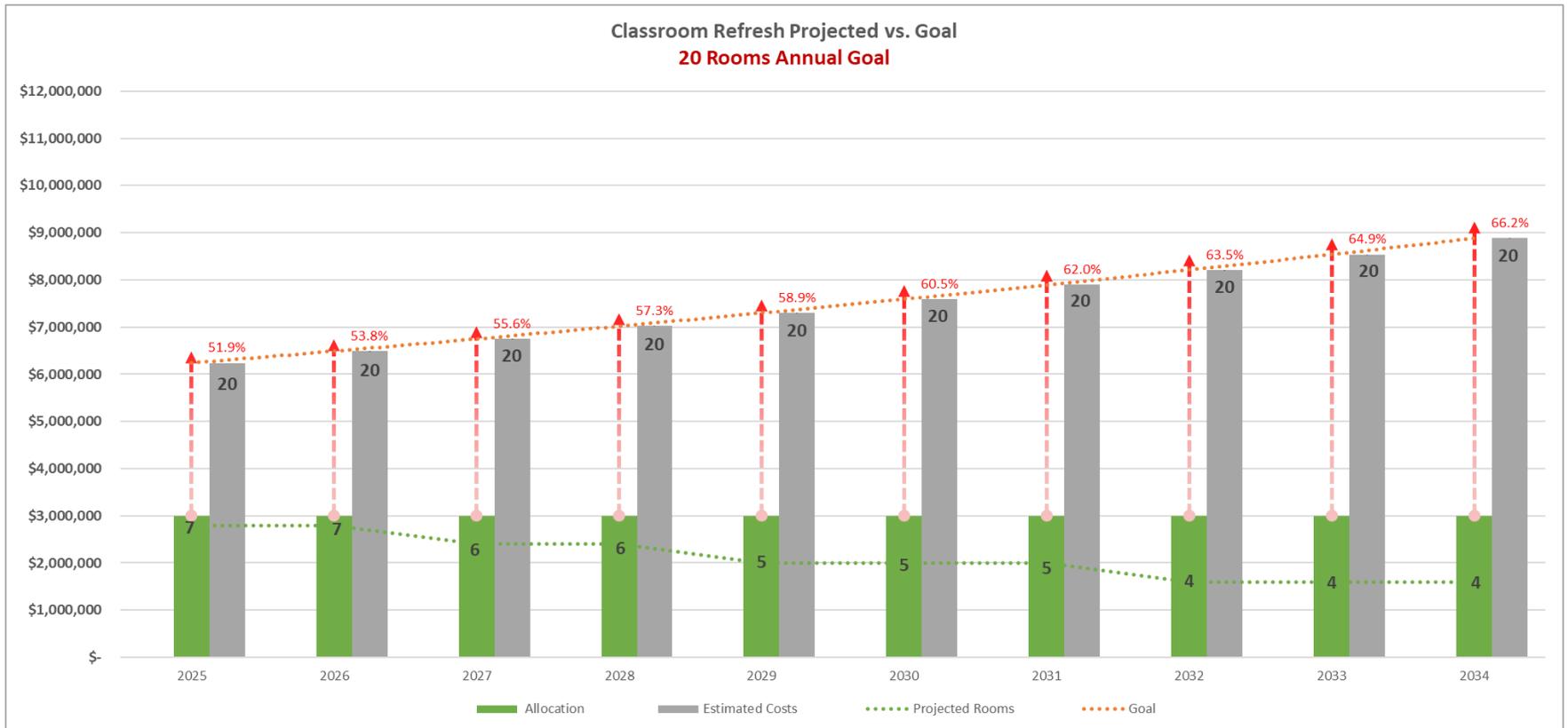
Accounts for 100% of the annual budget toward backlog reduction
 Deferred maintenance cost includes buildings and infrastructure
 10 year outlook, does not include storage, or facilities that are scheduled to be removed

2.5% Backlog Deterioration per year, Escalation: at 4% each year

FY 2024 DEFERRED MAINTENANCE REPORT

Classroom Refresh Program Funding

- 200 general-purpose classrooms
- 10-year refresh cycle goal



FY 2024 DEFERRED MAINTENANCE REPORT

5 Year Projected Total Campus Deferred/Planned Maintenance

\$ 12,730,000 – E&G

\$ **12,730,000** – Total (includes soft cost)

FY 2024 Deferred/Planned Maintenance Expenditures

\$ 1,800,000 – Standard Allocations

\$ 75,000 – Project related

\$ 50,000 – Other

\$ **1,925,000** - Total

FY 2025 Deferred/Planned Maintenance Budget

\$ 1,800,000 – Standard Allocations

\$ 0,000,000 – Project related

\$ 0,000,000 – Other

\$ **1,800,000** – Total

Additional Information

- **Total Deferred Maintenance cost is based on FCA reports.**
- **FCAs will be performed every three years on each campus building**
- **FY2024 deferred maintenance projects include: site improvements, site utilities, electrical systems, HVAC systems, plumbing, interiors, conveying, and building envelope.**

FY 2024 DEFERRED MAINTENANCE REPORT

Campus at a Glance



Total Campus Replacement Value = **\$1b**



Building count = **12**



Total GSF = **1.8m**



Avg. Building Age = **30 yrs.**



Total E&G assignable = **555k**
Total Aux. assignable = **520k**



Campus Facility Condition Index = **2%**

FY 2024 DEFERRED MAINTENANCE REPORT

Asset Performance Opportunities - Assets Ranked by Highest FCI

	Building Name	FCI	FCI Cost	CRV	AGE
Critical	None at this time				
Poor	None at this time				



FY 2024 DEFERRED MAINTENANCE REPORT

5 Year Projected Total Campus Deferred/Planned Maintenance

\$ 112,930,000 – E&G

\$ 112,930,000 – Total (includes soft cost)

FY 2024 Deferred/Planned Maintenance Expenditures

\$ 1,467,000 – Standard Allocations

\$ 66,000 – Project related

\$ 1,533,000 - Total

FY 2025 Deferred/Planned Maintenance Budget

\$ 1,500,000 – Standard Allocations

\$ 6,000,000 – Project related

\$ 7,500,000 – Total

FY 2024 DEFERRED MAINTENANCE REPORT

Additional Information

- **Facilities Assessment Updated FY2023**
 - **Growth in projected maintenance requirements as buildings age**

- **Capital Construction Assistance Project (Bayou Building CCAP)**
 - **Kick off meeting held November 2023**
 - **Construction start May 2025**



FY 2024 DEFERRED MAINTENANCE REPORT

Campus at a Glance



Total Campus Replacement Value = **\$ 835m**
(Buildings: \$667, Infrastructure: \$167)



Building count = **23**



Total GSF = **1.2m**



Avg. Building Age = **28 yrs.**



Total E&G assignable = **600k**
Total Aux. assignable = **160k**



Campus Facility Condition Index = **14%**



FY 2024 DEFERRED MAINTENANCE REPORT

Asset Performance Opportunities - Assets Ranked by Highest FCI

	Building Name	FCI	FCI Cost	CRV	AGE
Critical	Delta	0.39	\$12,577,878	\$32,479,185	45
	Bayou	0.32	\$80,323,875	\$248,230,804	48
Poor	Arbor	0.28	\$6,847,092	\$24,052,048	53
	Animal Care Facility	0.24	\$760,372	\$3,134,037	21
	Central Services	0.21	\$3,189,989	\$12,529,516	48
	Central Plant	0.14	\$760,372	\$4,398,431	20



FY 2024 DEFERRED MAINTENANCE REPORT

5 Year Projected Total Campus Deferred/Planned Maintenance

\$ 3,093,473 – E&G

\$ 2,238,434 – Auxiliary

\$ 5,331,907 – Total (includes soft cost)

FY 2024 Deferred/Planned Maintenance Expenditures

\$ 92,106 – Standard Allocations

\$ 123,697 – Project related

\$ 215,803 – Total

FY 2025 Deferred/Planned Maintenance Budget

\$ 603,887 – Standard Allocations

\$ 655,000 – Project related

\$ 1,258,887 – Total

FY 2024 DEFERRED MAINTENANCE REPORT

Additional Information

- **FY25 Deferred/Planned Maintenance Items**
 - **Standard Allocations are for building repairs due to age**
 - **Project Related**
 - **In March 2024 projects not contractually obligated or life-safety issues were paused to conserve operational resources, including projects funded by HEF or CCAP.**
 - **HEF will fund standard allocations**
 - **CCAP (SB52 2021) will fund projects**
- **5 Year projected deferred/planned Maintenance dollar values are from the 2019 Facilities Condition Assessment done by Accruent**
- **Lack of available resources have not allowed us to be as aggressive toward deferred\planned maintenance backlog**

FY 2024 DEFERRED MAINTENANCE REPORT

Campus at a Glance



Total Campus Replacement Value = **\$ 268m**



Building count = **14**



Total GSF = **875K**



Avg. Building Age = **23 yrs.**



Total E&G assignable = **200K**
Total Aux. assignable = **240K**



*Campus Facility Condition Index = **2%**

FY 2024 DEFERRED MAINTENANCE REPORT

Asset Performance Opportunities - Assets Ranked by Highest FCI

	Building Name	FCI	FCI Cost	CRV	AGE
Critical	None at this time				
Poor	None at this time				



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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Report on the sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2024A and Series 2024B

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

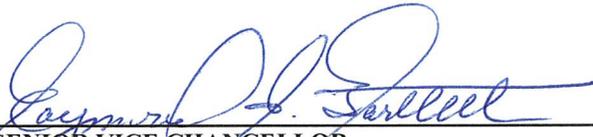
Mr. Raymond Bartlett, Senior Vice Chancellor/Vice President for Administration and Finance, will present to the Committee a report regarding the recent sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2024A and 2024B.

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



DATE

Board of Regents of the University of Houston System



On August 13, 2024, the System competitively sold the Series 2024A & 2024B Bonds to fund critical projects within the System. JP Morgan lead the financings with Loop Capital Markets, Jefferies and Ramirez & Co, supporting as co-managers.

The Bonds carry a Moody's rating of "Aa2" and S&P rating of "AA" and were met with tremendous investor demand.

\$52,570,000 - Consolidated Revenue and Refunding Bonds, Series 2024A

Final All-in True Interest Cost 3.8840%

Projects

UHV	Health & Wellness	12,735,630
UH	Campus Infrastructure	13,120,000
UH	Agnes Arnold	30,000,000
Subtotal		55,855,630
Capitalized Interest		537,000
Bond Issuance Cost		274,188
Less: Bond Premium		(2,474,441)
Total Par Amount of Bonds		52,570,000

Orders

22 Investor accounts	80,145
Stock from Syndicate	25,105
Total Orders	105,250
Total Bonds Available	52,570
Oversubscription	2.00x

\$214,610,000 - Consolidated Revenue and Refunding Bonds, Series 2024B (Taxable)

Final All-in True Interest Cost 5.1281%

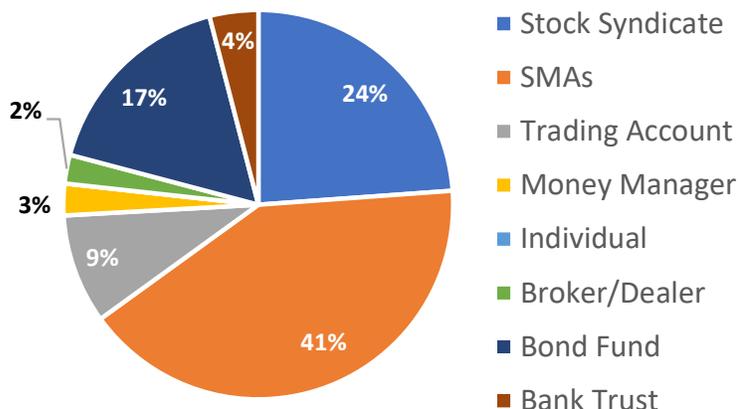
Projects

UH	MH Football Ops Center	90,305,000
UH	Athletics	26,411,000
UHV	Health & Wellness	1,415,070
UH	Moody Dining Replacement	64,000,000
UH	RAD Buildout	4,000,000
UH	Medical Research Facility	15,000,000
Subtotal		201,131,070
Capitalized Interest		12,513,808
Bond Issuance Cost		965,122
Total Par Amount of Bonds		214,610,000

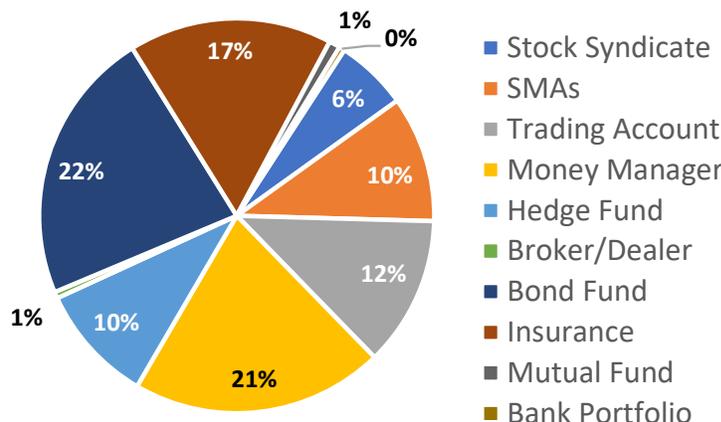
Orders

38 Investor accounts	1,039,120
Stock from Syndicate	65,375
Total Orders	1,104,495
Total Bonds Available	214,610
Oversubscription	5.15x

2024A Investor Breakdown



2024B Investor Breakdown



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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Presentation of the Fiscal Year 2024 University of Houston System Results of Financial Operations

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

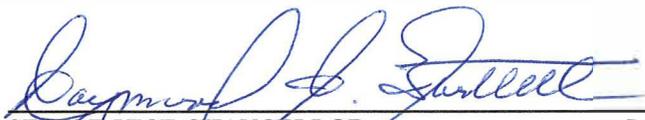
Ms. Usha Mathew, Assistant Vice President for Finance and Controller, will present a summary of the Fiscal Year 2024 University of Houston System Results of Financial Operations.

SUPPORTING DOCUMENTATION: Presentation

FISCAL NOTE: N/A

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett

11/15/24

DATE



CHANCELLOR Renu Khator

11/15/24

DATE

Overview of Results of FY2024 Financial Operations

Presentation to the
Finance, Facilities, and Administration Committee

November 21, 2024

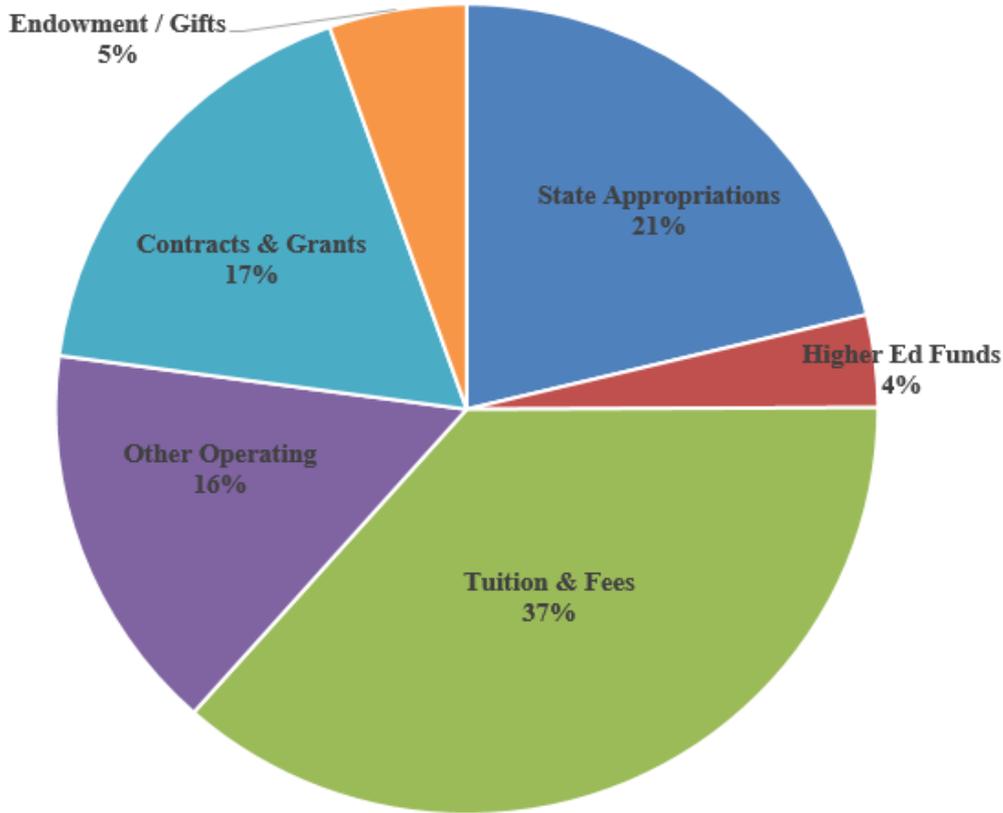
To view an electronic version of UHS's Annual Financial Reports, visit
http://www.uh.edu/finance/pages/Annual_Fin_Reports.htm

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UHS Consolidated Landscape Actual Revenues vs. Actual Expenses

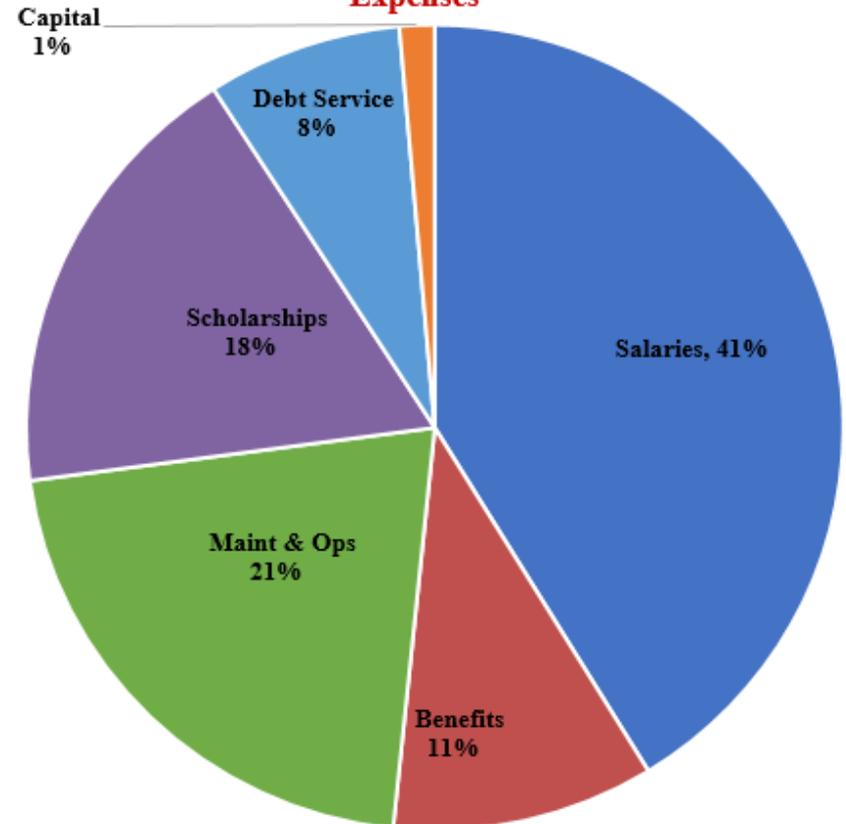
(\$ in Millions)

Major Sources of Revenue



Actual Total Revenue \$2,143.4M
(Total Budget \$2,014.2)

Expenses



Actual Total Expense \$1,963.6M
(Total Budget \$2,014.2)
Expenses exclude construction spending

Analysis of Major Sources of Revenue

(\$ in Millions)

Revenues	FY2024	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
	Budgeted	Actual					
State Appropriations	451.8	455.5	368.7	374.6	336.4	399.1	334.6
Higher Ed. Funds	64.0	78.9	76.6	75.2	76.6	76.8	76.8
Tuition / Fees	768.2	784.9	773.0	787.0	776.1	745.9	710.8
Other Operating	319.0	333.6	300.4	246.8	200.6	253.8	273.0
Contracts / Grants	323.8	374.6	381.3	501.1	467.6	382.6	302.5
Endowment / Gifts	87.4	115.9	106.7	110.3	94.4	99.4	103.8
Total	\$ 2,014.2	\$ 2,143.4	\$ 2,006.7	\$ 2,095.0	\$ 1,951.7	\$ 1,957.6	\$ 1,801.5

Analysis of Expenses

(\$ in Millions)

Expenses	FY2024 Budgeted	FY2024 Actual	FY2023	FY2022	FY2021	FY2020	FY2019
Salaries	844.7	809.8	757.8	720.9	696.0	702.5	700.3
Benefits	198.4	204.0	190.1	182.4	178.8	178.9	169.9
Maint & Ops	402.2	417.7	396.9	431.2	410.5	361.0	399.0
Scholarships	329.4	353.3	327.2	402.2	382.1	322.4	284.4
Debt Service	150.6	151.6	150.5	128.8	134.2	129.3	120.4
Capital	88.9	27.2	27.9	31.3	20.1	25.5	27.7
Total	\$ 2,014.2	\$ 1,963.6	\$ 1,850.4	\$ 1,896.8	\$ 1,821.7	\$ 1,719.6	\$ 1,701.7

Analysis of Asset Balances

(\$ in Millions)

Assets	FY2024					
	Actual	FY2023	FY2022	FY2021	FY2020	FY2019
Cash, Appropriations, & Investments	3,093.5	2,906.4	2,806.2	2,367.5	2,107.4	1,760.9
Cash & appropriation balances	363.8	232.5	268.2	271.6	307.8	275.5
Investments (includes Endowment)	2,729.7	2,673.9	2,538.0	2,095.9	1,799.6	1,485.4
Capital Assets, net of depreciation	2,222.2	2,183.9	2,199.6	2,123.4	2,072.9	1,955.0
Land	153.8	153.8	153.1	145.1	145.2	146.0
Construction in progress	221.3	119.6	213.0	201.9	348.3	326.4
Buildings, facilities, infrastructure	1,727.2	1,790.1	1,710.1	1,654.8	1,450.4	1,352.7
Equipment, art, software, books	119.9	120.4	123.4	121.6	129.0	129.9
Other Assets	2,559.3	2,583.0	2,633.1	2,568.8	2,490.3	2,355.4
Receivables (student, loans, & gifts)	456.4	472.6	431.5	410.8	352.8	335.0
Prepaid expenses	48.5	48.9	46.0	53.2	55.7	56.6
Assets held by other UHS components	1,904.4	1,814.8	1,792.5	1,597.2	1,417.0	1,172.7
Inventories, deferred charges	0.2	(0.3)	(0.0)	0.5	(2.2)	0.4
Def resources (Pension/OPEB)	149.8	247.0	363.1	507.1	667.0	790.7
Total Assets	7,875.0	7,673.3	7,638.9	7,059.7	6,670.6	6,071.3

Analysis of Liability Balances and Equity Balances

(\$ in Millions)

Liabilities	2024					
	Actual	FY2023	FY2022	FY2021	FY2020	FY2019
Payables & Accrued Liabilities	173.5	155.0	141.0	148.0	148.1	132.7
Accounts payable & accruals	55.0	36.9	36.4	45.2	46.1	44.0
Payroll payable	118.5	118.1	104.6	102.8	102.0	88.7
Bonds & Long Term Obligations	1,869.3	1,918.3	2,007.0	1,615.5	1,713.9	1,478.3
Other Liabilities	3,446.3	3,389.4	3,344.1	3,197.3	3,017.7	2,758.8
Deferred revenue	318.3	311.7	308.4	312.6	288.7	292.1
Deposits held for others	39.9	36.9	27.8	23.1	14.0	22.8
Assets held for UHS components	1,904.4	1,814.8	1,792.5	1,597.2	1,417.0	1,172.7
Other commitments & defer chg	16.8	19.2	22.2	22.5	23.6	23.2
Def inflows (Pension/OPEB/Leases)	1,166.9	1,206.8	1,193.2	1,241.9	1,274.4	1,248.0
Total Liabilities	5,489.1	5,462.7	5,492.1	4,960.8	4,879.7	4,369.8
Total Equity Balance	2,385.9	2,210.6	2,146.8	2,098.9	1,790.9	1,701.5

Revenues by UHS Universities

(\$ in Millions)

Revenues	FY2024	FY2023	\$ Chng					
	Actual	Actual	FY23-24	UH	UHCL	UHD	UHV	UHSA
State Appropriation	455.5	368.7	86.8	297.0	41.1	36.6	20.4	60.4
Higher Ed. Funds	78.9	76.6	2.3	56.1	8.0	11.2	3.6	0.0
Tuition / Fees	784.9	773.0	11.9	576.1	70.4	108.9	29.5	0.0
Other Operating	333.6	300.4	33.2	297.7	10.3	9.2	4.3	12.1
Contracts / Grants	374.6	381.3	(6.7)	271.4	31.6	57.4	14.2	0.0
Endowment / Gifts	115.9	106.7	9.2	99.9	2.2	5.9	2.1	5.8
UH System Total	\$ 2,143.4	\$ 2,006.7	\$ 136.7	\$ 1,598.2	\$ 163.6	\$ 229.2	\$ 74.1	\$ 78.3

Expenses by UHS Universities

(\$ in Millions)

Expenses	FY2024 Actual	FY2023 Actual	\$ Chng FY23-24	UH	UHCL	UHD	UHV	UHSA
Salaries	809.8	757.8	52.0	601.0	77.7	94.0	28.1	9.0
Benefits	204.0	190.1	13.9	145.4	21.9	26.3	8.3	2.1
Maint & Ops	417.7	396.9	20.8	339.3	28.6	33.3	12.9	3.6
Scholarships	353.3	327.2	26.1	238.7	33.5	64.9	16.0	0.2
Debt Service	151.6	150.5	1.1	79.3	5.1	5.4	4.4	57.4
Capital	27.2	27.9	(0.7)	16.7	3.2	4.8	2.5	-
UH System Total	\$ 1,963.6	\$ 1,850.4	\$ 113.2	\$ 1,420.4	\$ 170.0	\$ 228.7	\$ 72.2	\$ 72.3

Assets, Liabilities and Equity Balances

(\$ in Millions)

	FY2024	FY2023	\$ Chg					
	Actual	Actual	FY23-24	UH	UHCL	UHD	UHV	UHSA
Assets								
Cash, Appropriations, & Investments	3,093.5	2,906.4	187.1	799.0	36.9	67.6	12.2	2,177.8
Capital Assets, net of depreciation	2,222.2	2,183.9	38.3	1,619.4	175.2	225.3	141.3	61.0
Other Assets	2,559.3	2,583.0	(23.7)	2,107.4	152.7	182.7	74.0	42.5
Total Assets	7,875.0	7,673.3	201.7	4,525.8	364.8	475.6	227.5	2,281.3
Liabilities								
Payables & Accrued Liabilities	(173.5)	(155.0)	(18.5)	(108.9)	(17.3)	(27.4)	(3.7)	(16.2)
Bonds & Long Term Obligations	(1,869.3)	(1,918.3)	49.0	(1,245.1)	(173.7)	(154.9)	(143.2)	(152.4)
Other Liabilities	(3,446.3)	(3,389.4)	(56.9)	(1,120.1)	(148.1)	(200.7)	(75.6)	(1,901.8)
Total Liabilities	(5,489.1)	(5,462.7)	(26.3)	(2,474.1)	(339.1)	(383.0)	(222.5)	(2,070.4)
Total Equity Balance	(2,385.9)	(2,210.6)	(175.4)	(2,051.7)	(25.7)	(92.6)	(5.0)	(210.9)

Overview of Results of FY2024 Financial Operations

Thank You!