
AGENDA

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

DATE: Thursday, March 12, 2026
TIME: 1:00 PM
PLACE: Hilton University of Houston Hotel
Conrad Hilton Ballroom, Second Floor
4450 University Drive
Houston, Texas 77204

Chair: Ricky Raven
Vice Chair: Alonzo Cantu
Members: Bryan Clark
Patrick Fertitta
Thomas Lucas
Adrian Caraves – Non-Voting
Ex Officio: Jack B. Moore

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

Presenter: Chair Ricky A. Raven

A. Call to Order

Presenter: Chair Ricky A. Raven

B. Approval of Committee Minutes

- November 20, 2025, Finance 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

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 projects at the University of Houston System 6

Action: Approval

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

- E. Approval is requested for changes to optional fees and new course fees at the University of Houston System for Fiscal Years 2027 and 2028 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 insurance policies for the Fiscal Year 2026-27 for the University of Houston System 59

Action: Approval

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

- G. Approval is requested of the Thirty-third and Thirty-fourth Supplemental Resolutions to the Master Resolution, Preliminary Official Statements, and Bond Purchase Agreement authorizing the issuance of the Consolidated Revenue and Refunding Bonds, Series 2026A and Consolidated Revenue and Refunding Variable Rate Demand Bonds, Series 2026B – University of Houston System 64

Action: Approval

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

- H. Approval is requested to modify the University of Houston System Debt Policy 66

Action: Approval

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

- I. Approval is requested to write off Accounts and Notes Receivable for FY2025 for the University of Houston System 99

Action: Approval

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

- J. Approval is requested for the University of Houston System FY2027 Holiday Schedule 101

Action: Approval

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

- K. Report on University of Houston System Capital Projects 103

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 A. 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

2/24/2026

DATE



CHANCELLOR Renu Khator

3/10/2026

DATE

University of Houston System
Summary of Goods and Services and Contracts Greater than \$1 Million
F&A Committee - March 12, 2026

Component	Project	Procurement Method	Vendor	Purpose	Term	Amount	Funding Source
Goods and Services Contracts Greater than \$1 Million							
UH	Texas Leadership Scholars Program	Interagency Agreement	Texas Higher Education Coordinating Board	To participate in the Texas Leadership Scholars Program, which provides scholarship funding for high-achieving, low-income Texas resident students.	Initial Term: 2 years	Initial Term: \$1,045,000	State
UH	Degree Planner and Course Auditor Software	Sole source	HighPoint Technology Solutions Inc.	To purchase subscriptions for Degree Planner and Course Auditor software, which provide students and administrators with tools to track and improve progress towards degree completion, enhancing the student experience and promulgating a culture focused on timely graduation.	Initial Term: 5 years	Initial Term: \$2,000,000	Designated
UH	Media Agency Partnership	Request for Proposal	Simpson Scarborough LLC	Provide marketing services that raise UH brand awareness to targeted audiences; vendor evaluates the effectiveness of media activities and facilitates marketing campaigns.	Original Term: 8 months Optional Term 1: 2 months Optional Term 2: 10 months Optional Term 3: 3 years	Original Term: \$600,000 Optional Term 1: \$75,000 Optional Term 2: \$530,000 Optional Term 3: \$1,715,000	Designated
UHS	Travel Management System	Request for Proposal	Emburse Inc.	Implement a robust and user-friendly travel management system to provide an efficient travel process from pre-trip arrangements and approval to post-trip expense review and approvals.	Initial Term: 3 years Optional Term: 2 years	Initial Term: \$955,000 Optional Term: \$570,000	Designated
UH	Copier Lease and Maintenance	Request for Proposal	TBD	Obtain a master copier lease and maintenance provider for the University of Houston.	Initial Term: 5 years	Initial Term: \$4,500,000	Multiple
UHD	IT Wireless Infrastructure Upgrade	Sole source	TBD	To upgrade the wireless network infrastructure, replacing the current access points and cabling on campus to meet the current industry standards.	Initial Term: 5 years	Initial Term: \$1,000,000	State
UH	Underwriters Laboratories (UL) Lease Renewal	Revenue Agreement	Underwriters Laboratories (UL)	To renew the revenue-generating research facility lease agreement Underwriters Laboratories (UL). UL Leases space in the Tech Bridge, providing both a source of income and a partnership that provides collaboration opportunities.	Original Term: 3 years Optional Term: 2 years	Original Term: \$385,000 Optional Term 1: \$620,000	Designated
UH	TDECU Stadium Distributed Antennae System	Revenue Agreement	ExteNet Systems LLC	To contract with Extenet Systems LLC to provide a Distributed Antennae System in TDECU Stadium that ensures cellular coverage by all major carriers; the agreement provides income for Athletics.	Original Term: 10 years Optional Term 1: 5 years Optional Term 2: 5 years	Original Term: \$1,500,000 Optional Term 1: \$750,000 Optional Term 2: \$750,000	Auxiliary
UH	Continuing Education MOU	Revenue Agreement	Doctor's Hospital at Renaissance (DHR) and the Lower Rio Grande Valley Workforce Development Board.	To contract for the Bauer College of Business to develop the curriculum and deliver instruction for DHR employees in finance, leadership, supply chain management and other management subjects under a DHR Texas Workforce Commission Skills Development Fund grant.	Original Term: 1.5 Years	Original Term Revenue: \$1,500,000 Original Term Expense: \$560,000	Designated
UH	Graduate Application Processing System	Sole Source	CollegeNet Inc	To amend the existing agreement with CollegeNet for a customized online graduate applications processing system that provides real time tracking data, application management, and reporting.	Original Term: 5 years	Original Term: \$800,000 Amendment: \$420,000	Designated

**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



CHANCELLOR

Renu Khator



DATE

University of Houston System
Summary of Construction Contracts Greater than \$1 Million
FFA Committee - March 12, 2026

Component	Project	Procurement Method	Vendor	Purpose	Amount	Funding Source	Comments
UHS	CSA Facility Condition Assessment and Data Management Software	Cooperative Agreement	Multiple	Continuing Services Agreement: Contract with up to three (3) vendors for facility condition assessments and data management software. Available to all campuses.	\$ 4,700,000	Multiple	Award of up to three (3) contracts with an aggregate value of \$4.7M.
UH	PM Web/Project Management Software	Cooperative Agreement	TBD	This contract will provide a Project Management Information System for the UH System.	\$ 1,500,000	Designated	This will be a three (3) base year and two (2) option year contract.
UH	Cougar Village 1 Envelope and Roof Drainage	RFP	TBD	Construction contract to add a new superstructure roof with cleaning the façade precast panels to address the façade staining issue.	\$ 3,300,000	Auxiliary	
UH	Tech Bridge 1A HVAC System Replacement	RFP	TBD	Construction contract for HVAC system replacement.	\$ 3,000,000	HEF	
UHS	CSA Commissioning	RFQ	TBD	Continuing Services Agreement: Contract for Commissioning Services available to all campuses.	\$ 4,500,000	Multiple	Award of up to three (3) contracts with an aggregate value of \$4.5M. This will be a three (3) base year and two (2) option year contract.
UHS	Health District Energy Resiliency	TBD	TBD	Construction contract to build and install electrical redundancy for increased resiliency for the Health District.	\$ 9,300,000	HEF	Procurement will include best value approach which may included Owner furnished, Contractor installed equipment.
UH	Elevator Preventative Maintenance	RFP	TBD	Elevator maintenance and minor repairs.	\$ 1,500,000	Multiple	This will be a three (3) base year and two (2) option year contract.
UH	Elevator Modernization	RFP	TBD	Upgrade and recapitalize elevator systems.	\$ 15,000,000	Multiple	Award of up to three (3) contracts with an aggregate value of \$15M. This will be a three (3) base year and two (2) option year contract.

UH	UH Grounds & Landscaping	RFP	TBD	Basic and enhanced grounds and landscaping services.	\$ 14,000,000	Multiple	Award of up to three (3) contracts with an aggregate value of \$14M. This will be a three (3) base year and two (2) option year contract.
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**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested for changes to optional fees and new course fees at the University of Houston System for Fiscal Years 2027 and 2028

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

A) Optional charges: Increases in charges for housing, meal plans, and parking.

B) Course Fees: Establish course fees for a new academic program at UHCL.

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

SUPPORTING DOCUMENTATION: PowerPoint Presentation

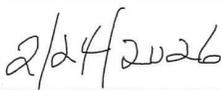
FISCAL NOTE: None

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



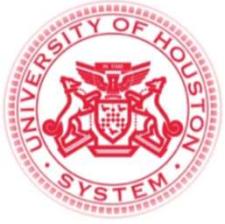
UNIVERSITY of **HOUSTON** SYSTEM

FY2027-FY2028

Recommended Changes to
Optional Charges for Services Rendered
and
Establishment of a Fee for New Courses

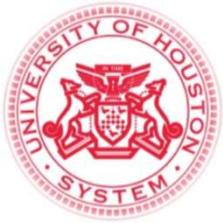
UH System Board of Regents

March 12, 2026



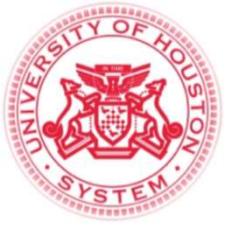
What We are Requesting and Context

- Requesting approval to establish course fees
 - New academic fee is compliant with state directive
- Requesting approval for auxiliary rate changes
 - Housing, meal plans, and parking
 - Changes in auxiliary fees due to rising costs
 - Auxiliaries are self-supporting; no state funding
 - Optional services at discretion of the customer
 - Benchmarking and advisory committees



Establish a Course Fee at UH Clear Lake

- Requesting approval for a course fee ranging from \$50 to \$150 per semester to support an undergraduate aerospace engineering program
- Fee will be for upper-level classes in which enrollment will begin in Fall 2026
- Revenue will support specialized software, materials, and equipment in the classroom and lab settings
- New academic fee is compliant with state directive



UH Student Housing Rate Changes Per Semester

	Avg. Cost Before Increase	Avg. Increase	Avg. Cost after Increase	Cost Range
FY 2026	\$4,845	NA	\$4,845	\$3,179 – \$7,228
FY 2027	4,845	165	5,010	3,274 – 7,517
FY 2028	5,010	164	5,175	3,372 – 7,743

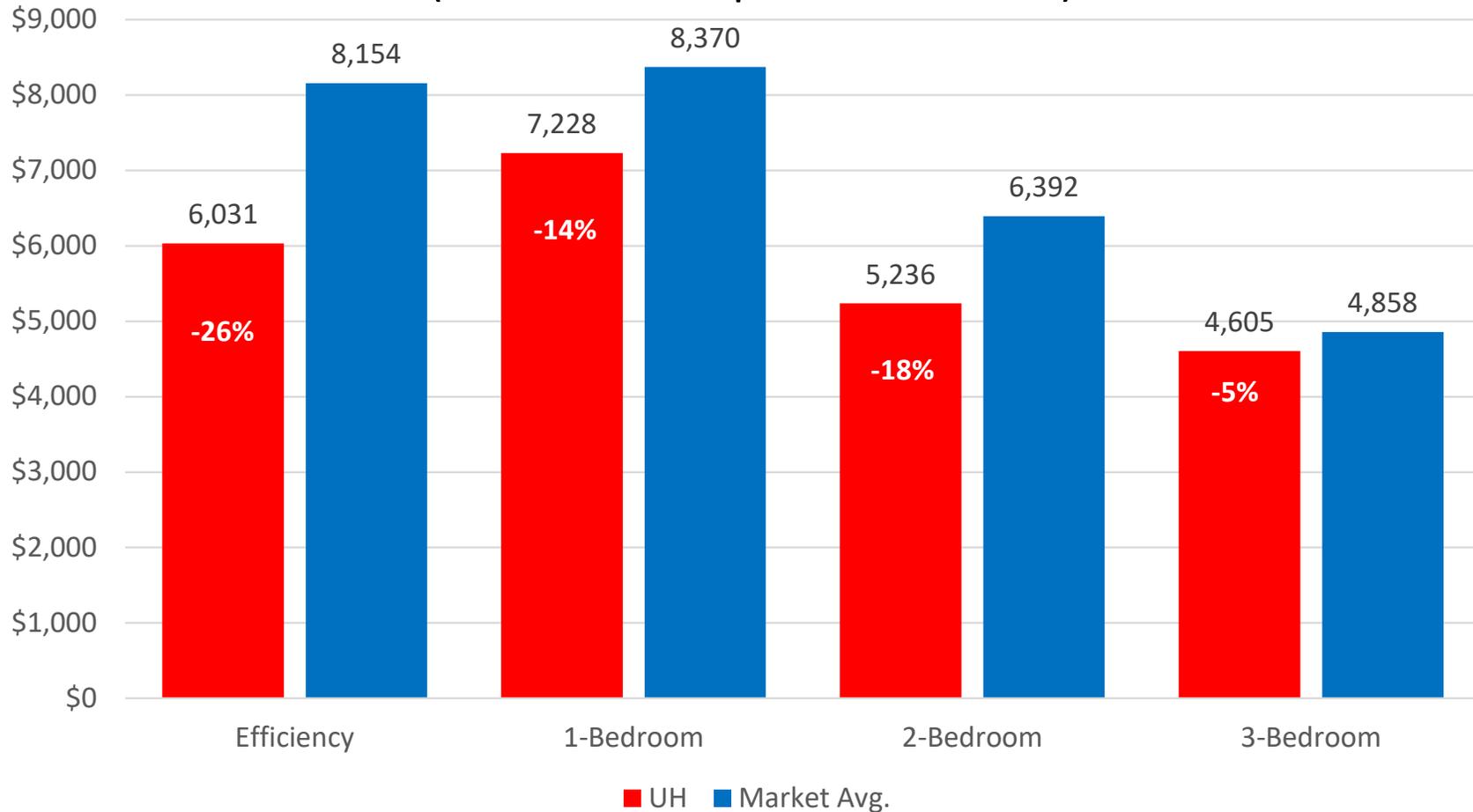
- **Rate increase proposal is supported by the Student Housing & Residential Life Advisory Board and was presented at a Town Hall meeting**
- Average increase is 3.4% and 3.3% for FY27 and FY28, respectively, across 20 price points for UH owned student housing. Range is 2.5% to 4% depending on property.
- Equivalent cost per night is \$39.92, \$41.86, and \$43.00 for FY26, FY27, and FY28, respectively
- **3% to 5% is average rate increase for peer universities in our region based on survey information**
- FY27 increase range: \$95 for a Moody Towers double to \$289 for a furnished 1-Bed/1 bath at Univ. Lofts
- FY28 increase range: \$98 for a Moody Towers double to \$276 for a 1-Bed/1 bath at Cougar Place



Student Housing Rates

UH vs Local Apartment Market

(Per Semester per Person Cost)



Rates shown are the University Lofts (Efficiency, 1 BR, 2BR - furnished) and Bayou Oaks (3 BR) properties.



UHS FY27 Meal Plan Rate Changes Per Semester

UH Residential 24x7 and 24x5				
Plan	FY26	FY27	\$Change	%Change
Platinum	3,550	3,700	150	4.2%
Gold	3,325	3,445	120	3.6%
Silver	3,050	3,180	130	4.3%
Bronze	2,705	2,780	75	2.8%
Avg.	3,158	3,276	119	3.7%

UH Commuter Block (S-NR/F/S)				
Plan	FY26	FY27	\$Change	%Change
Block 100	1,435	1,480	45	3.1%
Block 50	745	770	25	3.4%
Avg.	1,090	1,125	35	3.2%

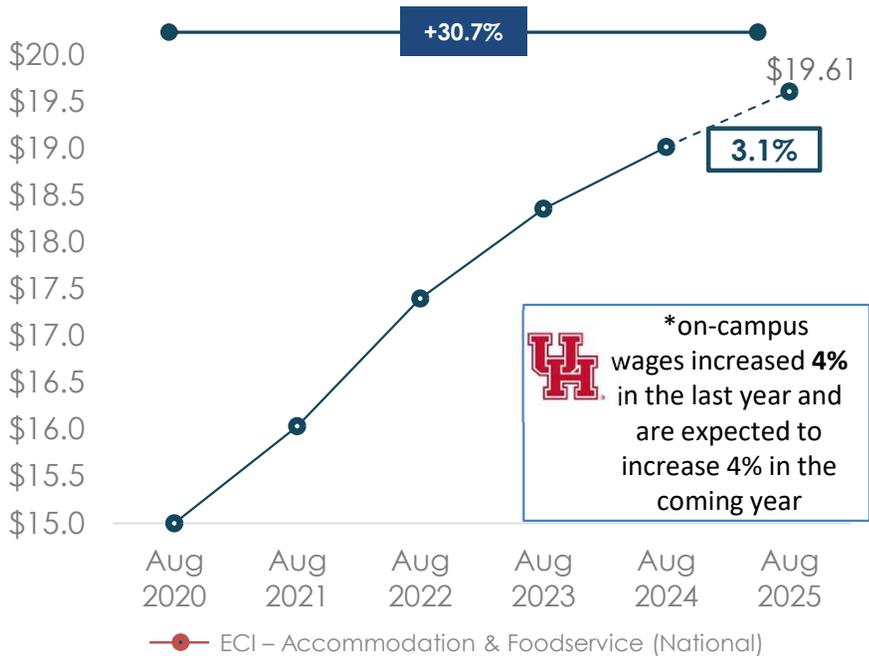
UH Clear Lake <i>Declining Balance</i> Plan				
Plan	FY26	FY27	\$Change	%Change
Residential (required)	1,800	1,900	100	5.6%
Commuter (voluntary)	2,300	2,400	100	4.3%
Average	2,050	2,150	100	5.0%

- Rate proposal is supported by the Food Service Advisory Committee and was presented at a Town Hall meeting, and the video recording was posted online
- The blended Employment Cost Index and CPI-Food Away From Home was 3.5% (national)-trailing yr.
- Peer institutions planning to increase rates and average of 3.7% to 4%.

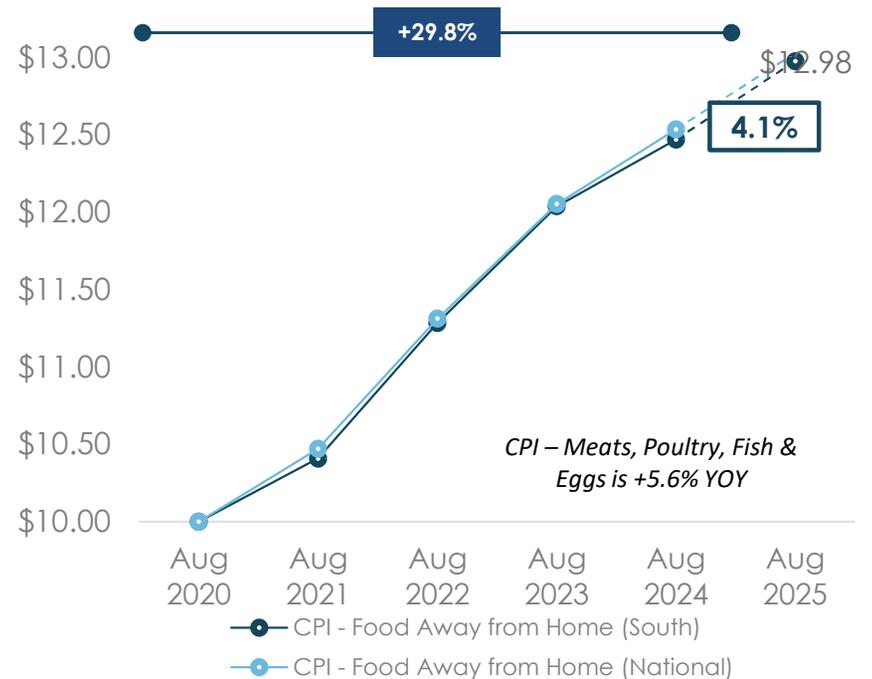


LABOR & PRODUCT INFLATION

60% * 4.0% (wages) + 40% * 4.1% (CPI) = **4.0%** At UH



***ECI increased by 3.1% in the last year and 30.7% over the last 5 years**

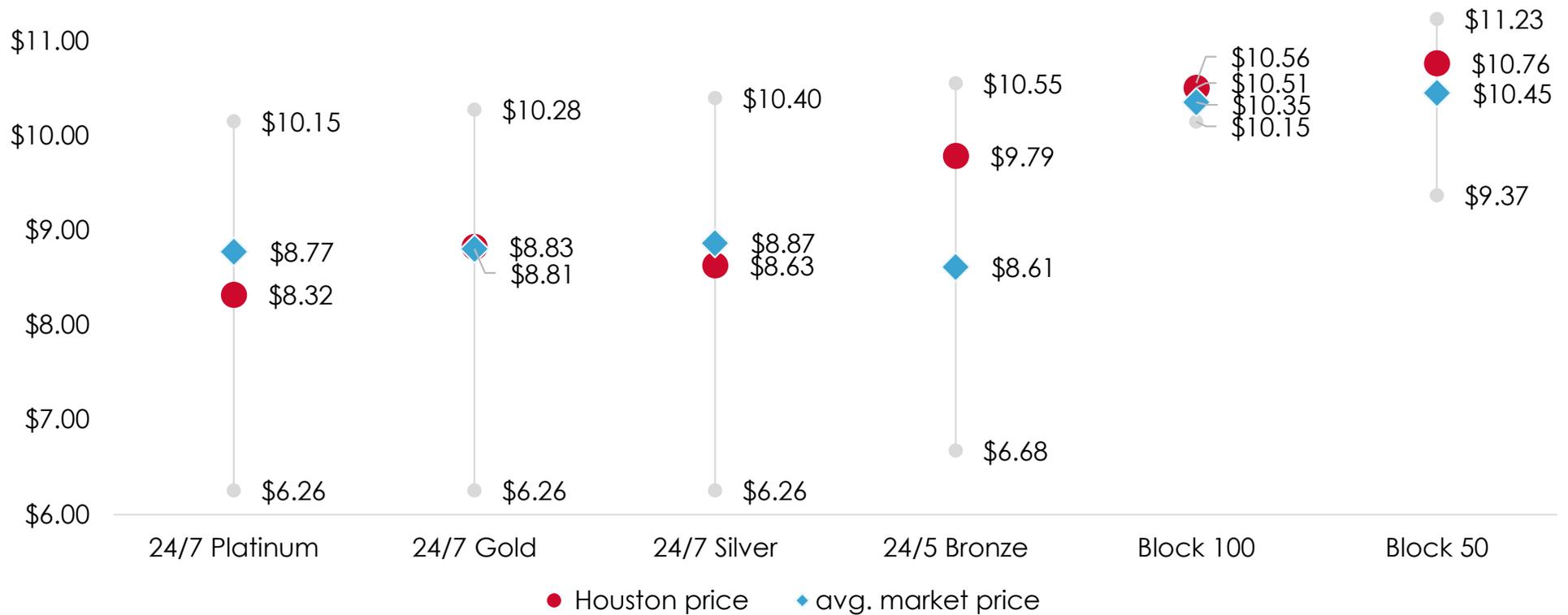


CPI increased by 4.1% in the last year and 29.8% over the last 5 years



Market Price Range by Meal Plan: Texas Peers

UH price per meal¹ is on average 1.8% higher than peers², however, UH provides 24 x 7 dining hall access, which the peers do not offer.



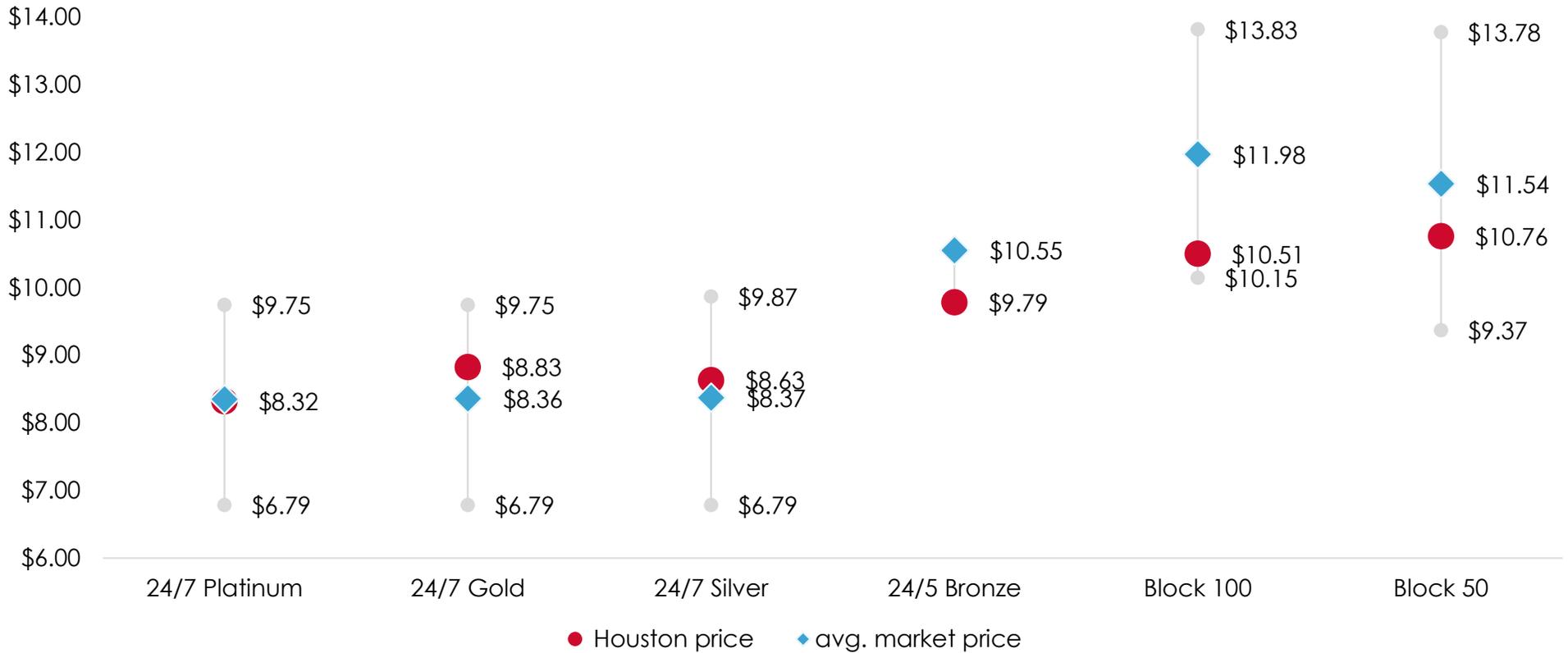
¹Price per meal = (plan price – DB) / # of meals

²TAMU, Baylor, TCU, and SMU were the plan comparisons in Texas. TSU was excluded because they do not have meal plans comparable to UH offerings.



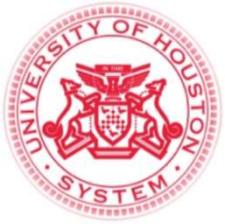
Market Price Range by Meal Plan: Big 12 Peers

UH price per meal¹ is on average 3% less than peers² while also providing 24 x 7 dining hall access which the peers do not offer.



¹Price per meal = (plan price – DB) / # of meals

²ASU, Baylor, BYU, Utah, Kansas, Kansas State, Cincinnati, UCF, Iowa State, WVU, TCU. U of Arizona, OSU, Texas Tech & Utah excluded due to no comparable offerings to UH meal plans.



MEAL Scenario: External Comparison by Retailer



	UH 24/7 Silver Plan Meal swipe price	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Entree		\$6.59	\$5.79	\$7.00	\$7.79
Side		\$2.99	\$3.19	\$3.49	\$3.11
Drink		\$2.79	\$2.99	\$2.99	\$2.15
Dessert		\$2.29	\$3.19	\$2.49	-
<u>Total price:</u>	\$8.63	\$14.66	\$15.16	\$15.97	\$13.05
Discount to market %:		-41%	-43%	-46%	-34%
Discount to market \$:		-\$6.03	-\$6.53	-\$7.34	-\$4.42

**external prices collected around UH based on pick up orders; gratuity not included*



UH Parking Rate Changes

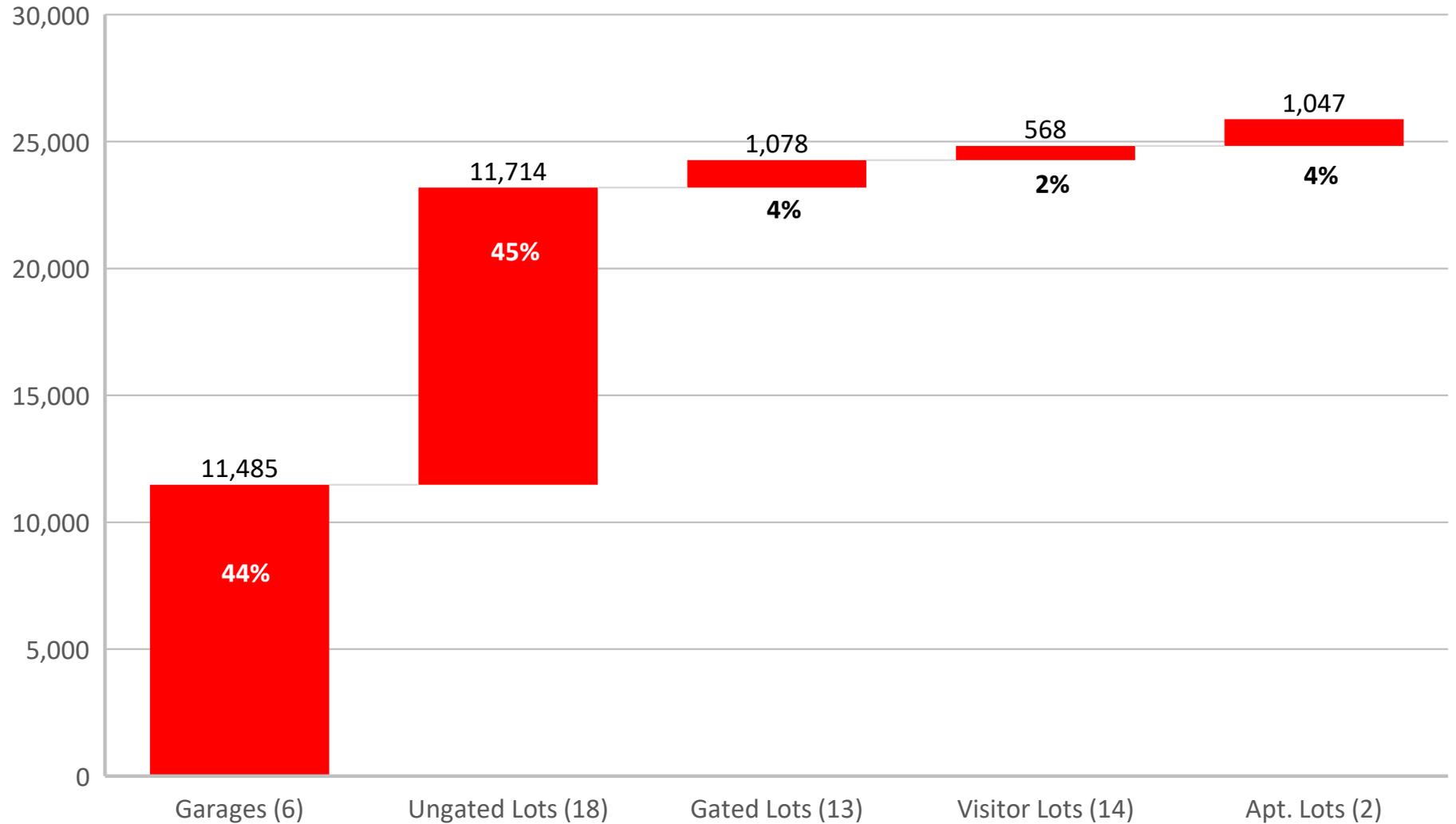
Rates Expressed in Annual Terms

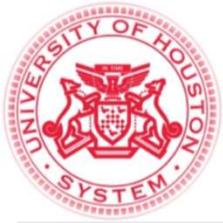
Permits Sold	Level	FY26	FY27	\$Chng	%Chng	FY28	\$Chng	%Chng
10,067	Tier 1	850	850	0	0.0%	875	25	2.9%
	Elgin, Stadium, Welcome Center Garages							
6,432	Tier 2	700	700	0	0.0%	710	10	1.4%
	East and Gateway Garages							
2,134	Tier 3	600	654	54	9.0%	710	56	8.6%
	Zones B & C – highly coveted due to proximity; 75% of waitlist is for these zones							
5,099	Tier 4	515	530	15	2.9%	545	15	2.8%
	Zones A, D, E, F, G, H							

- 85% of permits sold are represented by Tiers 1 through 4.
- 70% of permit holders (students/faculty/staff) in Tiers 1-4 not see any increase in FY27.
- Average increase among tiers is 3% and 3.9% in FY27 and FY28, respectively.
- Daily equivalent rate for Tiers 1-4 is \$4.16 in FY26, \$4.27 in FY27, and \$4.44 in FY28



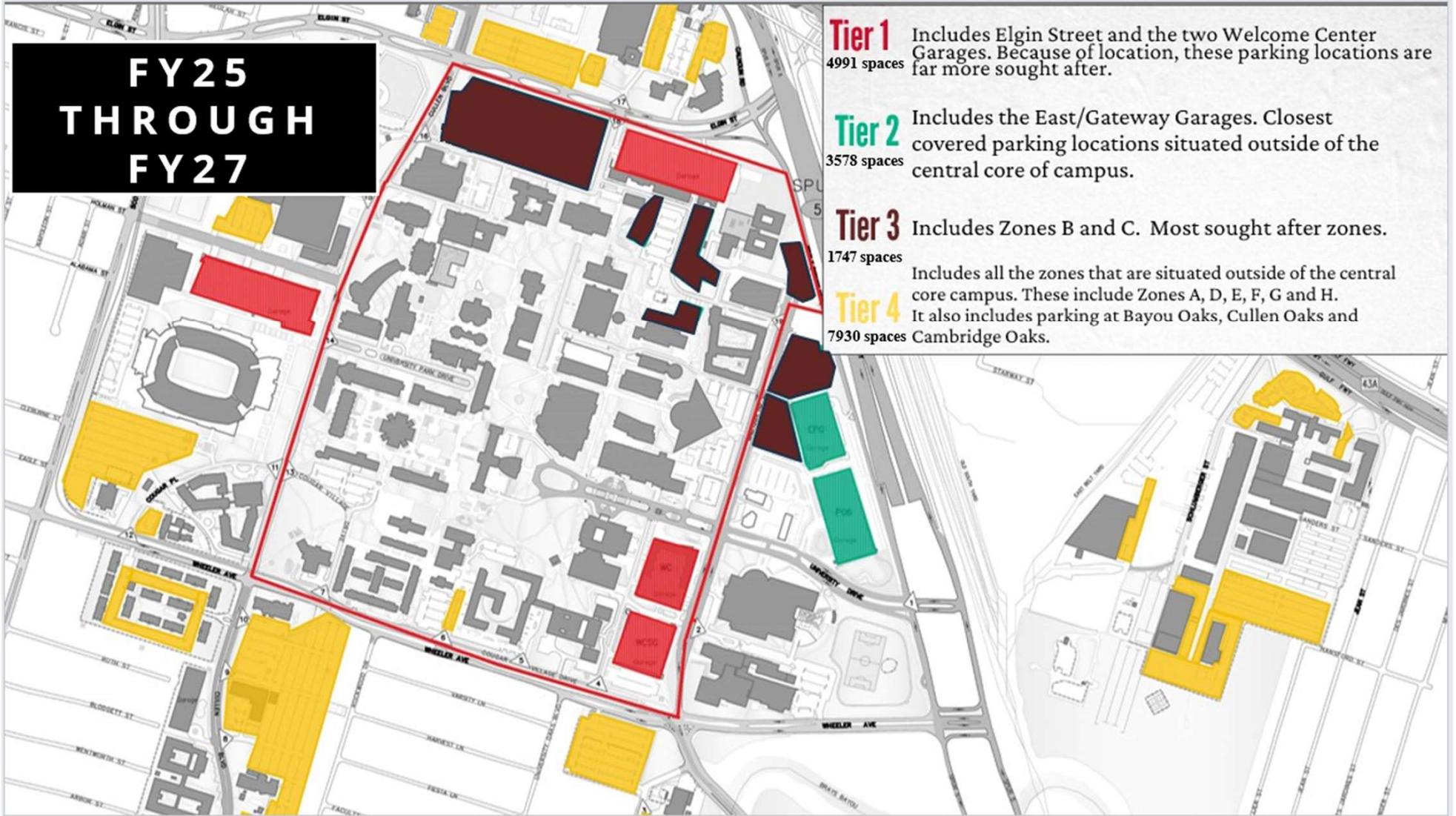
Composition of UH Parking Assets





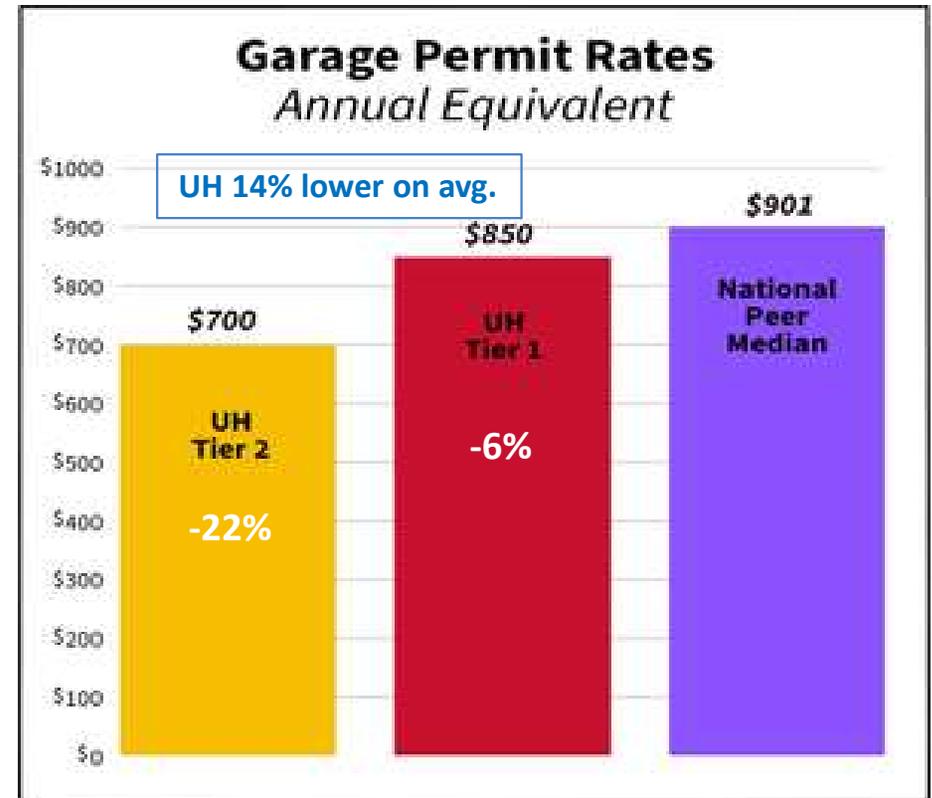
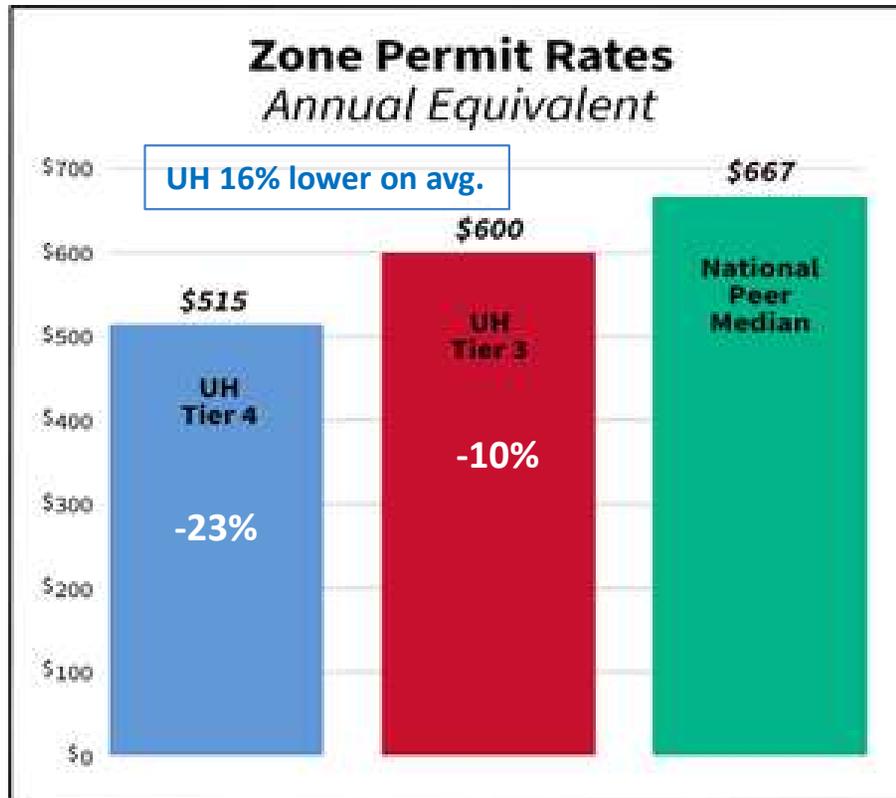
UH Parking Map - Tiers

**FY25
THROUGH
FY27**



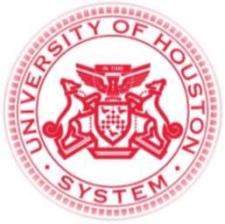


University of Houston Parking Rates vs. National Peer Median



Tier 1: Elgin, Stadium, Welcome Center North, and Welcome Center South Garages; Tier 2: East and University Gateway Garages; Tier 3: Zones B and C (surface lots); Tier 4: All remaining zones (surface lots)

Institutions included in the peer data set besides UH are UT Austin, UTSA, Arizona State, Georgia Tech, University of Illinois-Chicago, University of Wisconsin-Milwaukee, University of Cincinnati, and University of Minnesota.



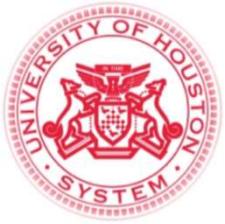
UHS Specialty Parking Rate Changes

Permit Type	FY2027 Increase	Avg. % Chng.	FY2028 Increase	Avg. % Chng.
UH				
Faculty/Staff Specialty Permits (reserved, gated) – per academic year	\$27 to \$59	3.0%	\$28-\$61	3.0%
Other Specialty Permits (ADA, flexible, motorcycle) – per academic year	\$6 to \$25	4.7%	\$6-\$26	4.6%
Visitor Rates – UH, UHSL, UHK – per visit	\$0 to \$6	13.7%	\$0	0.0%
UHD				
Visitor Rates*	\$5	50.0%	-	0.0%

- UH Average increase for above (ex-visitor) is 4.1% for FY27 and FY28
- UH daily equivalent average rate for reserved/gated is \$8.22, \$8.47, and \$8.72 for FY26, FY27, and FY28, respectively.
- UH daily equivalent avg. rate for specialty permits is \$3.22, \$3.31, and \$3.41 for FY26, FY27, and FY28, respectively.
- UH daily equivalent average rate for UHSL and UHK is \$3.73, \$3.86, and \$4.00 for FY26, FY27, and FY28, respectively.
- *UHD has not adjusted visitor parking rates for 3 years



QUESTIONS ?

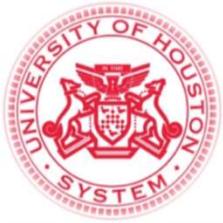


UHS Parking Rate Changes

Rates Expressed in Annual Terms

Permits /Spaces Ratio	Permits Sold	Level	FY26	FY27	\$Chng	%Chng	FY28	\$Chng	%Chng
2.0	10,067	Tier 1 Elgin, Stadium, Welcome Center Garages	850	850	0	0.0%	875	25	2.9%
1.8	6,432	Tier 2 East and Gateway Garages	700	700	0	0.0%	710	10	1.4%
1.2	2,134	Tier 3 Zones B & C – highly coveted due to proximity; 75% of waitlist is for these zones	600	654	54	9.0%	710	56	8.6%
0.6	5,099	Tier 4 Zones A, D, E, F, G, H	515	530	15	2.9%	545	15	2.8%

- **85% of permits sold are represented by Tiers 1 through 4.**
- **70% of permit holders in Tiers 1-4 will not see any increase in FY27.**
- Tiers 2 and 3 merge in FY28 and create one pricing tier.



UH Parking Map - Tiers

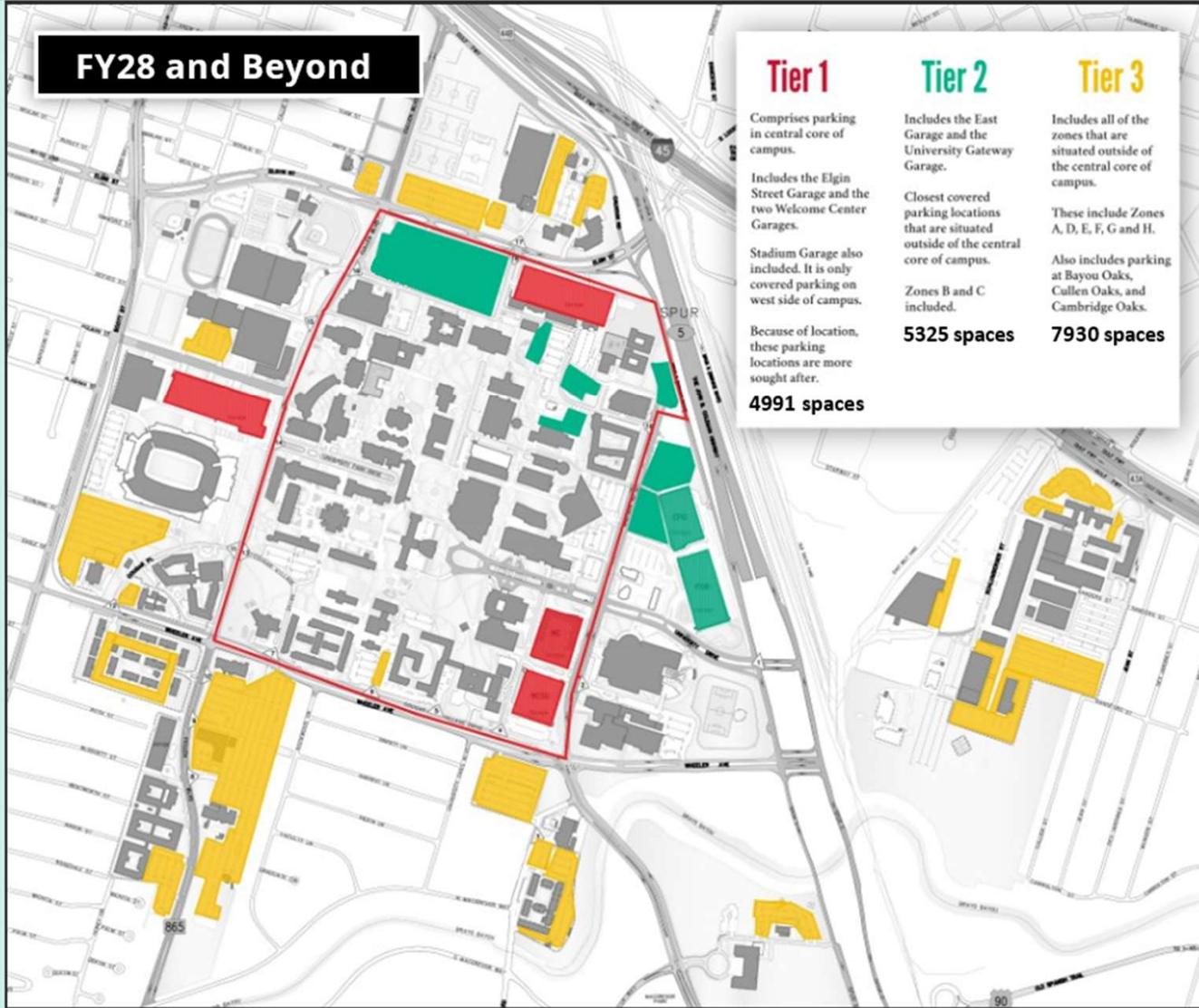
TIER 1

Comprises parking in central core of campus.

Includes the Elgin Street Garage and the two Welcome Center Garages.

Stadium Garage also included. It is the only covered parking on west side of campus.

Because of location, these are more sought after.
4991 spaces



TIER 2

Includes the East Garage and University Gateway Garage.

Closest covered parking locations situated outside of central core of campus.

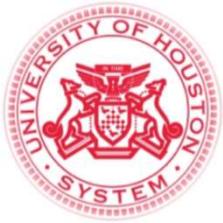
Zones B and C included.
5325 spaces

Tier 3

Includes all the zones situated outside of central core of campus.

These include Zones A, D, E, F, G and H.

Also includes Bayou Oaks, Cullen Oaks and Cambridge Oaks.
7930 spaces



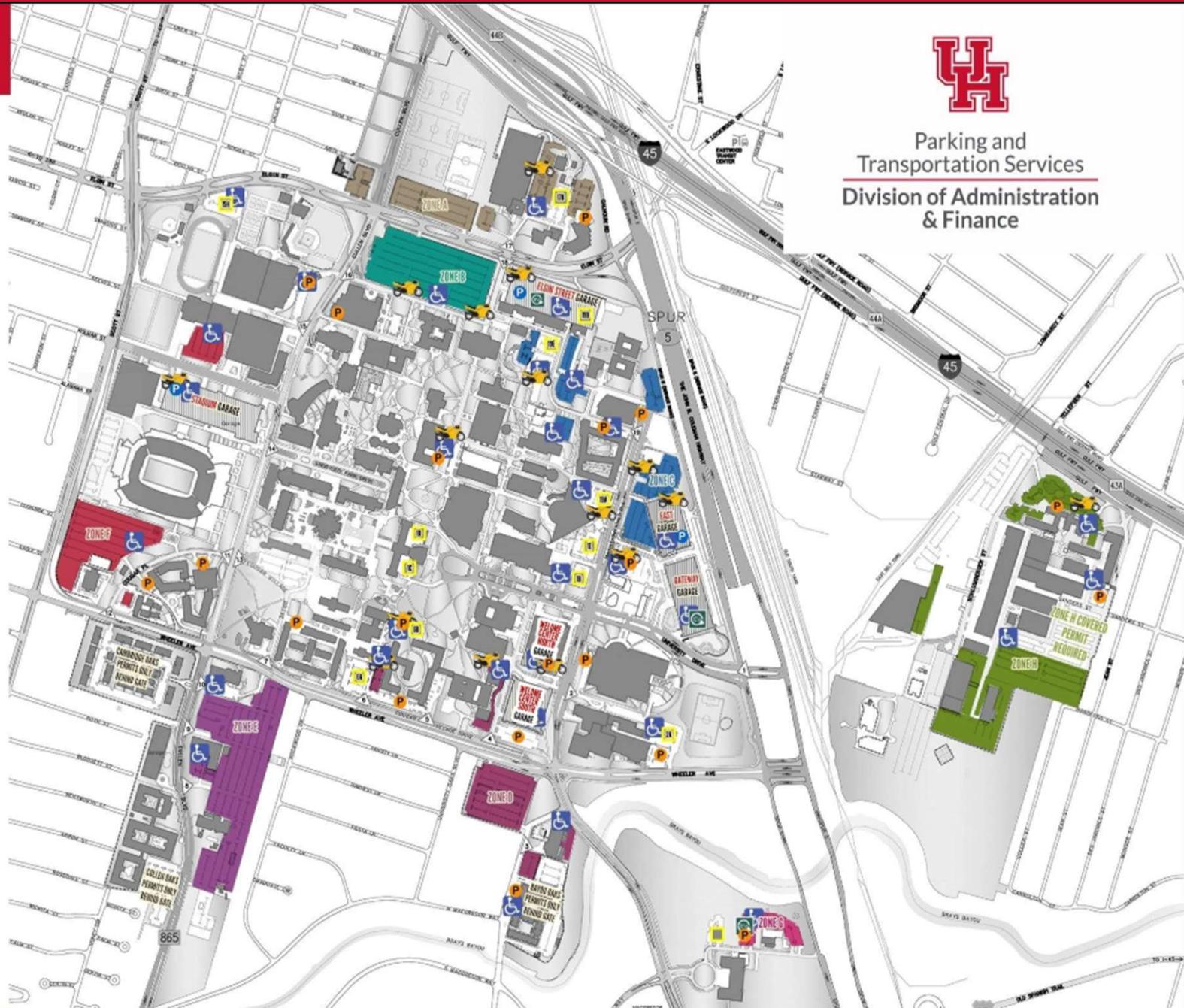
UH Ungated Surface Lot Zone Segments

- Zone A: close to General Services Building, Houston Public Media, Schroeder Park
- Zone B: close to Blaffer Art Museum, Moores Opera House, Moores School of Music, Wilhelmina's Grove, Gerald D. Hines College of Architecture and Design, Fertitta Center
- Zone C: close to University Lofts, UH Law Center, Melcher Hall, Cemo Hall, Durga and Sushila Agrawal Engineering Research Building, Student Center North and South
- Zone D: close to Moody Towers, Moody Towers Dining Commons, Health 1, Health 2, Welcome Center
- Zone E: close to Cullen Oaks, Cambridge Oaks, Quadrangle, Cougar Woods Dining Commons, Cougar Villages I and II, Justin Dart Jr. Center for Students with Disabilities
- Zone F: close to TDECU Stadium, Cougar Place, UH Police Department, Cougar Woods Dining Commons, McElhinney Hall, Heyne Building, Fleming Building, Fertitta Center.
- Zone G: Fertitta Family College of Medicine
- Zone H: University of Houston Technology Bridge

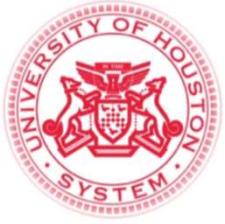
Parking Map

- ZONE A
- ZONE B
- ZONE C
- ZONE D
- ZONE E
- ZONE F
- ZONE G
- ZONE H

-  Paid Visitor Parking
-  Pay-by-Phone Visitor Parking
-  Electric Vehicle Charging Station
-  Motorcycle Parking
-  Gated Lot
-  Accessible Parking

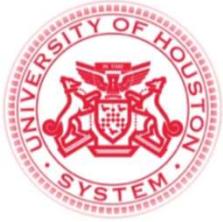


Parking and
Transportation Services
Division of Administration
& Finance



UNIVERSITY of **HOUSTON** SYSTEM

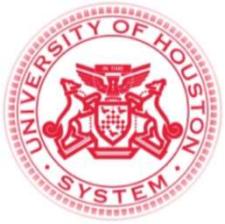
FY2027-FY2028
Voluntary Fee Changes
Detailed Schedules



University of Houston FY2027 Housing Rates

Student Housing & Residential Life Rates Per Semester

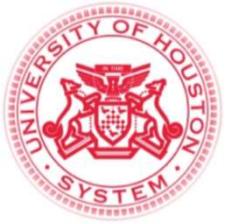
	FY2026	Change	FY2027
Cougar Village I - 2 Bedroom Double	\$3,890	\$117	\$4,007
Cougar Village I - 2 Bedroom Single	5,058	152	5,210
Cougar Village II - 2 - Bedroom Double	3,890	117	4,007
Cougar Village II - 2- Bedroom Single	5,058	152	5,210
Moody Towers Double	3,179	95	3,274
Moody Towers Super Single	4,347	130	4,477
Cougar Place - 4 Bed/1 Bath	4,660	175	4,835
Cougar Place - 2 Bed/1 Bath	5,083	191	5,274
Cougar Place - 1 Bed/1 Bath	5,225	196	5,421
The Quad - 4 Bed/1 Bath	4,841	121	4,962
The Quad - Townhouse	4,328	108	4,436
The Quad - 1 Bed/1 Bath	5,422	136	5,558
Bayou 4 Bed/2 Bath	4,477	168	4,645
Bayou 2 Bed/1 Bath	4,899	184	5,083
Bayou 3 Bed/2 Bath Shared	4,605	173	4,778
Bayou Townhouse Single	5,364	201	5,565
Bayou Townhouse	4,079	153	4,232
University Lofts Efficiency Furnished	6,031	241	6,272
University Lofts 1 - Bed / 1 Bath Furnished	7,228	289	7,517
University Lofts 2 - Bed/1 Bath Furnished	5,236	209	5,445



University of Houston FY2028 Housing Rates

Student Housing & Residential Life Rates Per Semester

	FY2027	Change	FY2028
Cougar Village I - 2 Bedroom Double	\$4,007	\$120	\$4,127
Cougar Village I - 2 Bedroom Single	5,210	156	5,366
Cougar Village II - 2 - Bedroom Double	4,007	120	4,127
Cougar Village II - 2- Bedroom Single	5,210	156	5,366
Moody Towers Double	3,274	98	3,372
Moody Towers Super Single	4,477	134	4,611
Cougar Place - 4 Bed/1 Bath	4,835	251	5,086
Cougar Place - 2 Bed/1 Bath	5,274	274	5,548
Cougar Place - 1 Bed/1 Bath	5,421	276	5,697
The Quad - 4 Bed/1 Bath	4,962	124	5,086
The Quad - Townhouse	4,436	133	4,569
The Quad - 1 Bed/1 Bath	5,558	139	5,697
Bayou 4 Bed/2 Bath	4,645	139	4,784
Bayou 2 Bed/1 Bath	5,083	152	5,235
Bayou 3 Bed/2 Bath Shared	4,778	143	4,921
Bayou Townhouse Single	5,565	167	5,732
Bayou Townhouse	4,232	127	4,359
University Lofts Efficiency Furnished	6,272	188	6,460
University Lofts 1 - Bed / 1 Bath Furnished	7,517	226	7,743
University Lofts 2 - Bed/1 Bath Furnished	5,445	164	5,609



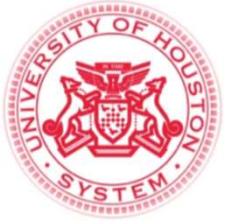
University of Houston Residential Meal Plan Rates

University of Houston

Student - Per Term Rates

	FY2026	\$ Change	% Change	FY2027
Platinum (Residential - 24/7, 30 guest passes, \$500 Cougar Cash, 1 meal exchange/day)	\$3,550	\$150	4.2%	\$3,700
Gold (Residential - 24/7, 30 guest passes, \$300 Cougar Cash, 1 meal exchange/day)	3,325	120	3.6%	3,445
Silver (Residential - 24/7, 5 guest passes, \$150 Cougar Cash, 3 meal exchange/week)	3,050	130	4.3%	3,180
Bronze (Residential - 24/5 M-F, \$150 Cougar Cash, 1 meal exchange/week)	2,705	75	2.8%	2,780
Block 100 (Commuter - 100 meals/semester, \$250 Cougar Cash)	1,435	45	3.1%	1,480
Block 50 (Commuter - 50 meals/semester, \$100 Cougar Cash)	745	25	3.4%	770

- Meal plan cost is rounded for illustrative purposes and includes tax.
- Blended CPI/ECI% is calculated based on meal plan cost plus declining balance dollars.
 - Percentage increase on meal plan portion only:
 - Platinum 4.9%
 - Gold 4.0%
 - Silver 4.5%
 - Bronze 2.9%
 - Block 100 3.8%
 - Block 50 3.9%

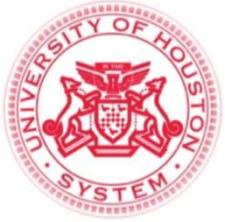


University of Houston Clear Lake Residential Meal Plan Rates

University of Houston - Clear Lake

Student - Per Term Rates

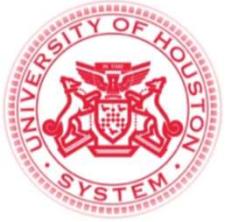
	FY2026	\$ Change	% Change	FY2027
Declining balance for student residents	\$1,800	\$100	5.6%	\$1,900
Voluntary declining balance	2,300	100	4.3%	2,400



University of Houston FY2027 Annual Parking Fees

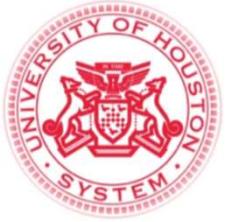
Parking Rates	Lots and Garages	FY2026	\$ Change	FY2027	
Student	Zones A, D, E, F, G,H	\$515	\$15	\$530	
	Zones B and C	600	54	654	
	Garages- Elgin St, Stadium, Welcome Center	850	-	850	
	Garages- East/Gateway	700	-	700	
Faculty/Staff	Reserved Covered	1,962	59	2,021	
	Reserved	1,442	43	1,485	
	Gated Premium	959	29	988	
	Gated	897	27	924	
	Zones A, D, E, F, G,H	515	15	530	
	Zones B and C	600	54	654	
	Garages- Elgin St, Stadium, Welcome Center	850	-	850	
	Garages- East/Gateway	700	-	700	
	All	ADA	515	15	530
		Evening and Weekend	174	9	183
Tuesday/Thursday		376	19	395	
Monday/Wednesday/Friday		491	25	516	
Motorcycle		110	6	116	
UH Sugar Land		353	17	370	
UH Katy		122	6	128	

* Semester permits will be offered to students for the annual rate divided in half. Spring semester permits will include the Summer term.



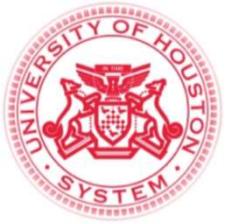
University of Houston FY2027 Visitor Parking Fees

Parking Rates	Lots and Garages	FY2026	\$ Change	FY2027
Visitor Parking	0-15 Minutes	\$-	\$-	\$-
Main Campus Gated	16-30 Minutes	3	2	5
	31-60 Minutes	5	2	7
	1-2 Hours	10	-	10
	2-3 Hours	12	-	12
	3-4 Hours	15	3	18
	4-24 Hours	22	3	25
	Lost Ticket	44	6	50
	Saturday/Sunday	12	3	15
Text-to-Pay	0-30 Minutes	3	2	5
	31-60 Minutes	5	2	7
	1-2 Hours	10	-	10
	2-3 Hours	12	-	12
	3-4 Hours	15	3	18
	4-24 Hours	22	3	25
	Saturday/Sunday	12	3	15
	Event Parking	12	3	15



University of Houston FY2027 Visitor Parking Fees

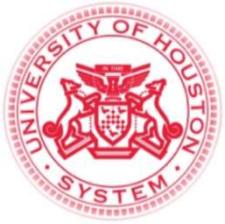
Parking Rates	Lots and Garages	FY2026	\$ Change	FY2027
UHSL Gated	0-15 Minutes	\$-	\$-	\$-
	16-30 Minutes	3	-	3
	31-60 Minutes	5	-	5
	1-2 Hours	7	-	7
	2-3 Hours	10	2	12
	3-4 Hours	14	1	15
	4-24 Hours	18	2	20
	Lost Ticket	36	4	40
	UHSL Text-to-Pay	0-30 Minutes	3	-
31-60 Minutes		5	-	5
1-2 Hours		7	-	7
2-3 Hours		10	2	12
3-4 Hours		14	1	15
4-24 Hours		18	2	20
Event Parking		12	3	15
Katy Text-to-Pay	0-30 Minutes	3	-	3
	31-60 Minutes	5	-	5
	1-2 Hours	7	-	7
	2-3 Hours	10	2	12
	3-4 Hours	14	1	15
	4-24 Hours	18	2	20



University of Houston FY2028 Annual Parking Fees

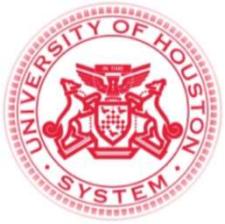
Parking Rates	Lots and Garages	FY2027	\$ Change	FY2028	
Student	Zones A, D, E, F, G,H	\$530	\$15	\$545	
	Zones B and C	654	56	710	
	Garages- Elgin St, Stadium, Welcome Center	850	25	875	
	Garages- East/Gateway	700	10	710	
Faculty/Staff	Reserved Covered	2,021	61	2,082	
	Reserved	1,485	45	1,530	
	Gated Premium	988	30	1,018	
	Gated	924	28	952	
	Zones A, D, E, F, G,H	530	15	545	
	Zones B and C	654	56	710	
	Garages- Elgin St, Stadium, Welcome Center	850	25	875	
	Garages- East/Gateway	700	10	710	
	All	ADA	530	15	545
		Evening and Weekend	183	9	192
Tuesday/Thursday		395	20	415	
Monday/Wednesday/Friday		516	26	542	
Motorcycle		116	6	122	
UH Sugar Land		370	19	389	
UH Katy		128	6	134	

* Semester permits will be offered to students for the annual rate divided in half. Spring semester permits will include the Summer term.



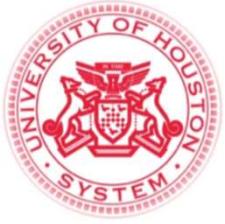
University of Houston FY2028 Visitor Parking Fees

Parking Rates	Lots and Garages	FY2027	\$ Change	FY2028	
Visitor Parking	0-15 Minutes	\$-	\$-	\$-	
Main Campus Gated	16-30 Minutes	5	-	5	
	31-60 Minutes	7	-	7	
	1-2 Hours	10	-	10	
	2-3 Hours	12	-	12	
	3-4 Hours	18	-	18	
	4-24 Hours	25	-	25	
	Lost Ticket	50	-	50	
	Saturday/Sunday	15	-	15	
	Text-to-Pay	0-30 Minutes	5	-	5
		31-60 Minutes	7	-	7
1-2 Hours		10	-	10	
2-3 Hours		12	-	12	
3-4 Hours		18	-	18	
4-24 Hours		25	-	25	
Saturday/Sunday		15	-	15	
Event Parking		15	-	15	



University of Houston FY2028 Visitor Parking Fees

Parking Rates	Lots and Garages	FY2027	\$ Change	FY2028
UHSL Gated	0-15 Minutes	\$-	\$-	\$-
	16-30 Minutes	3	-	3
	31-60 Minutes	5	-	5
	1-2 Hours	7	-	7
	2-3 Hours	12	-	12
	3-4 Hours	15	-	15
	4-24 Hours	20	-	20
	Lost Ticket	40	-	40
	UHSL Text-to-Pay	0-30 Minutes	3	-
31-60 Minutes		5	-	5
1-2 Hours		7	-	7
2-3 Hours		12	-	12
3-4 Hours		15	-	15
4-24 Hours		20	-	20
Event Parking		15	-	15
Katy Text-to-Pay	0-30 Minutes	3	-	3
	31-60 Minutes	5	-	5
	1-2 Hours	7	-	7
	2-3 Hours	12	-	12
	3-4 Hours	15	-	15
	4-24 Hours	20	-	20



University of Houston Downtown FY2027-FY2028 Visitor Parking Fees

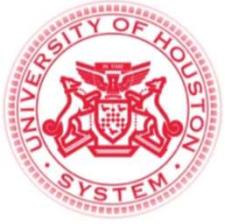
University of Houston Downtown

Parking Rates	FY2026	\$ Change	FY2027
Other			
Visitor Parking	\$10	\$5	\$15

University of Houston Downtown

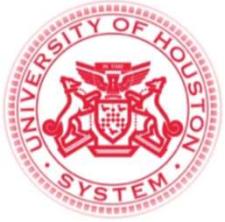
Parking Rates	FY2027	\$ Change	FY2028
Other			
Visitor Parking	\$15	\$ -	\$15

*Parking rates are per day



UNIVERSITY of **HOUSTON** SYSTEM

Detailed Revenue Impact
to Changes in FY2027-FY2028
Optional Charges

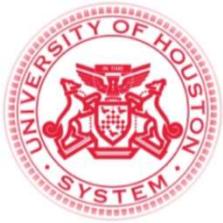


UH Clear Lake

FY2027-FY2028 Optional Fee Changes

University of Houston Clear Lake
FY2027-FY2028 Optional Fee Changes

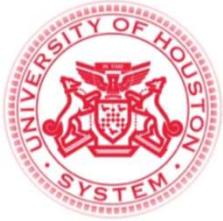
		Estimated Revenue Change	
SUMMARY	NEW PROGRAM & OPTIONAL FEE CHANGES FY2027	\$	40,080
	NEW PROGRAM & OPTIONAL FEE CHANGES FY2028		-
	TOTAL UNIVERSITY OF HOUSTON – CLEAR LAKE OPTIONAL FEE CHANGES	\$	40,080



UH Clear Lake

FY2027-FY2028 Optional Fee Changes

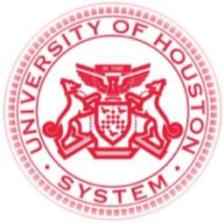
Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston Clear Lake New College Optional Fees					
FY2027					
AERO 1201 Intro. to Aerospace Engineering	N/A	N/A	\$80 per course	\$2,640	Materials and supplies for team based engineering design and lab project.
AERO 3311 Space Environment	N/A	N/A	\$80 per course	2,160	Supplies and demonstration materials for hands on learning activities.
AERO 3314 Aerodynamics	N/A	N/A	\$150 per course	4,050	Laboratory supplies and replacement parts for aerodynamic laboratory and experiments.
AERO 3323 Aerospace Structures	N/A	N/A	\$150 per course	4,050	Computers and software (SolidWorks) licenses for finite element analysis.
AERO 3334 Aerospace Materials	N/A	N/A	\$150 per course	4,050	Consumable supplies for experiments, laboratory equipment and licenses.
AERO 4310 Controls for Aerospace Engineers	N/A	N/A	\$80 per course	1,920	Software (LabVIEW) for controls coursework.
AERO 4314 Aerospace Propulsion	N/A	N/A	\$150 per course	3,600	Consumable supplies for experiments, laboratory equipment and licenses.
AERO 4331 Design of Aerospace Elements	N/A	N/A	\$80 per course	1,920	Computers and software (SolidWorks) licenses for aerospace element design/
AERO 4343 Flight and Orbit Mechanics	N/A	N/A	\$80 per course	1,920	Course supplies, demonstration materials, and software (Orekit) for orbit mechanics coursework.
AERO 4240 Senior Aerospace Project I	N/A	N/A	\$150 per course	3,600	Materials and fabrication supplies for the design and manufacture of a prototype.
AERO 4241 Senior Aerospace Project II	N/A	N/A	\$150 per course	3,600	Laboratory equipment, maintenance, and supplies for spacecraft electrical systems experiments.
AERO 4320 Spacecraft Electrical Systems	N/A	N/A	\$150 per course	3,600	Laboratory equipment, maintenance, and supplies for spacecraft electrical systems experiments.
AERO 4391 Selected Topics in AE	N/A	N/A	\$80 per course	1,920	Laboratory supplies and materials and software licenses.
AERO 4199 Independent Research Study in AE	N/A	N/A	\$50 per course	100	
AERO 4299 Independent Research Study in AE	N/A	N/A	\$100 per course	200	Research supplies and consumables for experimental activities for independent research study.
AERO 4399 Independent Research Study in AE	N/A	N/A	\$150 per course	750	
Subtotal Optional College Fees FY2027				\$ 40,080	
FY2028					
Aerospace Engineering	N/A	N/A	N/A	-	
Subtotal Optional College Fees FY2028				\$ -	
Total Optional College Fees FY2027-FY2028			44	\$ 40,080	



UH FY2027-FY2028 Optional Charges Housing – Revenue Impact Summary

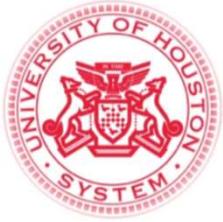
UNIVERSITY OF HOUSTON FY2027-FY2028 HOUSING VOLUNTARY FEES CHANGES

		Estimated Revenue Change
SUMMARY	HOUSING VOLUNTARY FEES CHANGES FY2027	\$ 4,302,633
	HOUSING VOLUNTARY FEES CHANGES FY2028	1,765,556
	TOTAL UNIVERSITY OF HOUSTON HOUSING VOLUNTARY FEES CHANGES	<u>\$ 6,068,189</u>



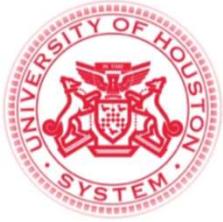
UH FY2027 Optional Charges Housing

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston					
Housing Voluntary Fees					
FY2027					
				\$4,302,633	
Cougar Village I - 2 Bedroom Double	\$3,890	\$117	\$4,007		Student Housing & Residential Life is requesting a 3.3% increase to address increased costs of operations, continued deferred maintenance, program improvements, and to meet debt service payments.
Cougar Village I - 2 Bedroom Single	5,058	152	5,210		
Cougar Village II - 2 - Bedroom Double	3,890	117	4,007		
Cougar Village II - 2- Bedroom Single	5,058	152	5,210		
Moody Towers Double	3,179	95	3,274		Partnership Properties: Cullen Oaks is planning a 4% average increase and Cambridge Oaks is planning a 4.4% average increase.
Moody Towers Super Single	4,347	130	4,477		
Cougar Place - 4 Bed/1 Bath	4,660	175	4,835		
Cougar Place - 2 Bed/1 Bath	5,083	191	5,274		
Cougar Place - 1 Bed/1 Bath	5,225	196	5,421		
The Quad - 4 Bed/1 Bath	4,841	121	4,962		
The Quad - Townhouse	4,328	108	4,436		
The Quad - 1 Bed/1 Bath	5,422	136	5,558		
Bayou 4 Bed/2 Bath	4,477	168	4,645		
Bayou 2 Bed/1 Bath	4,899	184	5,083		
Bayou 3 Bed/2 Bath Shared	4,605	173	4,778		
Bayou Townhouse Single	5,364	201	5,565		
Bayou Townhouse	4,079	153	4,232		
University Lofts Efficiency Furnished	6,031	241	6,272		
University Lofts 1 - Bed / 1 Bath Furnished	7,228	289	7,517		
University Lofts 2 - Bed/1 Bath Furnished	5,236	209	5,445		
		46			
Subtotal Housing Voluntary Fees - University of Houston				\$ 4,302,633	



UH FY2028 Optional Charges Housing

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
				\$1,765,556	
University of Houston Housing Voluntary Fees FY2028					
Cougar Village I - 2 Bedroom Double	\$4,007	\$120	\$4,127		
Cougar Village I - 2 Bedroom Single	5,210	156	5,366		
Cougar Village II - 2 - Bedroom Double	4,007	120	4,127		Student Housing & Residential Life is requesting a 3.4% increase to address increased costs of operations, continued deferred maintenance, program improvements, and to meet debt service payments.
Cougar Village II - 2- Bedroom Single	5,210	156	5,366		
Moody Towers Double	3,274	98	3,372		
Moody Towers Super Single	4,477	134	4,611		
Cougar Place - 4 Bed/1 Bath	4,835	251	5,086		Partnership Properties: Both Cullen Oaks and Cambridge Oaks are planning a 3-5% average increase.
Cougar Place - 2 Bed/1 Bath	5,274	274	5,548		
Cougar Place - 1 Bed/1 Bath	5,421	276	5,697		
The Quad - 4 Bed/1 Bath	4,962	124	5,086		
The Quad - Townhouse	4,436	133	4,569		
The Quad - 1 Bed/1 Bath	5,558	139	5,697		
Bayou 4 Bed/2 Bath	4,645	139	4,784		
Bayou 2 Bed/1 Bath	5,083	152	5,235		
Bayou 3 Bed/2 Bath Shared	4,778	143	4,921		
Bayou Townhouse Single	5,565	167	5,732		
Bayou Townhouse	4,232	127	4,359		
University Lofts Efficiency Furnished	6,272	188	6,460		
University Lofts 1 - Bed / 1 Bath Furnished	7,517	226	7,743		
University Lofts 2 - Bed/1 Bath Furnished	5,445	164	5,609		
Subtotal Housing Voluntary Fees - University of Houston				\$ 1,765,556	
Total Housing Voluntary Fees - University of Houston				\$ 6,068,189	

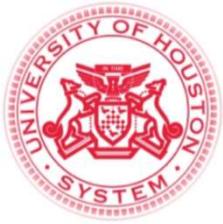


UH FY2027-FY2028 Optional Charges Meal Plans – Revenue Impact Summary

University of Houston

FY2027 - FY2028 VOLUNTARY - MEAL PLAN FEES CHANGES

		Estimated Revenue Change
SUMMARY	MEAL PLANS VOLUNTARY FEES CHANGES FY2027	\$ 279,251
	MEAL PLANS VOLUNTARY FEES CHANGES FY2028	-
	TOTAL UNIVERSITY OF HOUSTON MEAL PLAN VOLUNTARY FEES CHANGES	<u>\$ 279,251</u>



UH FY2027-FY2028 Optional Charges Meal Plans

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston					
FY2027					
Platinum (Residential - 24/7, 30 guest passes, \$500 Cougar Cash, 1 meal exchange/day)	\$3,550	\$150	\$3,700		Meal plan rates are recommended by the Food Service Advisory Committee. The meal cost for all meal plans will increase between 2.7% and 4.3% to cover food and labor costs, with an average weighted increase of 3.6% across all meal plans.
Gold (Residential - 24/7, 30 guest passes, \$300 Cougar Cash, 1 meal exchange/day)	\$3,325	\$120	\$3,445		
Silver (Residential - 24/7, 5 guest passes, \$150 Cougar Cash, 3 meal exchange/week)	\$3,050	\$130	\$3,180		
Bronze (Residential - 24/5 M-F, \$150 Cougar Cash, 1 meal exchange/week)	\$2,705	\$75	\$2,780		
Block 100 (Commuter - 100 meals/semester, \$250 Cougar Cash)	\$1,435	\$45	\$1,480		
Block 50 (Commuter - 50 meals/semester, \$100 Cougar Cash)	\$745	\$25	\$770		
Subtotal Meal Plan Fees FY2027				\$ 279,251.00	
FY2028 N/A					
Subtotal Meal Plan Fees FY2028				\$ -	Meal plans must be approved annually because the increases are based on the blended employment cost index inflation rate [ETC] and the current rate is 3.6%. A proposal will be submitted in 2027 for FY28 pricing.
Total Voluntary Meal Plan Fees - University of Houston				\$ 279,251.00	

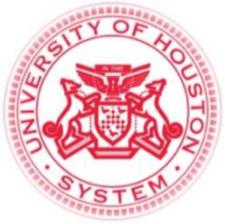


UH Clear Lake FY2027-FY2028 Optional Charges Meal Plans – Revenue Impact Summary

UNIVERSITY OF HOUSTON CLEAR LAKE FY2027 - FY2028 VOLUNTARY - MEAL PLAN FEES CHANGES

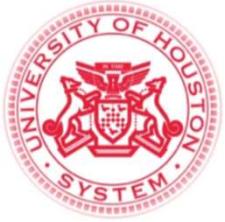
		Estimated Revenue Change
SUMMARY	MEAL PLANS VOLUNTARY FEES CHANGES FY2027	\$ -
	MEAL PLANS VOLUNTARY FEES CHANGES FY2028	-
	TOTAL UH CLEAR LAKE MEAL PLAN VOLUNTARY FEES CHANGES	<u>\$ -</u>

Commissions are not received for declining balance plans.



UH Clear Lake FY2027-FY2028 Optional Charges Meal Plans

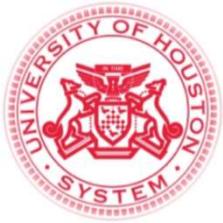
Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston - Clear Lake					
FY2027					
Declining balance for student residents	\$1,800	\$100	\$1,900	\$-	The meal cost for all meal plans will increase between 4% to 6% to cover food and labor costs, with an average increase of 5% across all meal plans. No commissions are earned so there is no anticipated revenue change. This increase for AY27/28 will bring pricing more in alignment with institutions within our region and will provide a more realistic cost for students to help them meet their nutritional needs.
Voluntary declining balance	\$2,300	\$100	\$2,400	\$-	
Subtotal Meal Plan Fees FY2027				<u>\$ -</u>	
FY2028 - N/A					
Subtotal Meal Plan Fees FY2028				<u>\$ -</u>	
Total Voluntary Meal Plan Fees - University of Houston Clear Lake				<u><u>\$ -</u></u>	



UH FY2027-FY2028 Optional Charges Parking – Revenue Impact Summary

UNIVERSITY OF HOUSTON
FY2027-FY2028 PARKING VOLUNTARY FEES CHANGES

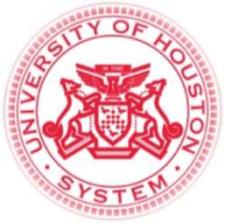
		Estimated Revenue Change
SUMMARY	PARKING VOLUNTARY FEE CHANGES FY2027	\$ 918,302
	PARKING VOLUNTARY FEE CHANGES FY2028	584,140
		<hr/>
	TOTAL UNIVERSITY OF HOUSTON PARKING VOLUNTARY FEE CHANGES	<u>\$ 1,502,442</u>



UH FY2027 Optional Charges - Parking

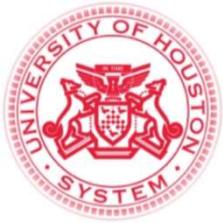
Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston					
FY2027					
Student - Academic Year					
Zones A, D, E, F, G,H	\$515	\$15	\$530	\$143,428	Parking rates are recommended by the Transportation and Parking Advisory Committee to allow for future parking facility improvements and development as well as increasing services offered.
Zones B and C	600	54	654	97,119	
Garages- Elgin St, Stadium, Welcome Center	850	0	850	0	
Garages- East/Gateway	700	0	700	0	
		0			
Faculty/Staff - Academic Year					
Reserved Covered	1,962	59	2,021	765	Recommend no increase for Tiers 1 and 2 (garages) to align rates and to merge Tiers 2 & 3 in FY28. Increase Tier 3 by 9% to bring it closer to Tier 2. Increase Tier 4 by 3% to reduce the price gap between tiers. Specialty permits including 3% increase for ADA, gated, reserved and 5% increase for other specialty permits.
Reserved	1,442	43	1,485	4,326	
Gated Premium	959	29	988	20,487	
Gated	897	27	924	5,921	
Zones A, D, E, F, G,H	515	15	530	20,471	
Zones B and C	600	54	654	29,675	
Garages- Elgin St, Stadium, Welcome Center	850	0	850	0	
Garages- East/Gateway	700	0	700	0	
All - Academic Year					
ADA	515	15	530	3,090	Semester permits available to students at half the annual rate, Spring semester permits covering the Summer.
Evening and Weekend	174	9	183	3,487	
Tuesday/Thursday	376	19	395	1,880	
Monday/Wednesday/Friday	491	25	516	2,457	
Motorcycle	110	6	116	385	
UH Sugar Land	353	17	370	20,286	
UH Katy	122	6	128	853	
Visitor Parking Rates					
Main Campus Gated					
0-15 Minutes	0	0	0	0	
16-30 Minutes	3	2	5	17,966	
31-60 Minutes	5	2	7	34,008	
1-2 Hours	10	0	10	0	
2-3 Hours	12	0	12	0	
3-4 Hours	15	3	18	69,006	
4-24 Hours	22	3	25	160,845	
Lost Ticket	44	6	50	2,442	
Saturday/Sunday	12	3	15	32,085	

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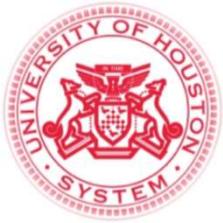
UH FY2027 Optional Charges - Parking

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue	
				Change	Justification/Revenue Use
University of Houston (Continued)					
Text-to-Pay					
0-30 Minutes	\$3	2	\$5	\$24,835.00	
31-60 Minutes	5	2	7	49,534.00	
1-2 Hours	10	0	10	1,620.00	
2-3 Hours	12	0	12	2,671.00	
3-4 Hours	15	3	18	30,135.00	
4-24 Hours	22	3	25	79,015.00	
Saturday/Sunday	12	3	15	33,784.00	
Event Parking	12	3	15	7,748.00	
UHSL Gated					
0-15 Minutes	0	0	0	0.00	
16-30 Minutes	3	0	3	0.00	
31-60 Minutes	5	0	5	0.00	
1-2 Hours	7	0	7	0.00	
2-3 Hours	10	2	12	4,802.00	
3-4 Hours	14	1	15	(1,750.00)	
4-24 Hours	18	2	20	892.00	
Lost Ticket	36	4	40	104.00	
UHSL Text-to-Pay					
0-30 Minutes	3	0	3	45.00	
31-60 Minutes	5	0	5	139.00	
1-2 Hours	7	0	7	262.00	
2-3 Hours	10	2	12	7,811.00	
3-4 Hours	14	1	15	1,733.00	
4-24 Hours	18	2	20	3,328.00	
Event Parking	12	3	15	0.00	
Katy Text-to-Pay					
0-30 Minutes	3	0	3	1.00	
31-60 Minutes	5	0	5	2.00	
1-2 Hours	7	0	7	5.00	
2-3 Hours	10	2	12	240.00	
3-4 Hours	14	1	15	69.00	
4-24 Hours	18	2	20	295.00	
Subtotal Parking Voluntary Fees		54		\$ 918,302	



UH FY2028 Optional Charges - Parking

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue	
				Change	Justification/Revenue Use
University of Houston					
FY2028					
Student - Academic Year					
Zones A, D, E, F, G,H	\$530	\$15	\$545	\$84,000	Parking rates are recommended by the Transportation and Parking Advisory Committee to allow for future parking facility improvements and development as well as increasing services offered.
Zones B and C	654	56	710	100,800	
Garages- Elgin St, Stadium, Welcome Center	850	25	875	182,500	
Garages- East/Gateway	700	10	710	59,000	
Faculty/Staff - Academic Year					
Reserved Covered	2,021	61	2,082	793	Recommend merge Tiers 2 & 3 in FY28.
Reserved	1,485	45	1,530	4,500	Increase Tier 4 by 3% to reduce the price gap between tiers. Specialty permits including 3% increase for ADA, gated, reserved and 5% increase for other specialty permits.
Gated Premium	988	30	1,018	16,200	
Gated	924	28	952	11,312	
Zones A, D, E, F, G,H	530	15	545	19,875	
Zones B and C	654	56	710	30,800	
Garages- Elgin St, Stadium, Welcome Center	850	25	875	34,000	
Garages- East/Gateway	700	10	710	2,250	
All - Academic Year					
ADA	530	15	545	4,500	
Evening and Weekend	183	9	192	3,600	Semester permits available to students at half the annual rate, Spring semester permits covering the Summer.
Tuesday/Thursday	395	20	415	3,000	
Monday/Wednesday/Friday	516	26	542	3,900	
Motorcycle	116	6	122	420	
UH Sugar Land	370	19	389	21,850	
UH Katy	128	6	134	840	
Visitor Parking Rates					
Main Campus Gated					
0-15 Minutes	0	0	0	0	
16-30 Minutes	5	0	5	0	
31-60 Minutes	7	0	7	0	
1-2 Hours	10	0	10	0	
2-3 Hours	12	0	12	0	
3-4 Hours	18	0	18	0	
4-24 Hours	25	0	25	0	
Lost Ticket	50	0	50	0	
Saturday/Sunday	15	55	15	0	



UH FY2028 Optional Charges - Parking

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue	
				Change	Justification/Revenue Use
University of Houston (Continued)					
Text-to-Pay					
0-30 Minutes	\$5	0	\$5		\$0
31-60 Minutes	7	0	7		0
1-2 Hours	10	0	10		0
2-3 Hours	12	0	12		0
3-4 Hours	18	0	18		0
4-24 Hours	25	0	25		0
Saturday/Sunday	15	0	15		0
Event Parking	15	0	15		0
UHSL Gated					
0-15 Minutes	0	0	0		0
16-30 Minutes	3	0	3		0
31-60 Minutes	5	0	5		0
1-2 Hours	7	0	7		0
2-3 Hours	12	0	12		0
3-4 Hours	15	0	15		0
4-24 Hours	20	0	20		0
Lost Ticket	40	0	40		0
UHSL Text-to-Pay					
0-30 Minutes	3	0	3		0
31-60 Minutes	5	0	5		0
1-2 Hours	7	0	7		0
2-3 Hours	12	0	12		0
3-4 Hours	15	0	15		0
4-24 Hours	20	0	20		0
Event Parking	15	0	15		0
Katy Text-to-Pay					
0-30 Minutes	3	0	3		0
31-60 Minutes	5	0	5		0
1-2 Hours	7	0	7		0
2-3 Hours	12	0	12		0
3-4 Hours	15	0	15		0
4-24 Hours	20	0	20		0
		56			
Subtotal Parking Voluntary Fees					\$ 584,140
Total Parking Voluntary Fees - University of Houston					\$ 1,502,442



UHD FY2027-FY2028 Optional Charges Parking – Revenue Impact Summary

UNIVERSITY OF HOUSTON DOWNTOWN FY2027-FY2028 PARKING VOLUNTARY FEES CHANGES

		Estimated Revenue Change
SUMMARY	PARKING VOLUNTARY FEE CHANGES FY2027	\$ 65,000
	PARKING VOLUNTARY FEE CHANGES FY2028	-
	TOTAL UH DOWNTOWN PARKING VOLUNTARY FEES CHANGES	<u>\$ 65,000</u>



UHD FY2027-FY2028 Optional Charges Parking

Fee Description	Current Rate	Change	Proposed Rate	Estimated Revenue Change	Justification/Revenue Use
University of Houston Downtown					
Parking Voluntary Fees					
FY2027					
Other					
Visitor Parking	\$10	5	\$15		<p>The revenue collected from a \$5 increase to the visitor parking rate for FY27 will support parking & transportation service operating costs, which includes the shuttle bus contract, parking management software, personnel, and maintenance of aging lots/equipment. FY23 was the last year UHD visitor parking was increased. This increase will bring rates closer to downtown Houston parking garage market rates.</p>
Subtotal Parking Voluntary Fees				<u>\$ 65,000</u>	
FY2028					
Other					
Visitor Parking	\$15	0	\$15		\$-
Subtotal Parking Voluntary Fees				<u>\$ -</u>	
Total Voluntary Parking Fees - University of Houston Downtown				<u><u>\$ 65,000</u></u>	

**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 insurance policies for Fiscal Year 2026-27 for the University of Houston System

DATE PREVIOUSLY SUBMITTED: February 19, 2025

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policy renewals for Fiscal Year 2026 -27. 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 UHS Risk Management department. UHS has staggered renewal dates; while the largest policy (Property) has an effective date of May 1st, most smaller policies renew March 1, 2026. The FY2025 annualized insurance expense was \$10.9 million.

The FY26-27 expense is anticipated to increase due to increases in the Total Insurable Values of owned property. Other lines of insurance are expected to have minimal premium increases.

Not all policy quotes have been received, and the exact insurance premiums are unknown at this time. 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 \$11.3 million for FY26-27.

SUPPORTING

DOCUMENTATION: Insurance Renewal Status Report

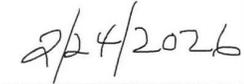
FISCAL NOTE: Estimated annual premiums not to exceed \$11.3M

**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

Insurance Renewal Status Report FY2026-27

Market Expectations

The System has experienced insurance premium increases over several consecutive years. These increases have been primarily driven by challenging market conditions, including a higher frequency and severity of extreme weather events and sustained inflationary pressures.

For the upcoming year, insurance market conditions show signs of softening due to increased competition among insurers and continued improvements in underwriting analytics and risk assessment capabilities. As a result, most System policies are expected to experience modest premium increases attributable to market conditions.

Policy Renewal and Modification Process

UH Risk Management is responsible for the review and oversight of all insurance policies to help ensure that coverage is appropriate. Annually, Risk Management conducts a review of all policies, requesting information on changing needs from the areas receiving coverage and analyzing market trends.

Based on the review, Risk Management makes recommendations to covered areas and system leadership regarding changes in coverage which may include modifications to the total insured value of buildings, modifications to deductibles and coverage amounts, or additional lines of insurance to reflect changing business conditions. Once changes are approved, Risk Management works with the State Office of Risk Management and/or a dedicated insurance broker to procure and maintain coverage.

Five lines of insurance are procured through the State Office of Risk Management, as required by state statute due to legislative requirements. All other lines are placed through insurance broker Arthur J. Gallagher, who is a contract vendor obtained by competitive bid every 5 years.

SORM Sponsored Policies	UHS Direct Purchase Policies	
Commercial Auto	Blanket Accident	Boat Liability/Property
Builder's Risk	Combined Medical Professional	Foreign Package
Fine Art	Crime	Inland Marine
Directors & Officers'	Basic and Catastrophic Accident for Cheer team	Media Professional
Property	Student Long Term Disability – College of Medicine students only	Leased Premises Liability
	Drones	Special Event Liability
	Foreign Travel	Special Contingency Risk (Kidnap/Ransom)
	Flood Insurance	

University of Houston System

Insurance Renewal Status Report FY2026-27

Current and Projected Insurance Premiums

The University of Houston System’s FY2025 insurance program included over 20 policies totaling about \$10.9M. The largest cost component was Property coverage.

Board approval is requested for anticipated insurance costs of \$11.3 in FY2026-2027. Current market conditions indicate property insurance rates to remain flat. UHS property values had adjustments in the Total Insured Values of twenty-five buildings based on standard insurance replacement values as well as new construction, but the removal of the Victoria campus offset some of the cost increase. Most remaining insurance lines are expected to increase by 5 to 10%, which are also offset by a slight reduction in automobile insurance.

While premiums are expected to increase by smaller amounts, Risk Management is conducting a comprehensive assessment of available insurance products to ensure alignment with the University’s risk profile and operational needs. As such, a 3% coverage adjustment provision for potential new insurance policies and endorsements has been added this year. Recommendations may include enhanced cyber liability coverage and additional NFIP policies as a cost-effective means of transferring high-severity risk. Approval of this funding will align insurance coverage with current operational complexity, regulatory expectations, and strategic objectives, and reduce the likelihood of material fiscal impact from a single adverse event.

Insurance Cost by Policy Type

Policy	Annual Expense FY24-25	Annual Expense FY25-26	Estimated Annual Expense FY26-27
Property including Equipment Breakdown & Terrorism, Buy Down	\$9,264,688	\$9,349,463	\$9,416,495
Directors & Officers / Employment Practices Liability	\$241,850	\$262,896	\$283,928
Medical Malpractice	\$196,407	\$206,109	\$211,750
Automobile	\$499,973	\$538,600	\$524,361
All Other Policies and Broker Fees	\$488,410	\$529,582	\$527,073
3% Coverage Adjustment Provision	-	-	\$328,908
Totals	\$10,691,328	\$10,876,204	\$11,292,515

University of Houston System Insurance Renewal Status Report FY2026-27

Insurance Cost by Campus

Campus	Annual Expense FY24-25	Annual Expense FY25-26	Est Annual Expense FY26-27
UH	\$7,993,576	\$8,197,310	\$8,944,110
UH Downtown	\$960,723	\$949,200	\$1,006,459
UH Clear Lake	\$954,663	\$969,238	\$1,062,374
UH Victoria	\$550,653	\$466,513	\$0.00
UH System	\$231,713	\$293,229	\$279,572
Total	\$10,691,328	\$10,876,204	\$11,292,515

Insurance Policies Not Purchased by Risk Management

In addition to the insurance policies referenced previously, 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. A schedule of these policies is shown below for informational purposes.

Department & Policy	Annual Premium FY24	Annual Premium FY25	Est Annual Premium FY26
College of Business Foundation: Commercial Crime, Primary & Excess Directors & Officers/Employment Practices	\$5,400	\$5,400	\$5,400
Cougar Investment Fund, LLC: Errors and Omissions Policy	\$17,252	\$17,252	\$17,252
Lawyer’s Professional	\$200	\$200	\$200
Blanket Athletics CAT cheer	\$10,866	\$10,866	\$10,866
Athletics: NCAA Medical Accident Stop Loss Policy & Claim Administrative Fee	\$547,500	\$547,500	\$547,500
Builder’s Risk	\$996,567	\$946,660	\$600,000
Total	\$1,577,785	\$1,527,878	\$1,181,218

University of Houston System

Insurance Renewal Status Report FY2026-27

Workers' Compensation/Risk Management Services Assessment

As mandated by statute, The State Office of Risk Management charges an annual assessment to each campus for the services listed below, which are not included in the delegation of authority for insurance services. An interagency agreement is required for this coverage and has been executed.

Services Administered

- Administering the university's workers' compensation self-insurance program
- Providing risk management services, including enterprise-level insurance purchases for state agencies

Workers' Compensation Cost by Campus

Campus	Assessment FY2024	Assessment FY2025	Initial Assessment FY2026
UH	\$911,504	\$1,028,575	\$1,103,532
UH Downtown	\$110,556	\$130,474	\$157,873
UH Clear Lake	\$153,626	\$182,552	\$220,739
UH System	\$7,147	\$9,737	\$12,111
Total	\$1,234,714	\$1,351,338	\$1,494,255

Student Health Insurance

The Student Health Insurance Advisory Committee negotiates the procurement of student health insurance. The coverage is optional for domestic students and mandatory for international students. The total estimated premium for the FY2026-27 period is \$15.2 million. The student health insurance program is not included in the delegation of authority as the premium costs are borne by the individual students that purchase the coverage.

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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested of the Thirty-third and Thirty-fourth Supplemental Resolutions to the Master Resolution, Preliminary Official Statements, and Bond Purchase Agreement authorizing the issuance of the Consolidated Revenue and Refunding Bonds, Series 2026A and Consolidated Revenue and Refunding Variable Rate Demand Bonds, Series 2026B – University of Houston System

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

The 2026A tax-exempt bond series will be sold competitively for new money and refunding purposes. The new money bonds will finance capital projects at the University of Houston. The refunding will include commercial paper issuances in support of capital projects in progress as well as bonds from the series 2014, 2016A, 2017A, and 2017C. The 2026B tax-exempt bond series, offered via a negotiated sale, will be underwritten and remarketed by JP Morgan Securities for new money and refunding purposes.

**SUPPORTING
DOCUMENTATION:**

1. List of projects to be financed with the bonds.
2. Thirty-third and Thirty-fourth Supplemental Resolutions to the Master Resolution, Preliminary Official Statements, Bond Purchase Agreement, and Selection of the Underwriter/Remarketer on file in the Board Office.

FISCAL NOTE:

New money and refunding bonds in an aggregate principal amount not to exceed \$605.1 million (not including premium, if any). Refunding NPV savings estimated at \$29.9M.

**RECOMMENDATION/
ACTION REQUESTED:**

Administration recommends approval of this item

COMPONENT:

University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE 2/24/2026



CHANCELLOR Renu Khator



DATE 3/10/2026

University of Houston System
 CRRB Series 2026A & CRRB Series 2026B
 Finance, Facilities and Administration Committee - March 12, 2026

2026A and 2026B Project List

Project Information					2026A Tax Exempt Fixed Rate		2026B Tax Exempt Variable Rate	
Campus	Project Name	Total Project Budget	Current Funding	Funding Need	Project Funds	CP/Bond Refunding	Project Funds	CP Refunding
UH	Centennial Housing	167,000,000	-	167,000,000	83,500,000	-	25,480,000	58,020,000
UH	Centennial Master Plan Art	13,200,000	3,200,000	10,000,000	-	10,000,000	-	-
UH	Centennial Master Plan Lighting	20,340,000	18,240,000	2,100,000	-	2,100,000	-	-
UHS	Refunding	420,000,000	-	420,000,000	-	420,000,000		
Total Issuances⁽¹⁾					515,600,000		83,500,000	

Notes

(1) - Totals exclude estimated costs of issuance

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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested to modify the University of Houston System Debt Policy

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Mr. Raymond Bartlett will discuss with the Committee recommended changes to the UH System Debt Policy. The changes provide guidelines for monitoring and mitigating interest rate volatility and add language to facilitate the delegation of pricing responsibilities to the Designated Financial Officer.

SUPPORTING

DOCUMENTATION: UH System Endowment Debt Policy – redlined and clean copies

FISCAL NOTE: None

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR

Raymond S. Bartlett

2/24/26

DATE



CHANCELLOR

Renu Khator

3/10/2026

DATE

THE BOARD OF REGENTS OF THE UNIVERSITY OF HOUSTON SYSTEM

DEBT POLICY

As of ~~August 23~~March 12, 2026~~3~~

Purpose

This policy governs the use of debt to finance capital projects within The University of Houston System (System). The prudent use of debt can help the System achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital. As provided in the Texas Education Code, the Board of Regents may establish a systemwide revenue financing program.

Financing Programs

The System issues debt through two primary programs: the Consolidated Revenue Financing Program (CRFP) and the Higher Education Fund (HEF). This policy will govern the issuance of all System debt.

Consolidated Revenue Financing Program (CRFP) – This program was created by the Board of Regents of The University of Houston System (Board) through the adoption of a Master Resolution on April 15, 1990. The Board established this program for the System for the purpose of assembling the System’s revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to component institutions of the System and to maximize the financing options available to the Board.

Higher Education Fund (HEF) - Article VII, Section 17 of the Texas Constitution authorizes the Board to issue bonds and notes secured by pledged revenues consisting of up to 50% of the money allocated annually to the Board. Bonds issued under this authority are typically referred to as HEF bonds or constitutional appropriation bonds. The proceeds from the sale of HEF bonds or notes may only be used to finance eligible projects as described in Article VII, Section 17 of the Texas Constitution including (i) acquiring land, constructing and equipping permanent improvements, major repair and rehabilitation of permanent improvements, acquiring capital equipment, library books and library materials, and refunding previously issued HEF indebtedness; and (ii) major repair and rehabilitation of leased buildings or other permanent improvements, provided there is clean and adequate consideration to the System in the overall transaction, such as the existence of a lease of sufficient length to provide expected benefits which would justify the expenditure. The Texas Constitution prohibits the issuance of HEF debt for maintenance, minor repairs, operating expenses, student housing, intercollegiate athletics, or auxiliary projects, except to the extent of a project’s use for educational and general activities. HEF bonds and notes must be competitively bid and may

not be issued for more than 10 years.

Authority

All debt incurred by the System will be issued or incurred pursuant to resolutions approved by the Board and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 of the Texas Constitution, Chapter 55 of the *Texas Education Code*, and Chapters 1207 and 1371 of the *Texas Government Code*.

Before any debt can be issued, the System must obtain an opinion from nationally recognized bond counsel to the effect that the debt is a valid and legally binding obligation of the issuer, payable from the security described therein.

The System must also receive the necessary approval from the Texas Bond Review Board, as applicable, and the approving opinion of the Texas Attorney General.

Goals

The System seeks to manage its debt within its overall financial profile as follows:

- Strategically allocate the System's debt capacity to those projects identified as priority projects that are critical to the mission and that advance the strategic objectives of the System.
- Align the financial position of the System consistent with a targeted long-term bond rating in the "Aa2/AA" category in order to obtain favorable cost of capital, flexibility, and terms.

Debt Guidelines

Any debt must be issued in strict compliance with applicable law. The following debt guidelines will apply:

Project Funding - The System will borrow money, through the issuance of long-term debt, to finance only those projects that have been approved for financing by the Board. Capital projects are generally evaluated and prioritized through the System's Capital Improvement Program. For construction projects that require debt financing, bond proceeds will be provided only after the project's site, program and budget has been approved by the Board. Short-term financing may be issued to support the programming and design costs of a project prior to the availability of bond proceeds.

Interest Rate Exposure - The Treasurer will evaluate and recommend to the Senior Vice Chancellor for Administration and Finance the appropriate amount of its interest rate exposure, defined as the possible increase in capital costs resulting from rising short-term interest rates, associated with variable rate debt. The System will limit its variable rate debt in accordance with rating agency guidelines for assessing the debt structure of peer institutions of higher education with comparable credit ratings. In determining the amount of variable rate debt, the Treasurer will evaluate the level of variable rate assets that may be available to provide a natural hedge to interest rate fluctuations.

The System will seek to minimize its cost of capital within a prudent level of exposure to interest rate volatility.

Interest Rate Volatility Mitigation – When adding Variable Rate debt, the System will consider the cost of fixed rate debt versus the one-year average of the Securities Industry and Financial Markets Association (SIMFA) Municipal Swap Index Rates in developing the debt repayment schedules. Although interest rates are variable, the System will develop fixed repayment schedules for the responsible areas, both to provide budget certainty and to develop a reserve for interest rate fluctuations. Reserves will also be used for the payment of principal when they exceed their target.

- The System, through its Municipal Bond Advisor, will obtain: 1) the Fixed Rate for similar bonds at the time of issuance; and 2) a schedule of the one year SIMFA Municipal Swap Index rates that identifies the ~~one-year~~one-year average.
- The System will calculate the difference between the Fixed Rate and the one-year SIMFA Municipal Swap Index average.
- The System, through its Municipal Bond Advisor, will obtain bond amortization schedules at: 1) the Fixed Rate for similar bonds at the time of issuance; 2) approximately one-half of the difference between the Fixed Rate and the one-year SIMFA Municipal Swap Index average; and 3) the Variable Rate for similar bonds at the time of issuance. These schedules will be used to document the savings and establish the payment schedule for the responsible area.
- Responsible areas will transfer funds equal to their annual budgeted debt service to an institutional holding cost center. These funds will be used for both scheduled principal repayment and periodic interest payments. Funds transferred in excess of the annual debt service will be retained in the Variable Rate Interest Rate Volatility Reserve and will be drawn upon when interest rates exceed the annual budgeted debt service.
- Annually, the System will calculate the Reserve target separately for all Variable Rate debt issuances. The System, through its Municipal Bond Advisor, will obtain the ~~30-year~~30-year SIMFA Municipal Swap Index history and standard deviation. The reserve target will be two times the standard deviation of the ~~30-year~~30-year SIMFA history multiplied by the outstanding Variable Rate debt.
- Reserves may be used for the payment of principal when they exceed the reserve target.

Variable Rate Debt Prepayment – When Variable Rate Interest Rate Volatility Reserves are fully funded, amounts in excess of the minimum funding may be used for the prepayment of Variable Rate Debt. Prepayment of variable rate debt will reduce future interest costs and the minimum funding levels of reserves.

- Annually, the System Treasurer’s Office will calculate the amounts available for the prepayment of variable rate debt and make recommendations to the Senior Vice Chancellor for Administration and Finance regarding early payment.

Amortization - The amortization of tax-exempt and taxable debt will be based on the types of assets financed, the expected availability of cash flows to meet debt service requirements, tax regulations, and the Financing program. Generally, the amortization of tax-exempt and taxable debt should not

exceed the useful life of the financed asset and, as relates to tax-exempt debt, may never exceed the Internal Revenue Service limit of 120% of the useful life of the financed asset.

- CRFP: The maximum maturity of CRFP debt is limited to 30 years from the projected completion of the projects being financed.
- HEF: The maximum maturity of HEF debt is limited to 10 years by Article VII, Section 17 of the Texas Constitution.

Financial Ratios – In evaluating its debt capacity and affordability, the System will consider current debt levels, future debt financings, and the goal to at least maintain its short term and long-term credit ratings. The System Treasurer’s Office will annually calculate and benchmark the financial ratios used by ~~the a~~ Nationally Recognized Statistical Ratings Organization to ensure the System is operating within metrics comparable to institutions within the same long term credit rating-. These ratios are calculated with and without consideration of the effect of state appropriations for Capital Construction Assistance Project (CCAP) bond issuances. Ratio trends and benchmarks will be compiled in summary format and provided to the System Senior Vice Chancellor for Administration and Finance.

Debt Financing Resources - Debt coverage is defined as Net Operating Income divided by Maximum Annual Debt Service.

- Individual, non-gift, revenue streams considered for proposed debt service must meet a minimum 1.15 debt coverage ratio test, unless the debt service is supported by the State of Texas pursuant to the CCAP program. In such case, the debt coverage ratio requirement is 1.00 times. Capital projects funded by gift pledges cannot be considered for debt financing until signed pledge agreements and/or cash on hand is at least 75% of the total project cost. The costs of borrowing will be addressed in the project pro-forma. Pledges are preferred to be paid within 5 years but may be for no longer than 10 years. Pledges received in excess of debt service requirements will first be used to cover unfunded portions of the project and then retained for future debt service needs.
- Annually, all units with revenue funded debt financing (including gift financed), will remit their current 10-year proforma to the System Treasurer’s Office. Pro-forma financial reports will be compiled in summary format, including revenue shortfalls and unit action plans, and provided to the System Senior Vice Chancellor for Administration and Finance.

Economies of Scale - Debt financings will be coordinated, to the extent practical, so that multiple project needs can be accommodated in a single borrowing, thereby increasing the efficiency of the debt issuance. Since many issuance costs do not vary with the size of a borrowing, a large bond issue increases the efficiency of the financing by spreading fixed costs over a greater number of projects.

Method of Sale – The System Senior Vice Chancellor for Administration and Finance shall determine the method of sale of bonds to be either competitive, negotiated or private placement. Generally, a competitive sale is the preferred method of sale but the other options may be appropriate

because of project specifics or market conditions.

Refunding Opportunities - The Treasurer will consider refinancing of outstanding debt issues when net savings for that refinancing measured on a net present value basis are positive. As tax exempt refunding allows for a maximum of 90 days escrow, it is important to use refinancing opportunities wisely. In evaluating refunding opportunities, the Treasurer will consider the value of the call option to be exercised, including the amount of time to the call date and the amount of time from the call date to maturity. The System will generally use 4% to 5% net present value savings as its minimum threshold for determining the viability of a refunding under consideration. Refundings that do not produce savings or meet the minimum net present value savings threshold may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the System.

Disclosure - The Treasurer will provide updated financial information and operating data and timely notice of specified material events to EMMA, pursuant to the System's continuing disclosure undertakings with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Tax Compliance - The Office of the Treasurer will monitor the System's ongoing responsibilities for tax compliance including monitoring funds for yield restriction and arbitrage rebate calculations. The Office will ensure that arbitrage is timely calculated and remitted to the US Government as applicable in accordance with the Internal Revenue Code. Additionally, the Office of the Treasurer will monitor private use of any tax-exempt financed facilities, including contracts with private corporations or Federal or corporate sponsored research, and report to the Senior Vice Chancellor for Administration and Finance whenever private use of any bond issuance reaches 7% or greater.

Hedging Instruments - The Treasurer will consider and recommend to the Senior Vice Chancellor for Administration and Finance the use of interest rate swaps and other interest rate risk management tools after carefully evaluating the risks and benefits of any proposed transaction in accordance with the System's Interest Rate Swap Policy (see Appendix A). By using swaps in a prudent manner, the System may be able to take advantage of market opportunities to minimize expected costs and manage interest rate risk. As outlined in the System's Interest Rate Swap Policy, the use of swaps must be tied directly to System debt instruments. The System will not enter into swap transactions for speculative purposes.

Project Financing - The Treasurer will consider and recommend to the Senior Vice Chancellor for Administration and Finance the use of project financing in those limited circumstances where the benefits of such a transaction exceed the increased costs. Project financing can be a useful financing technique in certain circumstances; however, these transactions are typically less efficient and more costly than traditional financing due to lower credit ratings, fewer economies of scale, the likely covenant to establish a reserve fund, and the cost of bond insurance. Project financing does not necessarily preserve or increase debt capacity relative to traditional financing. The Nationally

Recognized Statistical Ratings Organizations and the System include project debt when assessing the System's debt capacity. The amount of such debt to include in the System's debt capacity assessment will depend on various considerations as outlined by the Nationally Recognized Statistical Ratings Organizations.

Taxable Debt - The System may use taxable debt for those projects that have an intended use or other characteristics that preclude the use of tax-exempt debt. The System will strive to allocate its available resources, including equity capital, among its various capital projects to minimize or eliminate the need to issue taxable debt, thereby minimizing the System's cost of capital. Any use of taxable debt will be identified during Board approval and be subject to the same statutory requirements as tax-exempt debt.

Reporting Requirements - The Results of Financial Operations Report, which is based on Annual Financial Report (AFR) and budgetary information is prepared by the System and presented to the Board, and will present the total outstanding bond and note indebtedness.

Commercial Paper – The System's commercial paper program is a short-term debt program used principally to provide interim financing for capital projects during construction.

- Commercial Paper issuances may not exceed the aggregate principal amount authorized by the Board. The maximum amount of commercial paper that can mature in any single business day is \$20 million, and the maximum amount of commercial paper that can mature in any five consecutive business days is \$40 million, unless scheduled for repayment via the issuance of long-term debt. The Senior Vice Chancellor for Administration and Finance will prioritize requests for the use of commercial paper.
- The System Office of the Treasurer is responsible for monitoring and reporting on the issuance of commercial paper, including rollover and payment of interest.
- Commercial Paper cannot be issued beyond the end of the next fiscal year unless there is an approved financing plan in place with the System Office of the Treasurer. The System Senior Vice Chancellor for Administration and Finance must approve all such financing plans. The commercial paper will be refinanced through the issuance of long-term debt.
- The System will be responsible for making timely payments to the paying agent as required by the commercial paper dealer in accordance with the related resolution.
- The conversion of commercial paper notes to long-term indebtedness will be approved by the Board. The long-term debt will be amortized and paid to the System as directed by the System. The System will be responsible for making timely payments to the paying agent as required by the related bond resolution and paying agent agreement.

Failed Remarketing Procedures – The Failed Remarketing Plan procedures, as provided in Exhibit A, will be administered by the Treasurer in the event of a failed remarketing of commercial paper or variable rate demand bonds, as applicable.

Compliance – The System shall have appropriate procedures related to tax exempt commercial

paper and bond compliance, including issuance, expenditure of proceeds, and post-issuance compliance consistent with regulations and statutes.

- The Senior Vice Chancellor for Administration and Finance, or delegated representative of the System, is responsible for ensuring that all bond covenants are in compliance and that all necessary approvals, certifications and authorizations are fully documented.
- The System Office of the Treasurer and The Office of the General Counsel will identify appropriate System staff and ensure that they receive training on compliance with policy and IRS regulations regarding debt financing.

Miscellaneous

- A. The Senior Vice Chancellor for Administration and Finance is delegated the authority to designate a financing team consisting of System staff, bond counsel, disclosure counsel, financial advisor and underwriters. The Chair of the Finance and Administration Committee and the Vice Chair of the Board of Regents are authorized to price bond issues, and they may delegate this authority to the Senior Vice Chancellor for Administration and Finance, as the Designated Financial Officer, via each bond issuance's bond documents.
- B. The Treasurer will take steps to effect the timely transfer of System funds for debt service payments and ensure that all payments are made.
- C. Debt service funding is the responsibility of each System component participating in the Consolidated Revenue Financing Program and the Higher Education Fund Program.
- D. The Treasurer or Designated Financial Officer is authorized and directed to execute Reimbursement Certificates as required by U.S. Treasury Regulations, Section 1.150- 2, in connection with projects the Board intends to debt finance.

Appendix A – Master Swap Policy

1. The System

Texas Education Code chapter 55 and Texas Government Code chapter 1371 authorize the System to enter into interest rate swap transactions and related agreements (each a “Swap Agreement”, and collectively the “Swap Agreements”) with one or more counterparties (each a “Swap Counterparty”, and collectively the “Swap Counterparties”). By resolution (a “Swap Resolution”), the Board of Regents (the “Board”) of the University of Houston System (the “System”), may authorize on a case-by-case basis one or more Swap Agreements on behalf of the System.

Each Swap Resolution must authorize the Swap Agreements and their major provisions in substantially final form, including the notional amount of the Swap Agreements, security for and terms of payment of the Swap Agreements, and qualified Swap Counterparties. Each Swap Resolution must specify the appropriate System official or officials (the “System Authorized Representative”) authorized to modify and complete the Swap Agreements, and specify the parameters for modification and final acceptance of the Swap Agreements. If the Swap Resolution and the Master Swap Policy conflict, then terms and conditions of the Swap Resolution control.

2. Purpose

The purpose of the Policy is to establish responsibilities, objectives, and guidelines for the approval, execution and maintenance of Swap Agreements used to manage the debt portfolio of the System. A Swap Agreement may be an integral part of the System’s asset/liability and debt management strategy. By using Swap Agreements, the System may be able to take advantage of market opportunities which reduce the costs of existing or planned Consolidated Revenue Financing Program (CRFP) debt or allow the System to hedge the interest rate of existing or planned CRFP debt. Swap Agreements can allow the System to actively manage asset and liability interest rate risk, balance financial risk, and achieve debt management goals and objectives through synthetic fixed rate and variable rate financing structures. The System will not enter into Swap Agreements for speculative purposes.

3. General Guidelines for Interest Rate Swap Agreements

The following are guidelines the System will follow in the evaluation and recommendation of Swap Agreements:

3.1. Legality

Each Swap Agreement must comply with Texas and federal law, and must not conflict with the material provisions and covenants of existing System resolutions, indentures or contracts. Each Swap Agreement governing a Swap transaction must be: 1) approved by the Board by a Swap Resolution; 2) approved by the Texas Attorney General in accordance with Texas Government Code chapter 1371; 3) accompanied upon delivery by an opinion acceptable to

a System Authorized Representative from nationally recognized bond counsel to the effect that the Swap Agreement is a legal, valid, and binding obligation entered into by the System in accordance with applicable State and federal laws.

3.2. Goals

The Swap Resolution should clearly state the goals to be achieved through the use of any Swap Agreements, and any Swap Agreement execution parameters should be consistent with the System's stated goals.

3.3. Nationally Recognized Statistical Ratings Organizations

Execution of a Swap Agreement may not adversely impact any existing System credit rating without express consent of the Board. A contemplated Swap Agreement must conform to and may not conflict with the System's outstanding commitments or agreements with bond insurers, credit enhancers, surety providers and the System's liquidity requirements related to outstanding debt.

3.4. Term

The System will determine on a case-by-case basis the appropriate term for a Swap Agreement. However, the term of a Swap Agreement entered into for liability management purposes may not extend beyond the final maturity date of the underlying debt.

3.5. Impact on Variable Rate Capacity

The impact of a Swap Agreement on the System's variable rate debt exposure and the impact on the System's continued issuance of traditional variable rate products should be assessed before execution of any Swap Agreement. The Treasurer, with input from the System's financial advisor, will estimate the amount of basis risk and optional termination risk associated with a Swap Agreement (taking into account such risk from existing Swap Agreements) and include the estimate in the calculation of the System's total variable rate exposure.

3.6. Enhancements

If authorized by Texas law, the System may utilize other swap enhancement products, including but not limited to forward starting swaps, swap options, basis swaps, caps, floors, collars, and cancellation options, provided that such products are approved in accordance with Section 7 – Form of Swap Agreements and Other Documentation. The costs, benefits, and other matters regarding the swap enhancement should be considered during the approval process. Execution of swap option agreements in which the System receives up-front cash are prohibited.

3.7. Accounting Compliance

The impact of compliance with prevailing accounting principles must be disclosed in- the System’s annual financial reports.

3.8. Exit Strategy

The mechanics for determining termination values at various times and upon various occurrences must be explicit in each Swap Agreement. The potential termination costs should be considered before recommending to the Board approval of a Swap Resolution.

4. **Basis of Award**

4.1. Competitive Bid

Competitively bid Swap Agreements are deemed “quasi-competitive” and must include bona fide solicitations for bids from no fewer than three firms. Solicitations for bids must be made only to potential Swap Counterparties who are qualified under the terms of this policy.

4.2. Negotiated Transactions

In the case of a purely negotiated transaction, the System should obtain a “fair value opinion” from a swap advisor selected by the System that is regulated by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, which may be the System’s financial advisor (the “Swap Advisor”). The Swap Counterparty must disclose payments to third parties regarding the execution of any derivative contract.

A System Authorized Representative may procure a Swap Agreement by negotiation in the following situations, in each instance as authorized in the Swap Resolution:

4.2.1. The System Authorized Representative determines that due to the complexity of a particular transaction, a negotiated bid will result in the most favorable pricing.

4.2.2. A System Authorized Representative determines that, in light of the facts and circumstances, a negotiated transaction will promote the System’s interests by encouraging and rewarding innovation.

5. **Management of Swap Agreement Transaction Risk**

Swap Agreements with numerous Counterparties create risks for the System. To manage the associated risks, the following risks and related guidelines and parameters must be considered for each Swap Agreement:

5.1. Counterparty Risk

Limiting the exposure caused by a concentration of Swap Agreements between the System and any single Swap Counterparty reduces losses which may result from a Swap Counterparty default. In addition, the System may require under the terms of a Swap Agreement the posting

of mark-to-market collateral by any Swap Counterparty, as requested by the System, in accordance with the guidelines described in Section 6.3 – Collateral Requirements.

5.2. Termination Risk

5.2.1. *Optional Termination:*

The System will retain the right to terminate a Swap Agreement at any time during the term of the Swap Agreement at the then-prevailing market value of the Swap Agreement. In general, exercising the right to optionally terminate a Swap Agreement should produce a benefit to the System, either through receipt of a payment from a termination, or if a termination payment is made by the System, through conversion to a more beneficial debt position. Termination value must be readily determinable by one or more independent Swap Counterparties, who may assume the System's obligations under the Swap Agreement. A Swap Counterparty shall not have the option to terminate the Swap Agreement.

5.2.2. *Mandatory Termination:*

A termination payment may be required if a Swap Agreement is terminated for any reason. It is the intent of the System to review all available options prior to effecting a termination or making any termination payment. At a minimum, prior to making any termination payment, the System must have sufficient time to determine whether it is financially advantageous to obtain a replacement Swap Counterparty.

5.3. Amortization Risk (Term)

The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, termination value, and the impact that the term of the Swap Agreement has on the overall risk exposure of the System should be considered in determining the appropriate term of any Swap Agreement. Any Swap Agreement designated as a hedge should reflect the amortization of the debt that it is hedging.

5.4. Liquidity Risk

The System should consider if the swap market is sufficiently liquid (i.e., if enough potential qualified Swap Counterparties participate actively in the market to assure fair pricing) for the type of Swap Agreement or other product being considered and the potential ramifications of an illiquid market for such types of Swap Agreements. There may not be another appropriate party available to act as an offsetting Swap Counterparty.

5.5. Basis (Index) Risk (including Tax Risk)

Any index chosen as part of a Swap Agreement must be a recognized market index, including but not limited to The Securities Industries and Financial Markets Association Municipal Swap Index (SIFMA) or London Interbank Offering Rate (LIBOR).

The System will not enter into Swap Agreements that do not have a direct (one to one)

correlation with the movement of an index without analyzing the risk associated with the enhancement.

The tax risk and impact to the System of each Swap Agreement should be detailed through the Swap Counterparty disclosure requirements outlined in Section 7 – Form of Swap Agreements and Other Documentation.

5.6. Bankruptcy Risk

Bond or swap counsel will be specifically engaged to review for the System the legal issues arising from the bankruptcy of a Swap Counterparty under a Swap Agreement or other product. Specifically, such bond or swap counsel will be engaged to review for the System the bankruptcy issues associated with the method of holding any collateral required to be posted.

6. Counterparty Approval Guidelines

6.1. Eligibility

The System may enter into Swaps Agreements only with eligible Swap Counterparties. To qualify as a Swap Counterparty under this policy, at the time a Swap Agreement is executed by the System, a proposed Swap Counterparty (i) must be rated at least AA-/Aa3/AA- by at least two of the three Nationally Recognized Statistical Ratings Organizations (Standard & Poor's, Moody's, and Fitch Ratings, respectively) and must have a minimum capitalization of \$50 million, or (ii) must be rated at least BBB-/Baa3/BBB- by two of the three Nationally Recognized Statistical Ratings Organizations and provide a credit support annex ("CSA") to the schedule to the ISDA master agreement that requires such party to deliver to a third party under an escrow, collateral or similar agreement collateral for the benefit and security of the System (a) that is of a kind and in such amounts as are specified therein and which relate to various rating threshold levels of the Swap Counterparty or its guarantor, from AA-/Aa3/AA- through BBB-/Baa3/BBB-, (b) that, in the judgment of the System, is reasonable and customary for similar transactions, taking into account all aspects of such transaction including without limitation the economic terms of such transaction and the creditworthiness of the Swap Counterparty or, if applicable, its guarantor; and (c) complies with any security requirements applicable to the System under Texas law, or (iii) must obtain credit enhancement from a provider with respect to its obligations under the transaction that satisfies the requirements of clause (i) of this paragraph, given the undertaking involved with the particular transaction.

Before execution of the Swap Agreement by the System, the Swap Counterparty must make available audited financial statements and rating and credit reports of the Swap Counterparty (and any guarantor); and must identify to the best of its ability the amount and type of its derivative exposure and the net aggregate amount of its exposure to all parties (the System and others). The Swap Counterparty must agree in the Swap Agreement (and any guarantor must agree) that it will provide such financial statements and rating and credit reports to the

System at least annually thereafter.

6.2. Swap Counterparty Exposure Limits and Transfer

In order to limit and diversify the System’s Swap Counterparty risk and to monitor credit exposure to each Swap Counterparty, the System will not enter into a Swap Agreement with a qualified Swap Counterparty if the following exposure limits are reached per Swap Counterparty:

6.2.1. As a percentage of total outstanding debt, the maximum notional amount of Swap Agreements between a particular Swap Counterparty (and its unconditional guarantor, if applicable) and the System must not exceed 25% immediately after a proposed Swap would be delivered by the System. The net exposure total of all notional amounts between each Swap Counterparty and the System must include the total amount of System debt outstanding and authorized. As such, notional amounts for fixed to floating Swap Agreements may be used to “offset” the notional amounts for floating to fixed Swap Agreements, or vice-versa. Exposure limit calculations are net of insured termination payments.

Additionally, the System must not enter into a Swap Agreement with an otherwise qualified Swap Counterparty unless the cumulative mark-to-market termination value owed by the Swap Counterparty (and its unconditional guarantor, if applicable) to the System at the time of calculation is less than or equal to \$30 million. The \$30 million limitation is the sum of all mark-to-market values between the qualified Swap Counterparty and the System regardless of the type of Swap Counterparty or other similar product, net of collateral posted by the Swap Counterparty. Specific limits by any Swap Counterparty are based on the cumulative mark-to-market value of the Swap Agreement(s) or other similar products and the credit rating of the Swap Counterparty. The limits are as follows:

Swap Counterparty Long-Term Debt Rating (<i>lowest prevailing rating from Standard & Poor’s / Moody’s</i>)	Maximum Cumulative Mark-to- Market Value of Swaps Owed to System by Swap Counterparty (<i>net of collateral posted</i>)
AAA / Aaa	\$30 million
AA+ / Aa1	\$25 million
AA / Aa2	\$20 million
AA- / Aa3	\$15 million
A+ / A1	\$10 million
A / A2	\$5 million

If a Swap Counterparty’s credit rating is downgraded such that the cumulative mark-to-market value of all Swap Agreements or other similar products between the Swap Counterparty and the System exceeds the maximum permitted by this policy, the Swap

Counterparty must either terminate a portion of the Swap Agreement or similar product, post collateral securing the deficit as provided in the Swap Agreement, or provide other credit enhancement that is satisfactory to the System and ensures compliance with this policy.

Before execution of a Swap Agreement by the System, a swap advisor must provide a memorandum setting forth the exposure limit calculation, which will become a part of the official transcript for the transaction. Exposure limits will be reviewed by the Board at least annually.

6.2.2. Limitations on transfers of Swap Agreements by a particular Swap Counterparty should be carefully analyzed. If the Swap Agreement unilaterally restricts transfer or assignment, then the System must have the right to terminate the Swap Agreement without penalty if the Swap Counterparty transfers or assigns the Swap Agreement or the Swap Counterparty merges with another entity that changes the credit profile of the Swap Counterparty, unless the System gives its prior written consent to the transfer, assignment, or merger.

6.2.3. If the maximum notional limit for a particular Swap Counterparty is exceeded solely by reason of merger or acquisition involving two or more Swap Counterparties, the System will expeditiously analyze the exposure, but is not ~~be~~ required to “unwind” existing Swap Agreements unless the System determines that such action is in its best interest, given all the facts and circumstances.

6.2.4. If any exposure limit is breached by a Swap Counterparty, then the System will:

6.2.4.1. Conduct a review of the exposure limit calculation of the Swap Counterparty;

6.2.4.2. Determine if collateral may be posted to satisfy the exposure limits; and

6.2.4.3. Subject to the terms of this policy, enter into an offsetting Swap Agreement, if appropriate.

6.2.5. The System will not enter into contracts with derivative product companies (“DPCs”) that are classified as “terminating” or “Sub-T” DPC’s by the Nationally Recognized Statistical Ratings Organizations.

6.3. Collateral Requirements

Collateral posting requirements between the System and each Swap Counterparty may not be unilateral in favor of the Swap Counterparty. As part of the Swap Agreement, the System or the Swap Counterparty may require collateralization to secure any or all swap payment obligations. Collateral requirements will be subject to the following guidelines:

- 6.3.1. A Swap Agreement may not impose Collateral requirements on the System if the requirements would impair the System’s existing operational flow of funds.
- 6.3.2. Each Swap Counterparty must provide a form of a Credit Support Annex in accordance with Section 6.
- 6.3.3. A list of acceptable securities that may be posted as collateral and the method of valuation of such collateral will be determined and mutually agreed upon with each Swap Counterparty during negotiation of the Swap Agreement.
- 6.3.4. The market value of the collateral must be determined as provided in the Swap Agreement on either a daily, weekly, or monthly basis by an independent third party.
- 6.3.5. Failure to meet collateral requirements will be a default under the Swap Agreement.
- 6.3.6. The Swap Agreement may provide for the right of assignment by one of the parties in the event of certain credit rating events affecting the other party. The System (or the Swap Counterparty) should first request that the Swap Counterparty (or the System) post credit support or provide a credit support facility. If the Swap Counterparty (or the System) does not provide the required credit support, then the System (or the Swap Counterparty) should have the right to assign the agreement to a third party acceptable to both parties and based on terms mutually acceptable to both parties. The credit rating thresholds to trigger an assignment should be included in the supporting documents.

7. Form of Swap Agreements and Other Documentation

Each Swap Agreement must contain terms and conditions as set forth in the International Swap & Derivatives Association, Inc. (“ISDA”) Master Agreement and such other terms and conditions included in any schedules, confirmations, and credit support annexes as approved in accordance with the Swap Resolution authorizing that transaction. The Swap Advisor must provide a disclosure memorandum that includes an analysis by the Swap Advisor of the risks and benefits of the transactions, with amounts quantified. This analysis will include, among other things, a matrix of maximum termination values over the life of the Swap Agreement. The disclosure memorandum will become a part of the official transcript for the transaction. The Swap Advisor must also affirm receipt and understanding of the System’s Master Swap Policy and must further affirm that the contemplated transactions fit within its policies as described herein.

7.1. Modification of Swap Agreements

Each Swap Resolution must provide specific approval guidelines for the Swap Agreements to which it pertains. These guidelines will provide for modifications to any approved Swap Agreements, provided such modifications, unless considered and approved by the Board, do not extend the average life of the Swap Agreement, increase the overall risk to the System, or increase the notional

amount of the Swap Agreement. The Swap Resolution must further designate which System officers are authorized to cause such modifications.

7.2. Aggregation of Swap Agreements

Unless the Swap Resolution states otherwise, the approval requirements set forth in each Swap Resolution are applicable for the total notional amount of transactions executed over a consecutive three-month period for a given security or credit. Therefore, the notional amount of Swap Agreements including the average life of the Swap Agreements over a consecutive three-month period are considered in total (net of the notional amount of a Swap Agreement reversal) to determine what approval is required pursuant to a particular Swap Resolution.

8. Reporting Requirements

In the event the System has any outstanding swap instruments, The Senior Vice Chancellor for Administration and Finance will provide an annual report to the Board which addresses at least the following items:

- 8.1. The terms of any outstanding Swap Agreements;
- 8.2. State the fair value of each Swap Agreement;
- 8.3. State the value of any collateral posted to or by the System under any Swap Agreements with each Swap Counterparty at the end of the fiscal year and the cash flows of any Swap Agreement;
- 8.4. Identify the Swap Counterparties to any Swap Agreement, any guarantor of any Swap Counterparties, and the credit ratings of any Swap Counterparty and guarantor; and
- 8.5. Determine whether the continuation of any Swap Agreements under the agreement would comply with the System's Master Swap Policy.

THE BOARD OF REGENTS OF THE UNIVERSITY OF HOUSTON SYSTEM

DEBT POLICY

As of March 12, 2026

Purpose

This policy governs the use of debt to finance capital projects within The University of Houston System (System). The prudent use of debt can help the System achieve its strategic objectives while maintaining a credit rating that appropriately balances financial flexibility with cost of capital. As provided in the Texas Education Code, the Board of Regents may establish a systemwide revenue financing program.

Financing Programs

The System issues debt through two primary programs: the Consolidated Revenue Financing Program (CRFP) and the Higher Education Fund (HEF). This policy will govern the issuance of all System debt.

Consolidated Revenue Financing Program (CRFP) – This program was created by the Board of Regents of The University of Houston System (Board) through the adoption of a Master Resolution on April 15, 1990. The Board established this program for the System for the purpose of assembling the System’s revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to component institutions of the System and to maximize the financing options available to the Board.

Higher Education Fund (HEF) - Article VII, Section 17 of the Texas Constitution authorizes the Board to issue bonds and notes secured by pledged revenues consisting of up to 50% of the money allocated annually to the Board. Bonds issued under this authority are typically referred to as HEF bonds or constitutional appropriation bonds. The proceeds from the sale of HEF bonds or notes may only be used to finance eligible projects as described in Article VII, Section 17 of the Texas Constitution including (i) acquiring land, constructing and equipping permanent improvements, major repair and rehabilitation of permanent improvements, acquiring capital equipment, library books and library materials, and refunding previously issued HEF indebtedness; and (ii) major repair and rehabilitation of leased buildings or other permanent improvements, provided there is clean and adequate consideration to the System in the overall transaction, such as the existence of a lease of sufficient length to provide expected benefits which would justify the expenditure. The Texas Constitution prohibits the issuance of HEF debt for maintenance, minor repairs, operating expenses, student housing, intercollegiate athletics, or auxiliary projects, except to the extent of a project’s use for educational and general activities. HEF bonds and notes must be competitively bid and may

not be issued for more than 10 years.

Authority

All debt incurred by the System will be issued or incurred pursuant to resolutions approved by the Board and in accordance with the general laws of the State of Texas, including particularly Article VII, Sections 17 of the Texas Constitution, Chapter 55 of the *Texas Education Code*, and Chapters 1207 and 1371 of the *Texas Government Code*.

Before any debt can be issued, the System must obtain an opinion from nationally recognized bond counsel to the effect that the debt is a valid and legally binding obligation of the issuer, payable from the security described therein.

The System must also receive the necessary approval from the Texas Bond Review Board, as applicable, and the approving opinion of the Texas Attorney General.

Goals

The System seeks to manage its debt within its overall financial profile as follows:

- Strategically allocate the System's debt capacity to those projects identified as priority projects that are critical to the mission and that advance the strategic objectives of the System.
- Align the financial position of the System consistent with a targeted long-term bond rating in the "Aa2/AA" category in order to obtain favorable cost of capital, flexibility, and terms.

Debt Guidelines

Any debt must be issued in strict compliance with applicable law. The following debt guidelines will apply:

Project Funding - The System will borrow money, through the issuance of long-term debt, to finance only those projects that have been approved for financing by the Board. Capital projects are generally evaluated and prioritized through the System's Capital Improvement Program. For construction projects that require debt financing, bond proceeds will be provided only after the project's site, program and budget has been approved by the Board. Short-term financing may be issued to support the programming and design costs of a project prior to the availability of bond proceeds.

Interest Rate Exposure - The Treasurer will evaluate and recommend to the Senior Vice Chancellor for Administration and Finance the appropriate amount of its interest rate exposure, defined as the possible increase in capital costs resulting from rising short-term interest rates, associated with variable rate debt. The System will limit its variable rate debt in accordance with rating agency guidelines for assessing the debt structure of peer institutions of higher education with comparable credit ratings. In determining the amount of variable rate debt, the Treasurer will evaluate the level of variable rate assets that may be available to provide a natural hedge to interest rate fluctuations.

The System will seek to minimize its cost of capital within a prudent level of exposure to interest rate volatility.

Interest Rate Volatility Mitigation – When adding Variable Rate debt, the System will consider the cost of fixed rate debt versus the one-year average of the Securities Industry and Financial Markets Association (SIMFA) Municipal Swap Index Rates in developing the debt repayment schedules. Although interest rates are variable, the System will develop fixed repayment schedules for the responsible areas, both to provide budget certainty and to develop a reserve for interest rate fluctuations. Reserves will also be used for the payment of principal when they exceed their target.

- The System, through its Municipal Bond Advisor, will obtain: 1) the Fixed Rate for similar bonds at the time of issuance; and 2) a schedule of the one year SIMFA Municipal Swap Index rates that identifies the one-year average.
- The System will calculate the difference between the Fixed Rate and the one-year SIMFA Municipal Swap Index average.
- The System, through its Municipal Bond Advisor, will obtain bond amortization schedules at: 1) the Fixed Rate for similar bonds at the time of issuance; 2) approximately one-half of the difference between the Fixed Rate and the one-year SIMFA Municipal Swap Index average; and 3) the Variable Rate for similar bonds at the time of issuance. These schedules will be used to document the savings and establish the payment schedule for the responsible area.
- Responsible areas will transfer funds equal to their annual budgeted debt service to an institutional holding cost center. These funds will be used for both scheduled principal repayment and periodic interest payments. Funds transferred in excess of the annual debt service will be retained in the Variable Rate Interest Rate Volatility Reserve and will be drawn upon when interest rates exceed the annual budgeted debt service.
- Annually, the System will calculate the Reserve target separately for all Variable Rate debt issuances. The System, through its Municipal Bond Advisor, will obtain the 30-year SIMFA Municipal Swap Index history and standard deviation. The reserve target will be two times the standard deviation of the 30-year SIMFA history multiplied by the outstanding Variable Rate debt.
- Reserves may be used for the payment of principal when they exceed the reserve target.

Variable Rate Debt Prepayment – When Variable Rate Interest Rate Volatility Reserves are fully funded, amounts in excess of the minimum funding may be used for the prepayment of Variable Rate Debt. Prepayment of variable rate debt will reduce future interest costs and the minimum funding levels of reserves.

- Annually, the System Treasurer’s Office will calculate the amounts available for the prepayment of variable rate debt and make recommendations to the Senior Vice Chancellor for Administration and Finance regarding early payment.

Amortization - The amortization of tax-exempt and taxable debt will be based on the types of assets financed, the expected availability of cash flows to meet debt service requirements, tax regulations, and the Financing program. Generally, the amortization of tax-exempt and taxable debt should not

exceed the useful life of the financed asset and, as relates to tax-exempt debt, may never exceed the Internal Revenue Service limit of 120% of the useful life of the financed asset.

- CRFP: The maximum maturity of CRFP debt is limited to 30 years from the projected completion of the projects being financed.
- HEF: The maximum maturity of HEF debt is limited to 10 years by Article VII, Section 17 of the Texas Constitution.

Financial Ratios – In evaluating its debt capacity and affordability, the System will consider current debt levels, future debt financings, and the goal to at least maintain its short term and long-term credit ratings. The System Treasurer’s Office will annually calculate and benchmark the financial ratios used by a Nationally Recognized Statistical Ratings Organization to ensure the System is operating within metrics comparable to institutions within the same long term credit rating. These ratios are calculated with and without consideration of the effect of state appropriations for Capital Construction Assistance Project (CCAP) bond issuances. Ratio trends and benchmarks will be compiled in summary format and provided to the System Senior Vice Chancellor for Administration and Finance.

Debt Financing Resources - Debt coverage is defined as Net Operating Income divided by Maximum Annual Debt Service.

- Individual, non-gift, revenue streams considered for proposed debt service must meet a minimum 1.15 debt coverage ratio test, unless the debt service is supported by the State of Texas pursuant to the CCAP program. In such case, the debt coverage ratio requirement is 1.00 times. Capital projects funded by gift pledges cannot be considered for debt financing until signed pledge agreements and/or cash on hand is at least 75% of the total project cost. The costs of borrowing will be addressed in the project pro-forma. Pledges are preferred to be paid within 5 years but may be for no longer than 10 years. Pledges received in excess of debt service requirements will first be used to cover unfunded portions of the project and then retained for future debt service needs.
- Annually, all units with revenue funded debt financing (including gift financed), will remit their current 10-year proforma to the System Treasurer’s Office. Pro-forma financial reports will be compiled in summary format, including revenue shortfalls and unit action plans, and provided to the System Senior Vice Chancellor for Administration and Finance.

Economies of Scale - Debt financings will be coordinated, to the extent practical, so that multiple project needs can be accommodated in a single borrowing, thereby increasing the efficiency of the debt issuance. Since many issuance costs do not vary with the size of a borrowing, a large bond issue increases the efficiency of the financing by spreading fixed costs over a greater number of projects.

Method of Sale – The System Senior Vice Chancellor for Administration and Finance shall determine the method of sale of bonds to be either competitive, negotiated or private placement. Generally, a competitive sale is the preferred method of sale but the other options may be appropriate

because of project specifics or market conditions.

Refunding Opportunities - The Treasurer will consider refinancing of outstanding debt issues when net savings for that refinancing measured on a net present value basis are positive. As tax exempt refunding allows for a maximum of 90 days escrow, it is important to use refinancing opportunities wisely. In evaluating refunding opportunities, the Treasurer will consider the value of the call option to be exercised, including the amount of time to the call date and the amount of time from the call date to maturity. The System will generally use 4% to 5% net present value savings as its minimum threshold for determining the viability of a refunding under consideration. Refundings that do not produce savings or meet the minimum net present value savings threshold may be considered under certain circumstances, such as eliminating restrictive bond covenants or other situations that produce a greater benefit to the System.

Disclosure - The Treasurer will provide updated financial information and operating data and timely notice of specified material events to EMMA, pursuant to the System's continuing disclosure undertakings with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Tax Compliance - The Office of the Treasurer will monitor the System's ongoing responsibilities for tax compliance including monitoring funds for yield restriction and arbitrage rebate calculations. The Office will ensure that arbitrage is timely calculated and remitted to the US Government as applicable in accordance with the Internal Revenue Code. Additionally, the Office of the Treasurer will monitor private use of any tax-exempt financed facilities, including contracts with private corporations or Federal or corporate sponsored research, and report to the Senior Vice Chancellor for Administration and Finance whenever private use of any bond issuance reaches 7% or greater.

Hedging Instruments - The Treasurer will consider and recommend to the Senior Vice Chancellor for Administration and Finance the use of interest rate swaps and other interest rate risk management tools after carefully evaluating the risks and benefits of any proposed transaction in accordance with the System's Interest Rate Swap Policy (see Appendix A). By using swaps in a prudent manner, the System may be able to take advantage of market opportunities to minimize expected costs and manage interest rate risk. As outlined in the System's Interest Rate Swap Policy, the use of swaps must be tied directly to System debt instruments. The System will not enter in to swap transactions for speculative purposes.

Project Financing - The Treasurer will consider and recommend to the Senior Vice Chancellor for Administration and Finance the use of project financing in those limited circumstances where the benefits of such a transaction exceed the increased costs. Project financing can be a useful financing technique in certain circumstances; however, these transactions are typically less efficient and more costly than traditional financing due to lower credit ratings, fewer economies of scale, the likely covenant to establish a reserve fund, and the cost of bond insurance. Project financing does not necessarily preserve or increase debt capacity relative to traditional financing. The Nationally

Recognized Statistical Ratings Organizations and the System include project debt when assessing the System's debt capacity. The amount of such debt to include in the System's debt capacity assessment will depend on various considerations as outlined by the Nationally Recognized Statistical Ratings Organizations.

Taxable Debt - The System may use taxable debt for those projects that have an intended use or other characteristics that preclude the use of tax-exempt debt. The System will strive to allocate its available resources, including equity capital, among its various capital projects to minimize or eliminate the need to issue taxable debt, thereby minimizing the System's cost of capital. Any use of taxable debt will be identified during Board approval and be subject to the same statutory requirements as tax-exempt debt.

Reporting Requirements - The Results of Financial Operations Report, which is based on Annual Financial Report (AFR) and budgetary information is prepared by the System and presented to the Board, and will present the total outstanding bond and note indebtedness.

Commercial Paper – The System's commercial paper program is a short-term debt program used principally to provide interim financing for capital projects during construction.

- Commercial Paper issuances may not exceed the aggregate principal amount authorized by the Board. The maximum amount of commercial paper that can mature in any single business day is \$20 million, and the maximum amount of commercial paper that can mature in any five consecutive business days is \$40 million, unless scheduled for repayment via the issuance of long-term debt. The Senior Vice Chancellor for Administration and Finance will prioritize requests for the use of commercial paper.
- The System Office of the Treasurer is responsible for monitoring and reporting on the issuance of commercial paper, including rollover and payment of interest.
- Commercial Paper cannot be issued beyond the end of the next fiscal year unless there is an approved financing plan in place with the System Office of the Treasurer. The System Senior Vice Chancellor for Administration and Finance must approve all such financing plans. The commercial paper will be refinanced through the issuance of long-term debt.
- The System will be responsible for making timely payments to the paying agent as required by the commercial paper dealer in accordance with the related resolution.
- The conversion of commercial paper notes to long-term indebtedness will be approved by the Board. The long-term debt will be amortized and paid to the System as directed by the System. The System will be responsible for making timely payments to the paying agent as required by the related bond resolution and paying agent agreement.

Failed Remarketing Procedures – The Failed Remarketing Plan procedures, as provided in Exhibit A, will be administered by the Treasurer in the event of a failed remarketing of commercial paper or variable rate demand bonds, as applicable.

Compliance – The System shall have appropriate procedures related to tax exempt commercial

paper and bond compliance, including issuance, expenditure of proceeds, and post-issuance compliance consistent with regulations and statutes.

- The Senior Vice Chancellor for Administration and Finance, or delegated representative of the System, is responsible for ensuring that all bond covenants are in compliance and that all necessary approvals, certifications and authorizations are fully documented.
- The System Office of the Treasurer and The Office of the General Counsel will identify appropriate System staff and ensure that they receive training on compliance with policy and IRS regulations regarding debt financing.

Miscellaneous

- A. The Senior Vice Chancellor for Administration and Finance is delegated the authority to designate a financing team consisting of System staff, bond counsel, disclosure counsel, financial advisor and underwriters. The Chair of the Finance and Administration Committee and the Vice Chair of the Board of Regents are authorized to price bond issues, and they may delegate this authority to the Senior Vice Chancellor for Administration and Finance, as the Designated Financial Officer, via each bond issuance's bond documents.
- B. The Treasurer will take steps to effect the timely transfer of System funds for debt service payments and ensure that all payments are made.
- C. Debt service funding is the responsibility of each System component participating in the Consolidated Revenue Financing Program and the Higher Education Fund Program.
- D. The Treasurer or Designated Financial Officer is authorized and directed to execute Reimbursement Certificates as required by U.S. Treasury Regulations, Section 1.150- 2, in connection with projects the Board intends to debt finance.

Appendix A – Master Swap Policy

1. The System

Texas Education Code chapter 55 and Texas Government Code chapter 1371 authorize the System to enter into interest rate swap transactions and related agreements (each a “Swap Agreement”, and collectively the “Swap Agreements”) with one or more counterparties (each a “Swap Counterparty”, and collectively the “Swap Counterparties”). By resolution (a “Swap Resolution”), the Board of Regents (the “Board”) of the University of Houston System (the “System”), may authorize on a case-by-case basis one or more Swap Agreements on behalf of the System.

Each Swap Resolution must authorize the Swap Agreements and their major provisions in substantially final form, including the notional amount of the Swap Agreements, security for and terms of payment of the Swap Agreements, and qualified Swap Counterparties. Each Swap Resolution must specify the appropriate System official or officials (the “System Authorized Representative”) authorized to modify and complete the Swap Agreements and specify the parameters for modification and final acceptance of the Swap Agreements. If the Swap Resolution and the Master Swap Policy conflict, then terms and conditions of the Swap Resolution control.

2. Purpose

The purpose of the Policy is to establish responsibilities, objectives, and guidelines for the approval, execution and maintenance of Swap Agreements used to manage the debt portfolio of the System. A Swap Agreement may be an integral part of the System’s asset/liability and debt management strategy. By using Swap Agreements, the System may be able to take advantage of market opportunities which reduce the costs of existing or planned Consolidated Revenue Financing Program (CRFP) debt or allow the System to hedge the interest rate of existing or planned CRFP debt. Swap Agreements can allow the System to actively manage asset and liability interest rate risk, balance financial risk, and achieve debt management goals and objectives through synthetic fixed rate and variable rate financing structures. The System will not enter into Swap Agreements for speculative purposes.

3. General Guidelines for Interest Rate Swap Agreements

The following are guidelines the System will follow in the evaluation and recommendation of Swap Agreements:

3.1. Legality

Each Swap Agreement must comply with Texas and federal law and must not conflict with the material provisions and covenants of existing System resolutions, indentures or contracts. Each Swap Agreement governing a Swap transaction must be: 1) approved by the Board by a Swap Resolution; 2) approved by the Texas Attorney General in accordance with Texas Government Code chapter 1371; 3) accompanied upon delivery by an opinion acceptable to

a System Authorized Representative from nationally recognized bond counsel to the effect that the Swap Agreement is a legal, valid, and binding obligation entered into by the System in accordance with applicable State and federal laws.

3.2. Goals

The Swap Resolution should clearly state the goals to be achieved through the use of any Swap Agreements, and any Swap Agreement execution parameters should be consistent with the System's stated goals.

3.3. Nationally Recognized Statistical Ratings Organizations

Execution of a Swap Agreement may not adversely impact any existing System credit rating without express consent of the Board. A contemplated Swap Agreement must conform to and may not conflict with the System's outstanding commitments or agreements with bond insurers, credit enhancers, surety providers and the System's liquidity requirements related to outstanding debt.

3.4. Term

The System will determine on a case-by-case basis the appropriate term for a Swap Agreement. However, the term of a Swap Agreement entered into for liability management purposes may not extend beyond the final maturity date of the underlying debt.

3.5. Impact on Variable Rate Capacity

The impact of a Swap Agreement on the System's variable rate debt exposure and the impact on the System's continued issuance of traditional variable rate products should be assessed before execution of any Swap Agreement. The Treasurer, with input from the System's financial advisor, will estimate the amount of basis risk and optional termination risk associated with a Swap Agreement (taking into account such risk from existing Swap Agreements) and include the estimate in the calculation of the System's total variable rate exposure.

3.6. Enhancements

If authorized by Texas law, the System may utilize other swap enhancement products, including but not limited to forward starting swaps, swap options, basis swaps, caps, floors, collars, and cancellation options, provided that such products are approved in accordance with Section 7 – Form of Swap Agreements and Other Documentation. The costs, benefits, and other matters regarding the swap enhancement should be considered during the approval process. Execution of swap option agreements in which the System receives up-front cash are prohibited.

3.7. Accounting Compliance

The impact of compliance with prevailing accounting principles must be disclosed in the System's annual financial reports.

3.8. Exit Strategy

The mechanics for determining termination values at various times and upon various occurrences must be explicit in each Swap Agreement. The potential termination costs should be considered before recommending to the Board approval of a Swap Resolution.

4. **Basis of Award**

4.1. Competitive Bid

Competitively bid Swap Agreements are deemed "quasi-competitive" and must include bona fide solicitations for bids from no fewer than three firms. Solicitations for bids must be made only to potential Swap Counterparties who are qualified under the terms of this policy.

4.2. Negotiated Transactions

In the case of a purely negotiated transaction, the System should obtain a "fair value opinion" from a swap advisor selected by the System that is regulated by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, which may be the System's financial advisor (the "Swap Advisor"). The Swap Counterparty must disclose payments to third parties regarding the execution of any derivative contract.

A System Authorized Representative may procure a Swap Agreement by negotiation in the following situations, in each instance as authorized in the Swap Resolution:

4.2.1. The System Authorized Representative determines that due to the complexity of a particular transaction, a negotiated bid will result in the most favorable pricing.

4.2.2. A System Authorized Representative determines that, in light of the facts and circumstances, a negotiated transaction will promote the System's interests by encouraging and rewarding innovation.

5. **Management of Swap Agreement Transaction Risk**

Swap Agreements with numerous Counterparties create risks for the System. To manage the associated risks, the following risks and related guidelines and parameters must be considered for each Swap Agreement:

5.1. Counterparty Risk

Limiting the exposure caused by a concentration of Swap Agreements between the System and any single Swap Counterparty reduces losses which may result from a Swap Counterparty default. In addition, the System may require under the terms of a Swap Agreement the posting

of mark-to-market collateral by any Swap Counterparty, as requested by the System, in accordance with the guidelines described in Section 6.3 – Collateral Requirements.

5.2. Termination Risk

5.2.1. *Optional Termination:*

The System will retain the right to terminate a Swap Agreement at any time during the term of the Swap Agreement at the then-prevailing market value of the Swap Agreement. In general, exercising the right to optionally terminate a Swap Agreement should produce a benefit to the System, either through receipt of a payment from a termination, or if a termination payment is made by the System, through conversion to a more beneficial debt position. Termination value must be readily determinable by one or more independent Swap Counterparties, who may assume the System's obligations under the Swap Agreement. A Swap Counterparty shall not have the option to terminate the Swap Agreement.

5.2.2. *Mandatory Termination:*

A termination payment may be required if a Swap Agreement is terminated for any reason. It is the intent of the System to review all available options prior to effecting a termination or making any termination payment. At a minimum, prior to making any termination payment, the System must have sufficient time to determine whether it is financially advantageous to obtain a replacement Swap Counterparty.

5.3. Amortization Risk (Term)

The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, termination value, and the impact that the term of the Swap Agreement has on the overall risk exposure of the System should be considered in determining the appropriate term of any Swap Agreement. Any Swap Agreement designated as a hedge should reflect the amortization of the debt that it is hedging.

5.4. Liquidity Risk

The System should consider if the swap market is sufficiently liquid (i.e., if enough potential qualified Swap Counterparties participate actively in the market to assure fair pricing) for the type of Swap Agreement or other product being considered and the potential ramifications of an illiquid market for such types of Swap Agreements. There may not be another appropriate party available to act as an offsetting Swap Counterparty.

5.5. Basis (Index) Risk (including Tax Risk)

Any index chosen as part of a Swap Agreement must be a recognized market index, including but not limited to The Securities Industries and Financial Markets Association Municipal Swap Index (SIFMA) or London Interbank Offering Rate (LIBOR).

The System will not enter into Swap Agreements that do not have a direct (one to one)

correlation with the movement of an index without analyzing the risk associated with the enhancement.

The tax risk and impact to the System of each Swap Agreement should be detailed through the Swap Counterparty disclosure requirements outlined in Section 7 – Form of Swap Agreements and Other Documentation.

5.6. Bankruptcy Risk

Bond or swap counsel will be specifically engaged to review for the System the legal issues arising from the bankruptcy of a Swap Counterparty under a Swap Agreement or other product. Specifically, such bond or swap counsel will be engaged to review for the System the bankruptcy issues associated with the method of holding any collateral required to be posted.

6. Counterparty Approval Guidelines

6.1. Eligibility

The System may enter into Swaps Agreements only with eligible Swap Counterparties. To qualify as a Swap Counterparty under this policy, at the time a Swap Agreement is executed by the System, a proposed Swap Counterparty (i) must be rated at least AA-/Aa3/AA- by at least two of the three Nationally Recognized Statistical Ratings Organizations (Standard & Poor's, Moody's, and Fitch Ratings, respectively) and must have a minimum capitalization of \$50 million, or (ii) must be rated at least BBB-/Baa3/BBB- by two of the three Nationally Recognized Statistical Ratings Organizations and provide a credit support annex ("CSA") to the schedule to the ISDA master agreement that requires such party to deliver to a third party under an escrow, collateral or similar agreement collateral for the benefit and security of the System (a) that is of a kind and in such amounts as are specified therein and which relate to various rating threshold levels of the Swap Counterparty or its guarantor, from AA-/Aa3/AA- through BBB-/Baa3/BBB-, (b) that, in the judgment of the System, is reasonable and customary for similar transactions, taking into account all aspects of such transaction including without limitation the economic terms of such transaction and the creditworthiness of the Swap Counterparty or, if applicable, its guarantor; and (c) complies with any security requirements applicable to the System under Texas law, or (iii) must obtain credit enhancement from a provider with respect to its obligations under the transaction that satisfies the requirements of clause (i) of this paragraph, given the undertaking involved with the particular transaction.

Before execution of the Swap Agreement by the System, the Swap Counterparty must make available audited financial statements and rating and credit reports of the Swap Counterparty (and any guarantor) and must identify to the best of its ability the amount and type of its derivative exposure and the net aggregate amount of its exposure to all parties (the System and others). The Swap Counterparty must agree in the Swap Agreement (and any guarantor must agree) that it will provide such financial statements and rating and credit reports to the

System at least annually thereafter.

6.2. Swap Counterparty Exposure Limits and Transfer

In order to limit and diversify the System’s Swap Counterparty risk and to monitor credit exposure to each Swap Counterparty, the System will not enter into a Swap Agreement with a qualified Swap Counterparty if the following exposure limits are reached per Swap Counterparty:

6.2.1. As a percentage of total outstanding debt, the maximum notional amount of Swap Agreements between a particular Swap Counterparty (and its unconditional guarantor, if applicable) and the System must not exceed 25% immediately after a proposed Swap would be delivered by the System. The net exposure total of all notional amounts between each Swap Counterparty and the System must include the total amount of System debt outstanding and authorized. As such, notional amounts for fixed to floating Swap Agreements may be used to “offset” the notional amounts for floating to fixed Swap Agreements, or vice-versa. Exposure limit calculations are net of insured termination payments.

Additionally, the System must not enter into a Swap Agreement with an otherwise qualified Swap Counterparty unless the cumulative mark-to-market termination value owed by the Swap Counterparty (and its unconditional guarantor, if applicable) to the System at the time of calculation is less than or equal to \$30 million. The \$30 million limitation is the sum of all mark-to-market values between the qualified Swap Counterparty and the System regardless of the type of Swap Counterparty or other similar product, net of collateral posted by the Swap Counterparty. Specific limits by any Swap Counterparty are based on the cumulative mark-to-market value of the Swap Agreement(s) or other similar products and the credit rating of the Swap Counterparty. The limits are as follows:

Swap Counterparty Long-Term Debt Rating (<i>lowest prevailing rating from Standard & Poor’s / Moody’s</i>)	Maximum Cumulative Mark-to- Market Value of Swaps Owed to System by Swap Counterparty (<i>net of collateral posted</i>)
AAA / Aaa	\$30 million
AA+ / Aa1	\$25 million
AA / Aa2	\$20 million
AA- / Aa3	\$15 million
A+ / A1	\$10 million
A / A2	\$5 million

If a Swap Counterparty’s credit rating is downgraded such that the cumulative mark-to-market value of all Swap Agreements or other similar products between the Swap Counterparty and the System exceeds the maximum permitted by this policy, the Swap

Counterparty must either terminate a portion of the Swap Agreement or similar product, post collateral securing the deficit as provided in the Swap Agreement, or provide other credit enhancement that is satisfactory to the System and ensures compliance with this policy.

Before execution of a Swap Agreement by the System, a swap advisor must provide a memorandum setting forth the exposure limit calculation, which will become a part of the official transcript for the transaction. Exposure limits will be reviewed by the Board at least annually.

6.2.2. Limitations on transfers of Swap Agreements by a particular Swap Counterparty should be carefully analyzed. If the Swap Agreement unilaterally restricts transfer or assignment, then the System must have the right to terminate the Swap Agreement without penalty if the Swap Counterparty transfers or assigns the Swap Agreement or the Swap Counterparty merges with another entity that changes the credit profile of the Swap Counterparty, unless the System gives its prior written consent to the transfer, assignment, or merger.

6.2.3. If the maximum notional limit for a particular Swap Counterparty is exceeded solely by reason of merger or acquisition involving two or more Swap Counterparties, the System will expeditiously analyze the exposure but is not required to “unwind” existing Swap Agreements unless the System determines that such action is in its best interest, given all the facts and circumstances.

6.2.4. If any exposure limit is breached by a Swap Counterparty, then the System will:

6.2.4.1. Conduct a review of the exposure limit calculation of the Swap Counterparty;

6.2.4.2. Determine if collateral may be posted to satisfy the exposure limits; and

6.2.4.3. Subject to the terms of this policy, enter into an offsetting Swap Agreement, if appropriate.

6.2.5. The System will not enter into contracts with derivative product companies (“DPCs”) that are classified as “terminating” or “Sub-T” DPC’s by the Nationally Recognized Statistical Ratings Organizations.

6.3. Collateral Requirements

Collateral posting requirements between the System and each Swap Counterparty may not be unilateral in favor of the Swap Counterparty. As part of the Swap Agreement, the System or the Swap Counterparty may require collateralization to secure any or all swap payment obligations. Collateral requirements will be subject to the following guidelines:

- 6.3.1. A Swap Agreement may not impose Collateral requirements on the System if the requirements would impair the System’s existing operational flow of funds.
- 6.3.2. Each Swap Counterparty must provide a form of a Credit Support Annex in accordance with Section 6.
- 6.3.3. A list of acceptable securities that may be posted as collateral and the method of valuation of such collateral will be determined and mutually agreed upon with each Swap Counterparty during negotiation of the Swap Agreement.
- 6.3.4. The market value of the collateral must be determined as provided in the Swap Agreement on either a daily, weekly, or monthly basis by an independent third party.
- 6.3.5. Failure to meet collateral requirements will be a default under the Swap Agreement.
- 6.3.6. The Swap Agreement may provide for the right of assignment by one of the parties in the event of certain credit rating events affecting the other party. The System (or the Swap Counterparty) should first request that the Swap Counterparty (or the System) post credit support or provide a credit support facility. If the Swap Counterparty (or the System) does not provide the required credit support, then the System (or the Swap Counterparty) should have the right to assign the agreement to a third party acceptable to both parties and based on terms mutually acceptable to both parties. The credit rating thresholds to trigger an assignment should be included in the supporting documents.

7. Form of Swap Agreements and Other Documentation

Each Swap Agreement must contain terms and conditions as set forth in the International Swap & Derivatives Association, Inc. (“ISDA”) Master Agreement and such other terms and conditions included in any schedules, confirmations, and credit support annexes as approved in accordance with the Swap Resolution authorizing that transaction. The Swap Advisor must provide a disclosure memorandum that includes an analysis by the Swap Advisor of the risks and benefits of the transactions, with amounts quantified. This analysis will include, among other things, a matrix of maximum termination values over the life of the Swap Agreement. The disclosure memorandum will become a part of the official transcript for the transaction. The Swap Advisor must also affirm receipt and understanding of the System’s Master Swap Policy and must further affirm that the contemplated transactions fit within its policies as described herein.

7.1. Modification of Swap Agreements

Each Swap Resolution must provide specific approval guidelines for the Swap Agreements to which it pertains. These guidelines will provide for modifications to any approved Swap Agreements, provided such modifications, unless considered and approved by the Board, do not extend the average life of the Swap Agreement, increase the overall risk to the System, or increase the notional

amount of the Swap Agreement. The Swap Resolution must further designate which System officers are authorized to cause such modifications.

7.2. Aggregation of Swap Agreements

Unless the Swap Resolution states otherwise, the approval requirements set forth in each Swap Resolution are applicable for the total notional amount of transactions executed over a consecutive three-month period for a given security or credit. Therefore, the notional amount of Swap Agreements including the average life of the Swap Agreements over a consecutive three-month period are considered in total (net of the notional amount of a Swap Agreement reversal) to determine what approval is required pursuant to a particular Swap Resolution.

8. Reporting Requirements

In the event the System has any outstanding swap instruments, The Senior Vice Chancellor for Administration and Finance will provide an annual report to the Board which addresses at least the following items:

- 8.1. The terms of any outstanding Swap Agreements;
- 8.2. State the fair value of each Swap Agreement;
- 8.3. State the value of any collateral posted to or by the System under any Swap Agreements with each Swap Counterparty at the end of the fiscal year and the cash flows of any Swap Agreement;
- 8.4. Identify the Swap Counterparties to any Swap Agreement, any guarantor of any Swap Counterparties, and the credit ratings of any Swap Counterparty and guarantor; and
- 8.5. Determine whether the continuation of any Swap Agreements under the agreement would comply with the System's Master Swap Policy.

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

COMMITTEE: Finance, Facilities, and Administration

ITEM: Approval is requested to write off Accounts and Notes Receivable for FY2025 for the University of Houston System

DATE PREVIOUSLY SUBMITTED: Fiscal Year Write-Off Submitted Annually

SUMMARY:

Approval is requested to write-off Accounts and Notes Receivable totaling \$9,856,733 for Fiscal Year 2025 for the University of Houston, University of Houston-Clear Lake, and University of Houston-Downtown, which is less than 1% of the \$1.1B 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 2025	% of Related Revenue	Fed Reserve CC Default Rate	NACUBO Institutional Loan Rate	Fed Student Loan Default Rate
University of Houston	\$ 7,908,374	0.71%			
University of Houston - Clear Lake	341,478	0.44%			
University of Houston - Downtown	1,606,880	1.39%			
	\$9,856,733	0.75%	2.98%	3.40%	4.86%

SUPPORTING

DOCUMENTATION: Schedule of Accounts and Notes Receivable Write-Offs for FY2025. Detailed schedules are on file in the UH Division of Finance Offices.

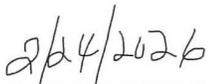
FISCAL NOTE: \$9,856,733

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

COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett



DATE 2/24/2026



CHANCELLOR Renu Khator



DATE 3/16/2026

-----Delinquent Accounts and Notes Receivable Written Off in 2025-----

Proposed Write-Off:		Total Delinquent Accounts from 2023 and earlier	UH	UHCL	UHD
Federal					
	Grants & Contracts	-	-	-	-
Non-Federal					
	Tuition & Fees	9,213,730	7,279,067	331,872	1,602,791
	Sales & Services	643,002	629,307	9,606	4,089
	Grants & Contracts	-	-	-	-
	Restitution	-	-	-	-
Total Write Off		<u>9,856,733</u>	<u>7,908,374</u>	<u>341,478</u>	<u>1,606,880</u>

Tuition/Fee Write Off Statistics

FY 2025

Write Off As a Percent of Related Revenue	0.75%	0.71%	0.44%	1.39%
Tuition, Fee, Auxiliary, Research Revenue	1,307,014,171	1,113,161,976	78,250,879	115,601,316

FY 2024

Write Off As a Percent of Related Revenue	0.87%	0.80%	0.47%	1.61%
Tuition, Fee, Auxiliary, Research Revenue	1,050,364,221	855,124,905	79,532,073	115,707,243

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, Facilities, and Administration

ITEM: Approval is requested for the University of Houston System FY2027 Holiday Schedule

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested for the University of Houston System FY2027 Holiday Schedule. For FY2027, general academic institutions may schedule 14 holidays per the State of Texas. The attached schedule details the University of Houston System FY2027 Holidays.

SUPPORTING DOCUMENTATION: FY2027 Holiday Schedule

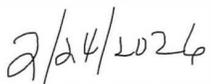
FISCAL NOTE: None

**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 Holiday Schedule FY27 (Proposed)

Holiday	Date	Days
Labor Day	Monday, 9/7/2026	1
Thanksgiving	Thursday, 11/26/2026 – Friday, 11/27/2026	2
Winter Holiday	Thursday, 12/24/2026 – Friday, 1/1/2027	7
Martin Luther King Day, Jr	Monday, 1/18/2027	1
Memorial Day	Monday, 5/31/2027	1
Emancipation Day (Juneteenth) (Observed)	Friday, 6/18/2027	1
Independence Day (Observed)	Monday, 7/5/2027	1
Total		14

Note: Emancipation Day falls on a Saturday and Independence Day falls on a Sunday

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance, Facilities, and Administration

ITEM: Report on University of Houston System Capital Projects

DATE PREVIOUSLY SUBMITTED: N/A

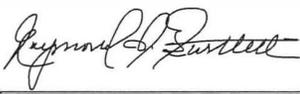
SUMMARY: Sr. Associate Vice Chancellor/Vice President for Facilities/Construction Management David Oliver will present to the Committee a capital projects update for the University of Houston System.

SUPPORTING DOCUMENTATION: PowerPoint Presentation

FISCAL NOTE: N/A

RECOMMENDATION/
ACTION REQUESTED: Information

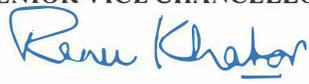
COMPONENT: University of Houston System



SENIOR VICE CHANCELLOR Raymond S. Bartlett

2/24/2024

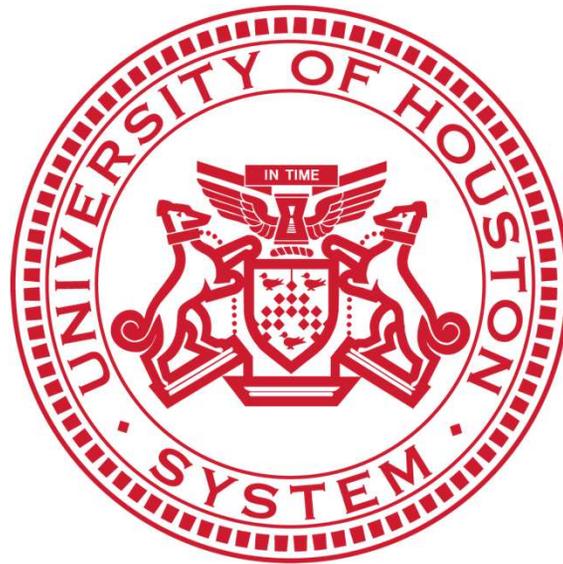
DATE



CHANCELLOR Renu Khator

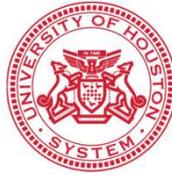
3/10/2024

DATE

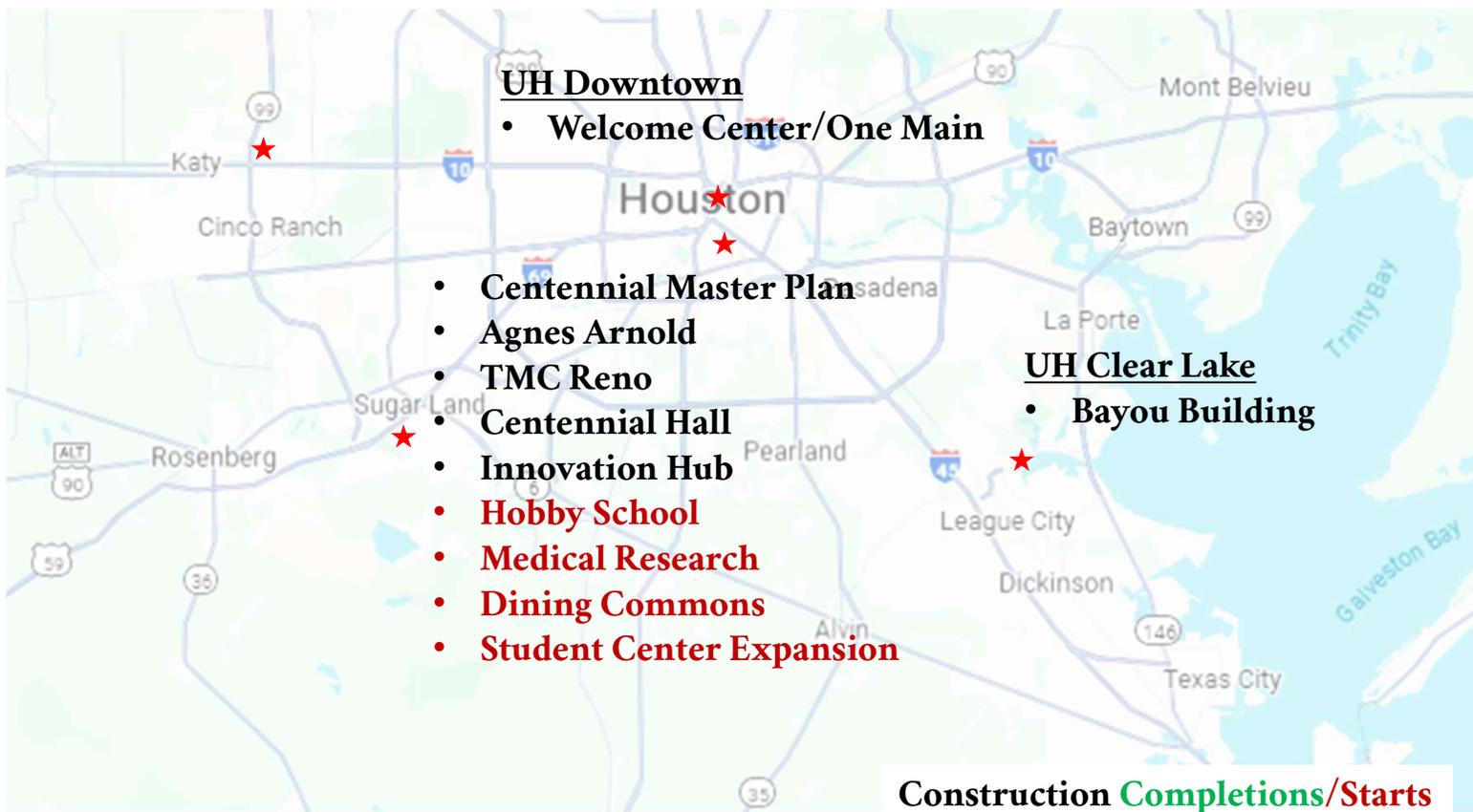


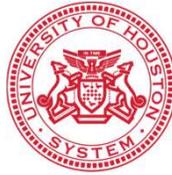
Capital Projects Update

Construction Completions and Starts



Major Capital Construction Projects

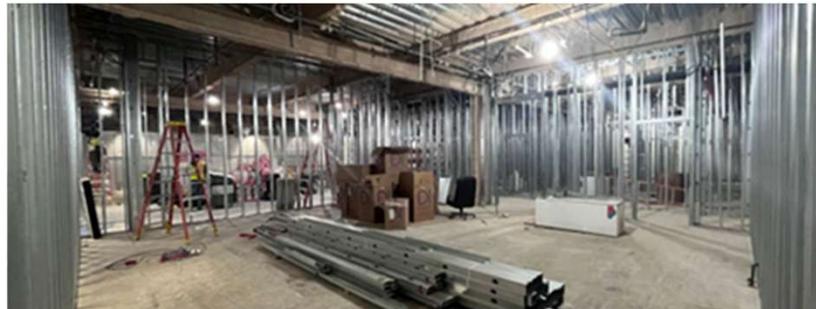




UHCL Bayou Building Renovation

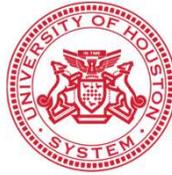
Scope

- Building renovation including modernization and upgrades to the Colleges of Science and Engineering and Human Sciences and Humanities.
- Includes faculty/staff offices, research/teaching laboratories, and classrooms.
- Deferred maintenance scope included.



- Budget: \$44.9M
- Square Feet: 52K SF
- Floors: 3
- Substantial Completion: August 2026

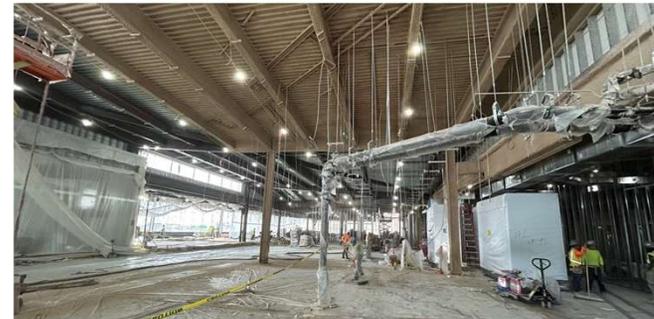
- Architect/Engineer: Canon Design
- Contractor: Kitchell
- Construction Percentage Complete: 40%



UHD Welcome Center Addition/One Main Renovation

Scope

- Building renovation including addition of a 4th floor and gut/rebuild of select spaces, HVAC, electrical, plumbing and finishes
- Includes faculty/staff offices, student support and testing spaces, conference/seminar rooms, and health and counseling spaces



- Budget: \$44.9M
- Square Feet: 67 KSF
- Floors: 4
- Substantial Completion: March 2027

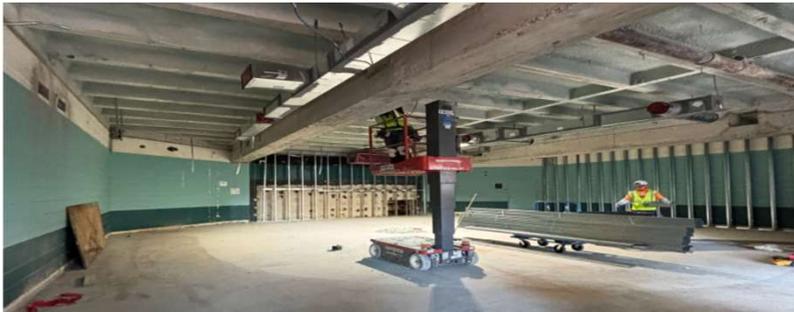
- Architect/Engineer: PGAL
- Contractor: Bartlett Cocke
- Construction Percentage Complete: 50%



Agnes Arnold Renovation

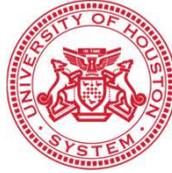
Scope

- Building renovation including the replacement of HVAC, electrical and plumbing systems.
- Includes refresh for faculty/staff offices, student support spaces, and classrooms.
- Includes building wide safety/security upgrades



- Budget: \$61M
- Square Feet: 162 KSF
- Floors: 6
- Substantial Completion: Spring 2027

- Architect/Engineer: Stantec
- Contractor: Harvey Cleary Builders
- Construction Percentage Complete: 25%



Centennial Hall

Scope

- New dormitory to support freshman student housing
- Includes 976-bed community including lounges, study rooms, and community kitchens.
- Includes apartments for faculty in residence



- Budget: \$167M
- Square Feet: 242,900KSF
- Floors: 6
- Substantial Completion: July 2026

- Architect/Engineer: Stantec
- Contractor: Austin Commercial
- Construction Percentage Complete: 25%



Innovation Hub

Scope

- New building to create a centralized hub for University innovation and entrepreneurship.
- Includes faculty/staff offices, innovation space, maker spaces, and laboratories.
- Houses the Dakri Center for Economic Inclusion and Aspire Institute



- Budget: \$ 81.7 M
- Square Feet: 77,598 SF
- Floors: 4
- Substantial Completion: Dec 2027

- Architect/Engineer: Stantec
- Contractor: Vaughn Construction
- Construction Percentage Complete: 1%



Dining Commons

Scope

- New dining hall to serve as replacement for Moody Dining Hall
- Will feature eight food venues, covered outdoor patio and seating for approximately 800 guests.



- Budget: \$67M
- Square Feet: 64000 KSF
- Floors: 2
- Substantial Completion: Nov 30th 2027

- Architect/Engineer: Shepley Bulfinch
- Contractor: Austin Commercial
- Planned Start: May 2026



Medical Research Building

Scope

- New building includes faculty/staff offices, vivarium, research/teaching laboratories for the College of Medicine Researchers.
- Project will include additional site infrastructure including roads, parking and utilities for future buildings.



- Budget: \$ 77.5 M
- Square Feet: 56,931 SF
- Floors: 3
- Substantial Completion: May 2028

- Architect/Engineer: Smith Group
- Contractor: Harvey Cleary Construction
- Planned Start: April 2026



Student Center North Expansion

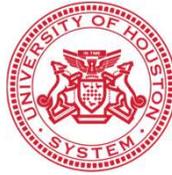
Scope

- New addition to Student Center to house Veteran Services, CAPS, Career Services, Coogs In Recovery, Student Organizations and Center for Student Empowerment.
- Includes faculty/staff offices, counseling spaces, student spaces and conference rooms.



- Budget: \$43.5M
- Square Feet: 37,550 KSF
- Floors: 2
- Substantial Completion: November 2027

- Architect/Engineer: Kirksey
- Contractor: Whiting-Turner
- Planned Start: October 2026



Academic Building for Hobby School

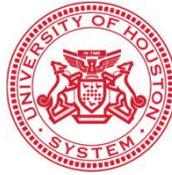
Scope

- New building to house the Hobby School of Public Affairs.
- Building to be built on top of the Old John M. O'Quinn Law Library.



- Budget: \$ 55.5 M
- Square Feet: 45,934 SF
- Floors: 3
- Substantial Completion: Mar 2028

- Architect/Engineer: Lake Flato
- Contractor: Vaughn Construction
- Planned Start: Apr 2026



Texas Medical Center Renovation

Scope

- Complete envelope/interior gut and renovation in support of UH Population Health and University tenants
- Includes faculty/staff offices, counseling spaces, multipurpose/wellness space, and research/teaching laboratories.



- Budget: \$30.5M
- Square Feet: 49 KSF
- Floors: 5
- Substantial Completion: December 2026

- Architect/Engineer: Stantec
- Contractor: Vaughn Construction
- Construction Percentage Complete: 50%



Questions