



University of North Texas System

Board of Regents

Schedule of Events for Board of Regents Meeting

August 11-12, 2022

University of North Texas Health Science Center
Medical Education and Training Building, Room 109/111
1000 Montgomery St.
Ft. Worth, Texas

The University of North Texas System Board of Regents will meet on Thursday, August 11, 2022, from 8:30 am until approximately 5:00 pm., and Friday, August 12, 2022, from 9:00 am until approximately 12:00 pm. Agenda items are scheduled to follow each other consecutively and may start earlier or later than the posted time depending on the length of the discussions and the reports of previous items. Please note that the estimated times given in the posting are only approximate and may be adjusted as required with no prior notice.

Any members of the Board may attend committee meetings. Because some Board members who are not committee members may attend committee meetings and thereby create a quorum of the full Board, committee meetings are also being posted as meetings of the full Board.

Meetings will take place at the Medical Education and Training building at the University of North Texas Health Science Center. Please contact the Office of the Board Secretary with any questions at 214.752.5533.

- 8:30 am CONVENE FULL BOARD**
- **Welcome New Regents**
- 8:35 am CHANCELLOR'S REMARKS**
- 8:40 am SPOTLIGHT ON STUDENTS**

9:00 am UNT SYSTEM CAMPUS UPDATES

- Michael R. Williams, UNTHSC, President and UNT System Chancellor
- Bob Mong, UNT Dallas, President
- Neal Smatresk, UNT, President

9:30 am UNT SYSTEM NETWORK DIAGNOSTIC OUTBRIEF

- Jim Huggins, McChrystal Group, Partner
- Ryan Arzamarski, McChrystal Group, Principal Project Lead

10:00 am AUDIT COMMITTEE

- Approval of minutes of the May 19, 2022, Audit Committee meeting

Briefings:

Compliance Program Effectiveness Report

- Eric Groen, Protiviti, Managing Director
- Alan Stucky, UNTS, Vice Chancellor and General Counsel
- Clay Simmons, UNT, Chief Compliance Officer
- Desiree Ramirez, UNTHSC, Senior Vice President and Chief Integrity Officer
- Tim Willette, UNT Dallas, Chief Compliance Officer

Quarterly Report of Audit Activities

- Ninette Caruso, UNTS, Chief Audit Executive
- Ron Brade, UNTS, Associate Vice Chancellor for Procurement

ACTION ITEMS:

- | | |
|----------|--|
| 8. UNTS | Approval of the Internal Audit FY23 Plan |
| 9. UNTS | Approval of the Internal Audit Charter |
| 10. UNTS | Delegation of Authority to the Chancellor to Execute an Internal Audit Co-Source Professional Services Contract with Protiviti, Inc and Deloitte & Touche, LLP |

Adjourn Audit Committee.

Recess for lunch.

12:00 pm LUNCH

1:00 pm STRATEGIC INFRASTRUCTURE COMMITTEE

Call to Order

- Approval of minutes of the May 19, 2022, meeting

Briefings:

Facility Conditions Assessments

- Steve Maruszewski, Vice Chancellor for Strategic Infrastructure

ACTION ITEMS:

- 11. UNTS Approval of the UNT System FY23 Capital Improvement Plan
- 12. UNTS Approval to Reallocate Project Authorizations Incorporated in Senate Bill 52 87th (3rd) Legislature

BACKGROUND MATERIAL

- Quarterly Operations Report

Adjourn Strategic Infrastructure Committee.

2:00 pm FINANCE COMMITTEE

Call to Order

- Approval of minutes of the May 19, 2022, Finance Committee meeting

Quarterly Financial Update

- Greg Anderson, UNTS, Deputy Chancellor for Finance and Operations

ACTION ITEMS:

- 13. UNTS Approval of the FY23 UNT System Consolidated Operating Budget
- 14. UNTS Amendment to UNT System Regulation 08.2000, Investment of System Funds
- 15. UNTS Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt
- 16. UNTHSC Delegation of Authority to HSC President to Amend and Extend the Professional Services Contract with Pbailey Group

BACKGROUND MATERIAL

- *Quarterly Operations Report*

Adjourn Finance Committee.

4:00 pm STUDENT SUCCESS, ACADEMIC AND CLINICAL AFFAIRS COMMITTEE

Call to Order

- Approval of minutes of May 19, 2022, meeting

ACTION ITEMS:

- 17. UNT Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Human Performance and Movement Science
- 18. UNT Approval to Add the UNT Master of Science Degree Program with a Major in Health Data Analytics
- 19. UNT Approval to Add the UNT Master of Science Degree Program with a Major in Health Informatics

Adjourn Student Success, Academic and Clinical Affairs Committee.

4:30 pm RECONVENE FULL BOARD

CONSENT AGENDA

1. UNTS Approval of the Minutes of the May 19, 2022, Board Meeting
2. UNTS Thirtieth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Bonds, in One or More Series; and Approving and Authorizing Instruments and Procedures Relating Thereto
3. UNTS Approval of Texas Range Resolutions Amending Authorized UNT System Representatives
4. UNTS Approval of TexPool Resolutions Amending Authorized UNT Representatives
5. UNT Approval of Tenure for New UNT Faculty Appointees
6. UNTHSC Delegation of Authority to the UNTHSC President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2023 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver) and the Texas Incentives for Physician and Professional Services Program

ACTION ITEMS

7. UNTS Amendment to Regents Rule 10.300, Debt Management
8. UNTS Approval of the Internal Audit FY23 Plan
9. UNTS Approval of the Internal Audit Charter
10. UNTS Delegation of Authority to the Chancellor to Execute an Internal Audit Co-Source Professional Services Contract with Protiviti, Inc and Deloitte & Touche, LLP
11. UNTS Approval of the UNT System FY23 Capital Improvement Plan
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17. UNT Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Human Performance and Movement Science
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5:00 pm RECESS

Friday, August 12, 2022

**9:00 am CONVENE FULL BOARD AND RECESS TO EXECUTIVE SESSION
(ROOM 550)**

Government Code, Chapter 551, Section .071 - Consultation with Attorneys Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers

- Consultation with counsel regarding confidential legal matters, including pending, threatened, and contemplated litigation or settlement offers, and possible action
- Consultation with counsel regarding contemplated, ongoing and/or finalized investigations and any findings, conclusions or recommendations related to those investigations

Government Code, Chapter 551, Section .072 - Deliberation Regarding Real Property

- Deliberation regarding the purchase, exchange, lease, or value of real property

Government Code, Chapter 551, Section .073 - Deliberation Regarding Prospective Gifts

- Deliberation regarding a negotiated contract for a prospective gift or donation

Government Code, Chapter 551, Section .074 - Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Discipline, or Dismissal of Officers or Employees

- Consideration of individual personnel matters related to the appointment, employment, evaluation, reassignment, discipline and dismissal of System and Institution officers or employees, including the search for the UNT Health Science Center President, and possible action
- Consideration of individual personnel matters related to the employment agreement with the UNT System Chancellor, and possible action
- Consideration of an amendment to the employment agreement with the UNT Women's Softball Coach, and possible action

Government Code, Chapter 551, Sections .076 and .089 - Deliberations Regarding Security Devices or Security Audits

- Consideration of matters related to security assessments or deployments relating to information resources technology, network security information, and the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices, or a security audit

11:50 am RECONVENE FULL BOARD

Consider action on Executive Session items, if any

12:00 pm ADJOURNMENT



MINUTES
BOARD OF REGENTS
Audit Committee
May 19, 2022

The Audit Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 19, 2022, in University Union, Jade Ballroom-Room 333, at the University of North Texas, 1155 Union Circle, Denton, Texas, with the following members in attendance: Regents Melisa Denis and Dan Feehan. Regent John Scott was added to the committee as committee members Milton Lee and Brint Ryan were unable to attend.

There being a quorum present, the meeting was called to order by Committee Chairman Melisa Denis. The minutes of the February 17, 2022 Audit and Finance Committee meeting were approved on a 3-0 vote following a motion by Regent Dan Feehan seconded by Regent John Scott.

The Committee received the **Report of Audit Activities** from the UNT System Chief Audit Executive, Ninette Caruso.

Next, the Committee received the **Compliance Program Effectiveness Assessment** from Eric Groen, Managing Director, Protiviti, UNT Chief Information Officer and Vice President for Digital Strategy and Innovation, Adam Fein, and UNT System Senior Director for Internal Audit, Sheba Joyner.

The Committee then considered the following action item:

7. UNTS Approval of the Audit Committee Charter

Pursuant to a motion by Regent Dan Feehan, and seconded by Regent John Scott, the above action item motion was approved on a 3-0 vote.

There being no further business, the Committee meeting adjourned at 11:20 a.m.

Submitted By:



Rachel Barone, Secretary
Board of Regents

Date: 5-25-2022

Audit Committee
University of North Texas System
Board of Regents Meeting
May 19, 2022



COMPLIANCE PROGRAM EFFECTIVENESS ASSESSMENT

Board of Regents Meeting
August Update

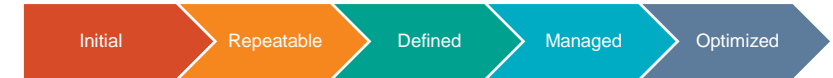
BOARD OF REGENTS UPDATE - PROTIVITI

Update Since Previous Board Meeting

1. Completed individual department compliance assessments (3 at each Institution)
 - See results in appendix
2. Collaborated with each Compliance Officer to create Institution and System Administration specific recommendations for each opportunity identified in the compliance assessment
3. Worked proactively with each Compliance Officer to create action plans that address each of the recommendations
4. Finalized report for each Institution and System Administration

BOARD OF REGENTS UPDATE – HSC

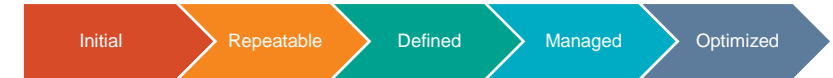
Top 5 Accomplishments Since the Assessment of the Compliance Program













Category	Progress Statement	Assessment Maturity Level	Short Term Maturity Goal
Training and Communications	Third quarter training for new employees yielded a 96% completion rate. The Code of Culture Commitment was signed by 96% of new employees within the 30 days.	Managed 	Managed
Autonomy and Resources	The Office of Institutional Integrity and Awareness is currently recruiting for 2 positions and a potential part time role.	Defined 	Defined
Analysis and Remediation of Any Underlying Misconduct	Root cause analysis / after action reviews have been implemented as part of the investigations process.	Repeatable 	Defined
Investigation of Misconduct	Timelines and metrics are required by the supervisor and respondent for updates on corrective actions.	Defined 	Defined
Reporting and Accountability	The reporting format to the Board of Regents has been updated to keep track of updates and recommended areas for opportunity in a consistent and orderly manner.	Repeatable 	Defined

BOARD OF REGENTS UPDATE – HSC

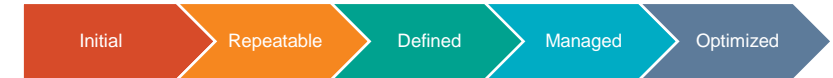
Top 5 Activities Planned for the Next Quarter



Category	Statement of Next Quarter Activities	Assessment Maturity Level	Short Term Maturity Goal
Third Party Management	A first draft of the vendor code of conduct has been created with plans to continue engaging Contracting and Marketing and Communication to finalize and distribute.	Repeatable 	Defined 
Analysis and Remediation of Any Underlying Misconduct	Staff will attend training in the fall to incorporate root cause analysis into investigations and other aspects of the Compliance program.	Repeatable 	Defined 
Risk Assessment	FY23 Risk Assessment underway; approach this year will be to review medium and low risk to evaluate creep as well as high risk categories.	Repeatable 	Defined 
Continuous Improvement, Periodic Testing, and Review	The Office of Institutional Integrity is currently vetting tools to assist with additional monitoring and trend analysis (i.e., Code of Culture analytics tool). Some organizational behavior tools are also being considered.	Repeatable 	Repeatable 
Commitment by Senior and Middle Management	Proactively meet with the new President upon hire to introduce Compliance and provide an understanding of Compliance objectives.	Managed 	Managed 

BOARD OF REGENTS UPDATE – UNT

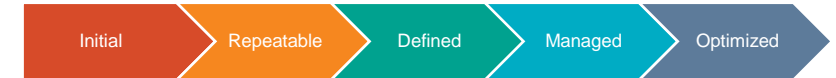
Top 5 Accomplishments Since the Assessment of the Compliance Program













Category	Progress Statement	Assessment Maturity Level	Short Term Maturity Goal
Risk Assessment	University Compliance and Ethics (UCE) has modified risk assessment meetings to include discussion of inherent compliance risk information. Documentation of these risks will allow the office to include low residual risk items in the current risk universe.	Repeatable 	Repeatable
Policies and Procedures	UCE continues to make progress on revising outdated policies, updating 9 policies in the third quarter, with 35 currently in review.	Defined 	Managed
Reporting and Accountability	UCE created an initial draft of a Code of Conduct document. UCE will begin editing and revising the document, benchmark it against internal and external Codes, with the goal of distributing it for comment in the Spring semester.	Repeatable 	Defined
Reporting and Accountability	UCE requested and received quarterly investigation reports from four compliance partners.	Repeatable 	Repeatable
Investigation of Misconduct	UCE has completed two investigations, with one more in progress. One investigation resulted in a finding that policy was not followed, and a written report is drafted that includes a root cause analysis.	Initial 	Repeatable

BOARD OF REGENTS UPDATE – UNT

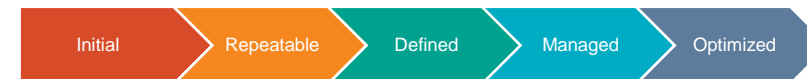
Top 5 Activities Planned for the Next Quarter



Category	Statement of Next Quarter Activities	Assessment Maturity Level	Short Term Maturity Goal
Policies and Procedures	UCE will develop a report to the Policy Advisory Group to enable proactive contact of process owners and ensure policies are regularly reviewed and updated.	Defined 	Managed 
Training and Communications	UCE will begin developing methods to ensure follow up with executive management so that all employees, staff, and students complete required training timely.	Defined 	Defined 
Third Party Management	UCE will contact UNT System Compliance, UNT System Purchasing, and UNT HSC and UNT Dallas compliance officers to begin discussions on third party management improvements.	Initial 	Initial 
Autonomy and Resources	The Chief Compliance Officer will meet with affected Vice Presidents and compliance professionals in other UNT divisions to coordinate reporting and organization chart recommendations.	Repeatable 	Repeatable 
Incentives and Disciplinary Measures	UCE will develop a documented marketing plan for staff communications promoting the UNT Trust Line over the next year.	Initial 	Repeatable 

BOARD OF REGENTS UPDATE – UNT DALLAS

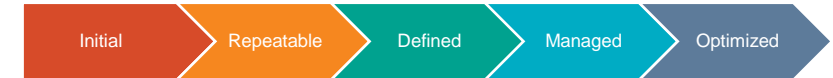
Top 5 Accomplishments Since the Assessment of the Compliance Program



Category	Progress Statement	Assessment Maturity Level	Short Term Maturity Goal
Risk Assessment	<p>Opportunity: Because the Compliance Risk Work Plan (CRWP) provides an effective means to identify, prioritize, & mitigate the top compliance risks identified in on-going meetings with stakeholders & the annual assessment, it should include Specific, Measurable, Achievable, Relevant, & Time-Bound (SMART) goals that can be tracked & reported quarterly through completion.</p> <p>Plan of Action: The current CRWP is under review to implement enhanced tracking of SMART goals for the top compliance risks identified in the CRWP, as well as the recommendations provided in this assessment, with a goal to effectively track & report progress quarterly and through completion.</p>	Defined 	Defined
Reporting & Accountability	<p>Opportunity: The CCO should, collaborating with the other UNT Enterprise CCOs, schedule regular executive session meetings with members of the BOR.</p> <p>Plan of Action: In conjunction with each UNT Enterprise CCO, establish & implement a schedule of executive session meetings, including quarterly meetings with the Chair of the BOR Audit Committee.</p>	Repeatable 	Repeatable
Commitment by Senior and Middle Management	<p>Opportunity: UNT Dallas should create a Compliance Committee to determine the appropriate strategy in promoting compliance & ensure Compliance is at the table for the upcoming five-year strategic plan.</p> <p>Plan of Action: Working with the President, the CCO is creating a Compliance Risk Intelligence Panel (CRIP) with the intent of building relationships across the University, establishing best practices, & developing tools & templates to standardize compliance processes across departments.</p>	Repeatable 	Defined
Autonomy & Resources	<p>Opportunity: UNTD should recognize that a documented Compliance Program framework serves as the foundation for a systematic and comprehensive approach to institutional compliance.</p> <p>Plan of Action: The current Compliance Program framework is being reviewed & enhanced in order to bolster the foundation for a systematic and comprehensive approach to institutional compliance.</p>	Initial 	Defined
Continuous Improvement, Periodic Testing, & Review	<p>Opportunity: The CCO should create a work plan to implement improvements identified by Internal Audit.</p> <p>Plan of Action: The CCO is creating a work plan to implement improvements identified by Internal Audit in the Compliance program observations.</p>	Repeatable 	Repeatable

BOARD OF REGENTS UPDATE – UNT DALLAS

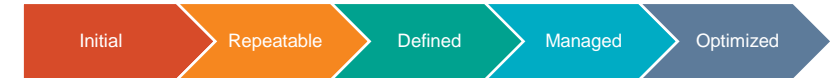
Top 5 Activities Planned for the Next Quarter



Category	Statement of Next Quarter Activities	Assessment Maturity Level	Short Term Maturity Goal
Training and Communications	<p>Opportunity: Training is often more effective when it contains more specific information for appropriate personnel.</p> <p>Plan of Action: Working with key stakeholders, conduct assessment of those role-based positions which require training or provide professional growth opportunities. In collaboration with LMS representative, identify strengths & gaps in meeting these training opportunities.</p>	Defined 	Defined
Policies & Procedures	<p>Opportunity: The Policy Advisory Committee (PAC) should proactively contact policy process owners to update outdated policies.</p> <p>Plan of Action: The CCO, in collaboration with the Policy Director & the PAC, will conduct a review of current campus policies to identify those policies that require reviewing & notify the policy owners.</p>	Repeatable 	Defined
Third Party Management	<p>Opportunity: UNT Dallas should identify trainings that third party vendors should take & ensure that these trainings are completed.</p> <p>Plan of Action: Collaborating with key stakeholders, identify trainings that third party vendors should take & ensure that these trainings are completed.</p>	Initial 	Initial
Incentives & Disciplinary Measures	<p>Opportunity: UNT Dallas should create more proactive & visible communication related to compliance to promote the program.</p> <p>Plan of Action: The CCO should promote the Compliance Program &, specifically, the Trust Line to the entire Trailblazer community through intranet, email, newsletters, & other forms of social media.</p>	Initial 	Repeatable
Investigation of Misconduct	<p>Opportunity: Detailed documentation of investigations is critical and should include detailed information.</p> <p>Plan of Action: Draft & submit for review & comment an investigation process that includes the requisite detailed information.</p>	Defined 	Defined

BOARD OF REGENTS UPDATE – UNT SYSTEM ADMINISTRATION

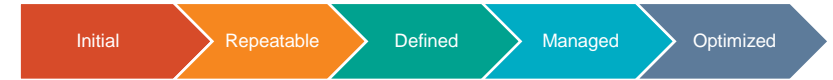
Top 5 Accomplishments Since the Assessment of the Compliance Program



Category	Progress Statement	Assessment Maturity Level	Short Term Maturity Goal
Commitment by Senior and Middle Management	Began developing a defined, comprehensive budget for the System Administration compliance program. (The program has shared a budget with other components in the System during its 15-year existence).	Initial 	Repeatable
Policies and Procedures	Completed assessment of the functionality, accuracy and navigability of the System Administration policy webpage (infrastructure) to ensure updated UNT System Regents Rules, System Regulations, and UNT System Administration policies are accessible to employees and managers; reported assessment results to System office responsible for policy infrastructure; and began addressing assessment findings.	Repeatable 	Defined
Policies and Procedures	Initiated assessment of UNT System Administration policies to determine compliance with the System Administration requirement that policies are reviewed every six years and updated as applicable.	Repeatable 	Defined
Training & Communications	<ul style="list-style-type: none"> Began working with Human Resources to implement management’s commitment to establishing a coordinated employee training governance structure across the System in response to Internal Audit No. 22-004 - <i>Training, Program Identification, Development and Implementation</i>. Began developing inventory of BOR mandatory external and internal trainings in response to Internal Audit No. 22-004 - <i>Training, Program Identification, Development and Implementation</i>. 	Defined 	Defined
Risk Assessment	Began defining the criteria for identifying System Administration compliance risks and process that aligns these risks with the component campuses’ strategic objectives and with the compliance risks identified by the components’ compliance programs.	Defined 	Managed

BOARD OF REGENTS UPDATE – UNT SYSTEM ADMINISTRATION

Top 5 Activities Planned for the Next Quarter



Category	Statement of Next Quarter Activities	Assessment Maturity Level	Short Term Maturity Goal
Autonomy & Resources	Hire a full-time professional to manage the System Administration compliance program; and complete a defined and comprehensive program budget.	Repeatable 	Defined
Policies and Procedures	Complete assessment of UNT System Administration policies to determine compliance with the System Administration six-year review requirement; and update compliance program polices as applicable.	Repeatable 	Defined
Risk Assessment	Begin FY 23 UNT System Administration compliance risk assessment using criteria that align with the component campuses' strategic objectives and with compliance risks identified by the component institutions' compliance programs.	Defined 	Defined
Training & Communications	Collaborate with BOR Secretary and Office of General Counsel to complete inventory of BOR mandatory external and internal training in response to Internal Audit No. 22-004 - <i>Training, Program Identification, Development and Implementation</i> .	Defined 	Defined
Training & Communications	Continue redesign of the System Administration compliance program for formal program relaunch in November 2022 as part of National Compliance Week; including delivery of a communication from the Chancellor regarding the importance of organizational ethics and compliance; and formalizing an executive compliance committee and a compliance working group to facilitate communication about the compliance program throughout the System Administration.	Defined 	Defined

APPENDIX

CAPABILITY MATURITY MODEL - INTRODUCTION


Compliance Management Capability Maturity Model (CMM)

- The CMM defines the state of a compliance process using a common language which is based on the Carnegie Mellon Software Engineering Institute Capability Maturity Model.
- The CMM describes an improvement path from an ad-hoc, immature process to a mature, disciplined process focused on continuous improvement.
- The CMM consists of a continuum of five process maturity levels, enabling process owners to rate the state, or maturity, of a given process as Initial, Repeatable, Defined, Managed or Optimized.

Key Concepts

- Maturity levels should not be viewed as grades nor viewed that lower ratings are inherently undesirable or inappropriate. The objective of this process is to identify the current state, and where improvements are considered appropriate, provide clarity regarding the attributes of the next level of compliance.
- Achieving a higher level of maturity may require trade-offs in the form of increased resources and/or reduced operational efficiencies. For this reason, reaching the Optimized (or even Managed) level is not necessarily reasonable or desirable for every process.
- Significant investment in people, process, and technology is typically required to achieve an optimized state. This level of maturity is more typical in highly regulated industries, such as financial services or healthcare organizations. Within the Higher Education Industry, achieving an optimized state is rare, and perhaps unrealistic.
- Improvement from one maturity level to the next requires time and resources. Improvement is typically achieved one maturity level at a time.

KEY CHARACTERISTICS OF COMPLIANCE MANAGEMENT MATURITY



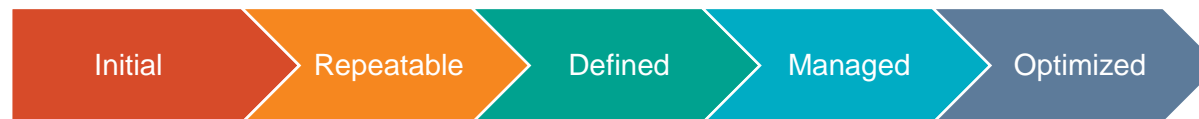
Description	Key Characteristics of Compliance Management Maturity
Optimized Continuous Improvement	<p>Management of compliance is a source of competitive advantage</p> <ul style="list-style-type: none"> • Centralized compliance functions provide consistent excellence • Compliance is aligned with overall strategy and culture • Tone at the top is communicated and reinforced • Significant emphasis on continuous improvement
Managed Quantitatively Managed	<p>Management of compliance is quantitative and aggregated enterprise-wide</p> <ul style="list-style-type: none"> • Rigorous compliance management elements are applied to enterprise-wide risks • Fact-based debates on the risk / reward trade off for implementing further compliance activities • Processes are monitored with automated controls and managed by exception • Thorough cross-training and a fully integrated infrastructure that is not dependent on key individuals
Defined Qualitatively Managed	<p>Compliance is measured and managed primarily qualitatively</p> <ul style="list-style-type: none"> • Uniform compliance management elements are defined and institutionalized • Compliance management infrastructure elements are in place; but still may require improvement • Ownership is defined and accountability is enforced
Repeatable Intuitively Managed	<p>Compliance management processes are established and repeating</p> <ul style="list-style-type: none"> • Risk prioritization and response effectiveness relies on quality people assigned to tasks • The initial compliance management infrastructure elements are developing • Standards may be inconsistent, and controls are largely manual and detective
Initial / Ad Hoc Dependent on Heroics	<p>Compliance management efforts are dependent on individuals and “fire fighting”</p> <ul style="list-style-type: none"> • Limited or incomplete infrastructure to manage compliance • Compliance risk and response effectiveness is ad hoc and incorporates undefined tasks • Reliance on key people and their initiative to “do the right thing” • “Just Do It” mentality prevails

INDIVIDUAL DEPARTMENT COMPLIANCE ASSESSMENTS

HSC	
Department	CMM Rating
Admissions and Recruitment	Defined
Research	Defined
Privacy	Repeatable

UNT	
Department	CMM Rating
Athletics	Repeatable
Research	Defined
EH&S	Repeatable

UNT Dallas	
Department	CMM Rating
Athletics	Repeatable
COI and Research	Repeatable
Financial Aid	Defined



Face the Future with Confidence

Quarterly Report of Audit Activities

Presented by Ninette Caruso

August 11, 2022

Agenda

- **FY22 Internal Audit Plan**

FY22 Internal Audit plan (including updates)

- **Audit Results Update**

Results for Assurance and Advisory Reviews Completed
Accounts Payable Transformation Readiness Assessment

- **Quality Assurance Review**

Results of Peer Review for Q1 FY22

- **Management Action Plan Status**

FY22 Internal Audit Plan

The Audit Plan coverage map indicates the status of the plan execution as at the end of the FY22 – inclusive of adjustments to the plan. The audit plan will be substantially completed by the end of the fiscal year, with two reviews spanning into FY23.

Plan Changes:
EEO Investigation Process -> EEO Process Maturity Assessment.

Risk Category	UNT System	UNT	UNT Dallas	UNTHSC
External Events	✓ Emergency Safety Preparedness			
People / Leadership	✓ Training Program Identification Development and Implementation			
Financial	✓ Public Funds Investment Act ✓ Accounts Payable Transformation Readiness Assessment	✓ Tuition and Fees – ongoing	✓ Tuition and Fees – Dallas ✓ Joint Admission Medical Program	Benefits Proportional by Fund (IP)
Strategic	✓ Chancellor Transition Review			
Legal / Compliance	✓ Compliance Program Framework Phase 1 & Phase 2			
	Equal Employment Opportunity (EEO) Process Maturity Assessment (IP)			
		✓ Grants/Contract Compliance; Time and Effort Review		
Technology		✓ Federal Republic of Germany Grants review		✓ Faculty Development; ✓ Family Medicine
		✓ Cloud Implementation Risk Assessment; Cybersecurity Program Audit (IP)		
Operations		✓ Systems Service Continuity		✓ HSC Data Governance
		✓ Senate Bill 20 Contracting Compliance Assessment; ✓ Asset Management		

Red – Assurance
Black – Advisory
Blue – Continuous Monitoring
✓ Completed
IP – In Process

FY22 Assurance Engagements Completed

Entity	Engagement Name	<p style="text-align: center;">Engagement Objective:</p> <p style="text-align: center;">The objective of the reviews were to assess the risk management framework, controls and governance that support the achievement of the following business outcomes</p>	Summary of Actions
UNT System, UNT, UNT Dallas, HSC	Compliance Program Framework	UNT System and Institution's Compliance Program Framework is designed and implemented to conform with the Department of Justice guidance as it relates to the Sentencing of Organizations, to help ensure that the Institutions adhere to applicable laws/regulations and protect against fraud, conflicts of interest, reporting misconduct, and other potential areas of compliance.	<i>Separate presentation will provide recommendations and action items from the results of the recent maturity assessment presented to the Board of Regents at the May 2022 meeting.</i>
UNT System, UNT, UNT Dallas, HSC	Cybersecurity Program Audit	Systems and data are protected to ensure confidentiality, integrity, and availability information that is required to facilitate successful daily operations across UNTS and UNT.	Audit planned in phases spanning FY22 and FY23 – Current review is covering the highest risk Cybersecurity controls with remaining lower risk controls either covered in previous audits or will be reviewed in future audits (FY23). Noted Actions thus far include: <ul style="list-style-type: none"> • Improve understanding and implementation of Cybersecurity control requirements for UNTS and UNT application teams • Secure privileged account access • Improve authentication security (passwords) including deployment of multi-factor authentication • Implement Data Loss Prevention “DLP” strategy Full results to be presented - November Board of Regents Meeting.

FY22 Assurance Engagements Completed

Entity	Engagement Name	Engagement Objective: The objective of the reviews were to assess the risk management framework, controls and governance that support the achievement of the following business outcomes	Summary of Actions
UNT System	Senate Bill 20 Contracting Compliance Assessment	The University of North Texas System has adopted the rules and policies required by SB 20 as part of the annual Texas Education Code § 51.9337 (h) requirement. The audit will focus on substantive testing to ensure and controls surrounding the contracting process are effective and adhere with the SB 20 regulation.	Due to leadership and management transitions, a pending system implementation, and process changes affecting the Procurement and Compliance areas, management continues to focus on actions from the FY 2021 report. These actions relate to: Reporting and Monitoring of contracts over \$1 million, exceeding SB 20 materiality thresholds or multi-year contracts; Update procedures used to comply with Senate Bill 20 required transparency reporting.

FY22 Advisory / Continuous Monitoring Engagements Completed

Entity	Engagement Name	Engagement Goal	Summary of Recommendations or Conclusions
UNT System	Chancellor's Transition Review	Provide background to the Chancellor of decisions and payments that were made in the past that may require consideration in the future	Insights provided to Chancellor
UNT, UNTD, UNTHSC	Asset Management (CM)	Follow up on recommendations of the central receiving study from Oct 2021. Recommendations around two themes: Physical safety and delivery; Digital requisition, tracking, receipt and inventory.	Progress has been made related to the physical safety components especially at the UNT campus. However, minimal actions have yet been taken with regards to streamlining the process from order to payment, given multiple stakeholders and prioritization.
UNT, UNTD, UNTHSC	Emergency Safety Preparedness (CM)	Understand the level of emergency safety preparedness at university campuses including emergency plans, training and exercises, resources, and communication capabilities and plans.	Emergency preparedness plans were in place and tested periodically (e.g., alerts). Safety awareness is raised through websites and training offered to employees and students. Alert notification systems are used to communicate campus-wide via physical beacons, email and digital devices.
Other Engagements			
UNT System	Internal Audit continues to coordinate with the Institutional Compliance Offices and the Office of General Counsel regarding investigations		

CM = Continuous Monitoring

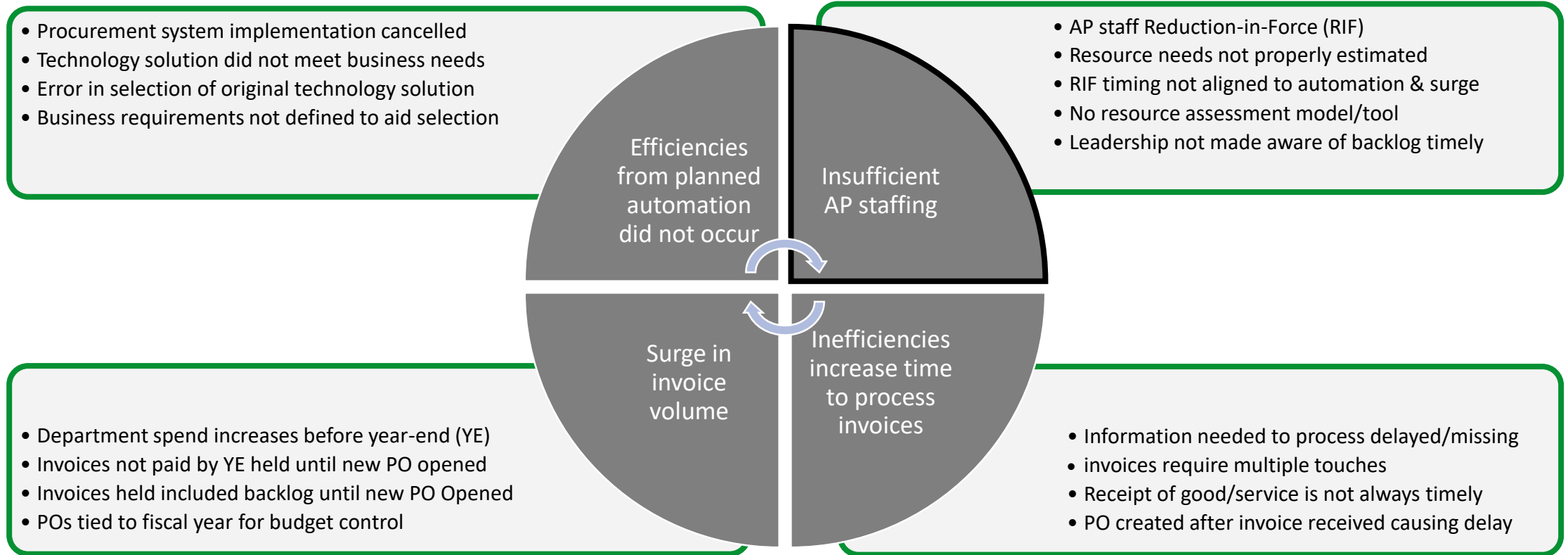
FY22 Assurance/Advisory Engagements Completed

Entity	Engagement Name	Engagement Goal	Summary of Actions or Recommendations
<p>Background: Procurement Management requested that Internal Audit complete a Transformation Readiness Assessment of the Accounts Payable area after a backlog in the payment of invoices occurred. Internal Audit bifurcated the assessment into assurance and advisory phases. Assurance focused on identifying gaps in basic and leading Accounts Payable controls. Advisory focused on identifying opportunities to streamline, automate, and improve efficiencies</p>			
UNT System	Accounts Payable Transformation Readiness Assessment – Phase 1 (Assurance)	Valid invoices are paid accurately and timely and processes have been streamlined for efficiency.	Management will increase its oversight of the vendor set-up and maintenance processes and build additional monitoring capabilities for vendors and Purchase Card Credit Limits. Management will evaluate system configuration to determine if segregation of duties can be further restricted. Policies and procedures will be reviewed periodically to ensure they capture current processes. Completeness controls will be included in requirements for new AP invoicing system to help confirm all invoices processed.
UNT System	Accounts Payable Transformation Readiness Assessment – Phase 2 (Advisory)	Identify opportunities to streamline, automate, and improve efficiencies and avoid migrating inefficient processes to new AP applications	Management should evaluate and prioritize streamlining and automation opportunities including approvals, aggregation of invoices with vendors, standardization of payment methods and optimizing systems to reduce time to input and process data. Management should also ensure detailed business requirements are documented for new AP systems.

A Root Cause Analysis was completed related to the backlog and the results were captured in slides 8 & 9.

Accounts Payable Backlog Root Cause Analysis Summary

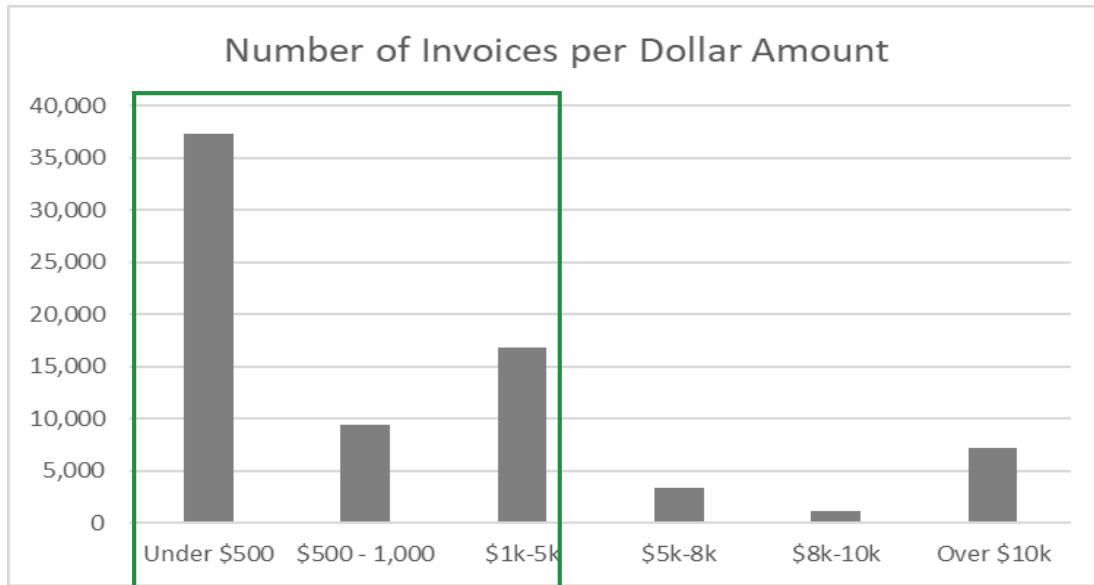
A significant backlog occurred August 2021 to March 2022 as Accounts Payable (AP) Staff were unable to process the invoice volumes and pay suppliers timely. Several causal factors converged triggering the backlog. The primary root cause was that **management did not have the resource planning tools to determine the staffing needed** to process regular and seasonal volumes. Other factors compounded the difficulties in meeting payment terms.



- PO = Purchase Order

Accounts Payable Backlog Root Cause Analysis Support

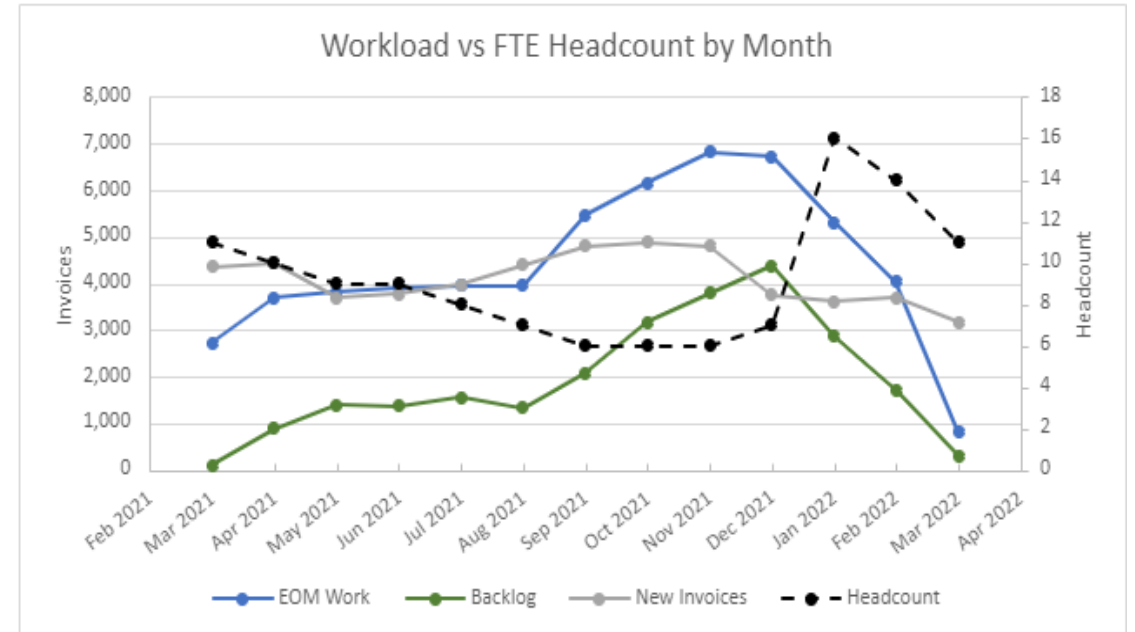
Decisions related to technology automation, changes in workforce and inefficiencies in processing invoices are the major factors contributing to the backlog. Data analysis illustrates the relationship between headcount, invoice volumes and backlog. Decline in headcount correlates with increase of invoices at end of month and backlog. The analysis also corroborates the seasonal volume surge (New Invoices) between July 2021 and November 2021 as well as the impact of holding invoices because of the year-end purchase order (PO) closures and new year PO openings (EOM Work) as well as the impact of holding invoices because of the year-end purchase order (PO) closures and new year PO openings (EOM Work).



Dataset: 75,241 invoices for the period 9/1/20 to 3/31/22

Policy (eff. 9/1/20) requires Purchase Card use for non-restricted purchases under \$5,000.

84% of invoices received were for amounts under \$5,000. Consider if the Purchase Card threshold or restricted categories should be modified to reduce invoices.



Dataset: 53,343 invoices for the period 3/1/21 to 3/31/22.

Category	Definition Description
Headcount	The number of FTE resources employed during <month>
New Invoices	The number of vouchers entered in <month>
Backlog	The number of vouchers due during <month> not paid during <month>
EOM Work	The number of vouchers entered during <month>, not paid during <month> plus the backlog for <month>.

Quality Assurance Review (QAR)

Program Overview:
The Quality Assurance and Improvement Program (QAIP) consists of ongoing and periodic monitoring activities to ensure audit conformance with the Institute of Internal Audit Standards, Code of Ethic and Government Auditing Standards.

QAIP assesses the efficiency and effectiveness of Internal Audit activities and identifies opportunities for improvement. Activities include:

- Internal Assessments – aka QAR (currently quarterly)
- External Assessments - required every 3 years. (IA’s assessment completed in FY2020, planned for 2023)

Approach

- Internal Audit completed the QAR Reviews with Chief Audit Executive oversight
- A sample selected from assurance/advisory audits completed in 1Q22
- A sample of Management Action follow-ups (actions to mitigate identified risks)

Results

- Overall audit processes complied with requirements
- Instances of sample size rationale and population validation not documented
- Several instances of inconsistent audit testing performed to verify management actions to mitigate identified risks

Actions

- Corrective actions are planned to resolve the issues noted in QAR:
 - Policies and procedures to be developed to provide guidance on verification of management committed actions resolving identified risks
 - Training to be given to auditors on new policies and procedures

Status Management Actions

Management action plans are executed and validated by Internal Audit as agreed and are as of **6/30/22**.

UNT World	Adjusted Beginning Balance - 3/31/22	Add	Closed	Current Open – 6/30/22
UNT System	26	7	0	33
UNT	1	18	0	19
UNT Dallas	4	0	3	1
UNTHSC	11	18	0	29
Total Open Management Action Plans	42	43	3	82

Open Action Plans by Risk Severity *		
Critical	High	Medium
3	14	16
0	15	4
0	0	1
0	9	20
3 (4%)	38 (46%)	41 (50%)

* Low risk Issues/actions not reported at the Board of Regent level

Action plans may have multiple steps as part of remediation.

Several action plans were due on 6/30/22 and Internal Audit has not completed the verification of these actions to ensure mitigation of risks.

Two action items related to SB20 – Conflict of Interest, were late and are now expected to be completed in January 2023.

In FY22 Q3 the following reports with 43 actions were issued:

- Clinical Revenue Cycle (18 actions)
- Training Program Identification Development and Implementation (7 actions)
- System Service Continuity (8 actions)
- Grants Contracting/Time & Effort (10 actions)

Fiscal Year 2023 - Internal Audit Plan

Presented by Ninette Caruso

August 11, 2022

FY23 Risk Assessment

Methodology, Results, Heat Map

FY23 Audit Plan

Audit Plan Coverage, Budget and Resources

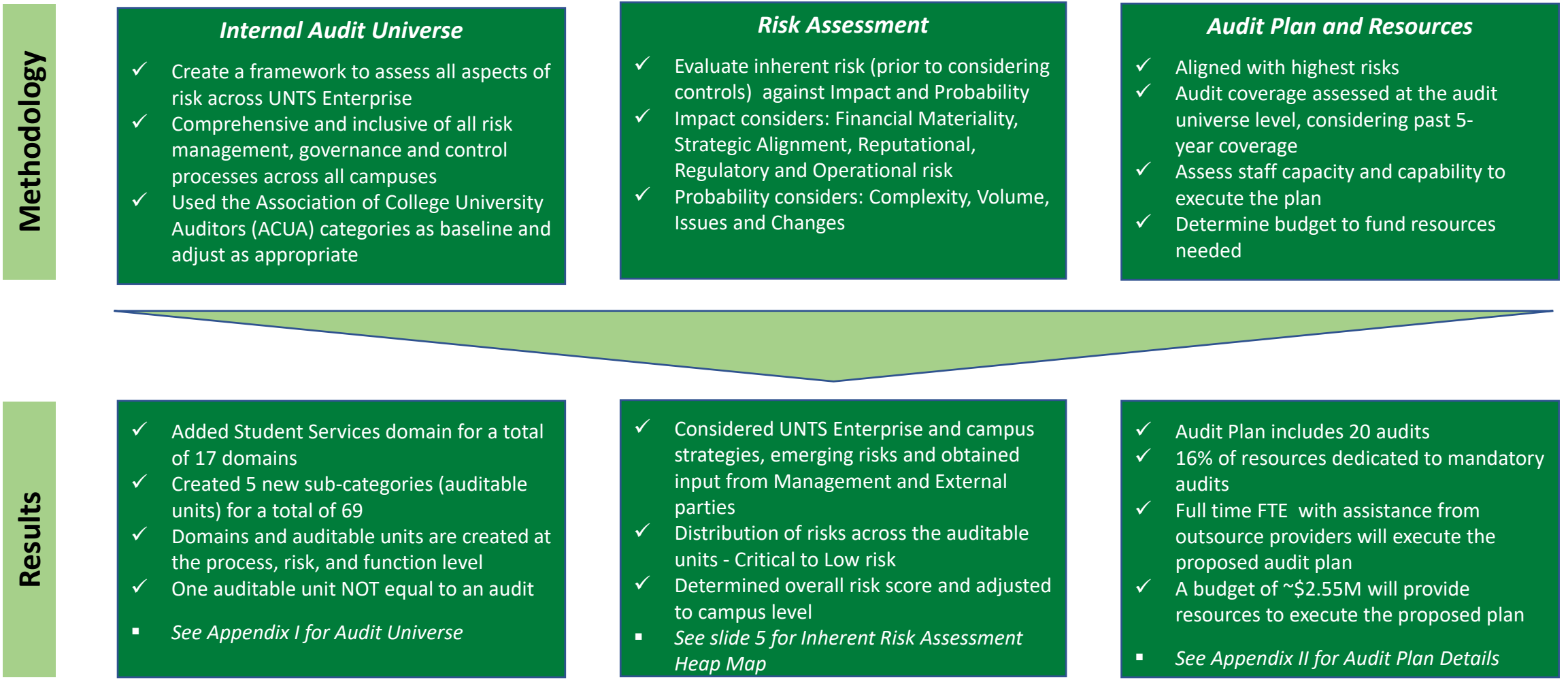
Background Materials

Appendix I: FY23 Audit Universe with 5 Yr. Coverage History

Appendix II: FY23 Internal Audit Plan Detail

Audit Plan Development

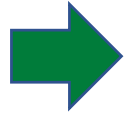
We have completed the Risk Assessment, developed the FY23 Audit Plan, and secured resources to execute the Audit Plan



Risk Assessment Results and Coverage

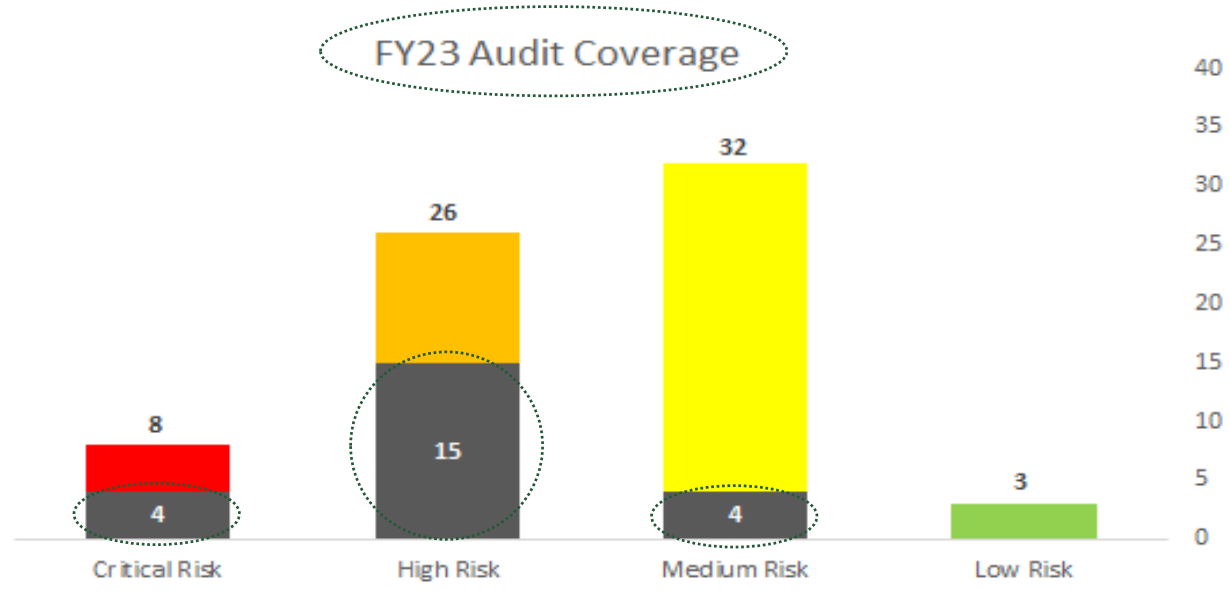
Audit coverage for FY23 in line with highest risks (Critical and High Inherent risks). The audit plan considers audit coverage of the past 5 years as well as activities of the compliance and other oversight functions.

- Results**
- The results of our annual risk assessment are distributed across Inherent Risk level
 - The Critical risk areas are approximately ~12% of the Audit Universe and FY23 audit coverage is 50%
 - Critical and High Risks represent 83% of FY23 Audit Plan
 - Overall, 33% (23/69) Auditable Units in scope. In scope does not mean full coverage
 - "One to many/many to one" relationship between auditable unit and audits



Inherent Risk Auditable Unit Distribution

Auditable Units

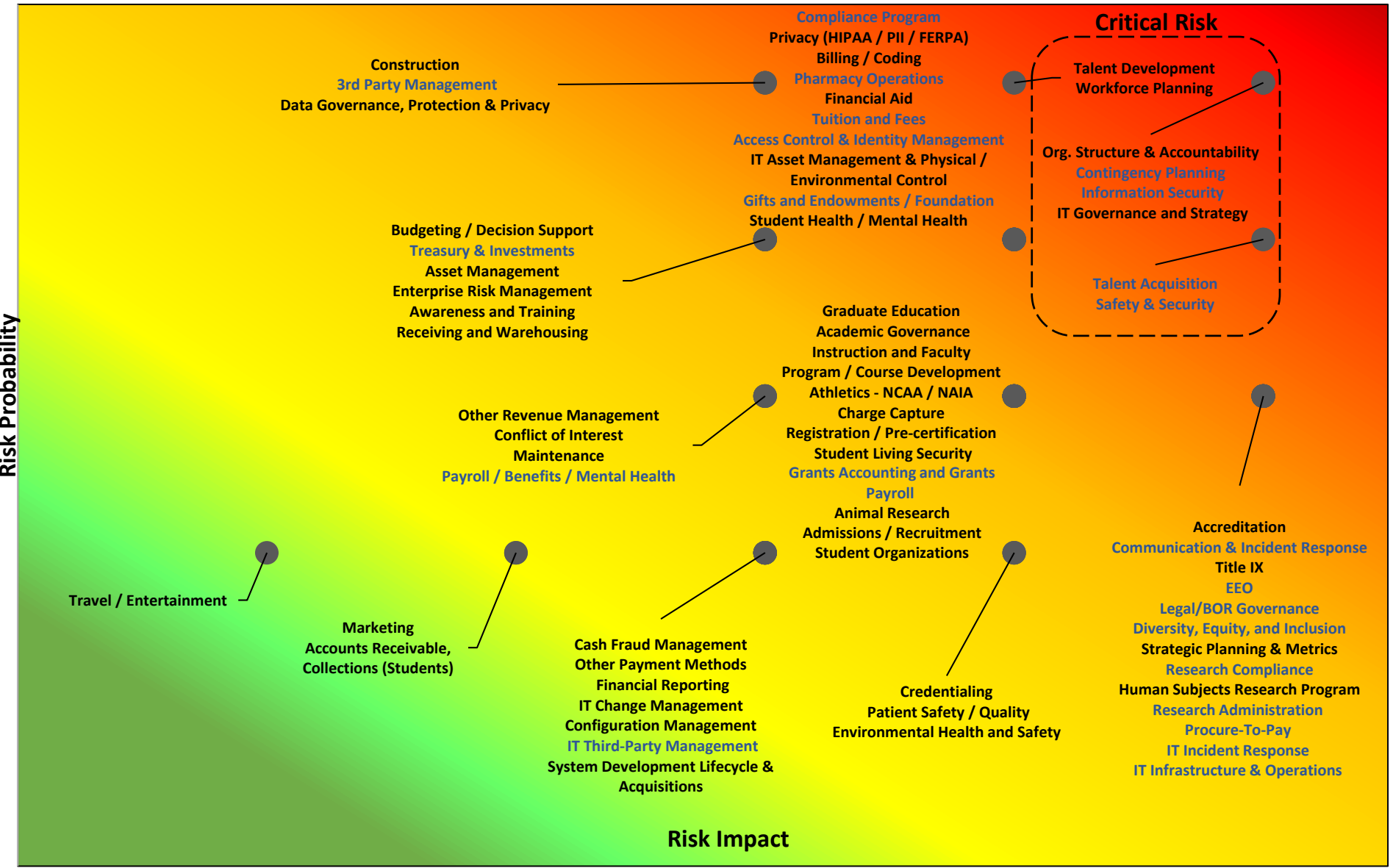


Advisory Services

- In FY23 our reviews are mostly centered around assurance activities to ensure coverage of critical and high-risk areas, given limited resources.
- Our strategy is to continue to engage in advisory services in FY23 through participation in committees and ongoing dialogue.

Inherent Risk Assessment Heat Map

- All 69 Auditable Units were risk assessed for both Impact and Probability on a scale of 1-5
 - Each Auditable Unit has multiple topics that can be reviewed
 - The results of the risk assessment is shown on the 5X5 heatmap
 - Campus level risks that deviates from the overall UNTS Enterprise risk are considered when audit scoping is performed.
- Bold Blue Font** = Coverage in Audit Plan – does not imply comprehensive coverage



FY23 Internal Audit Plan

Risk Theme and Focus Area

Key:
Inherent Risk Rating:
C – Critical Risk **H – High Risk**
M – Medium Risk **L – Low Risk**
AD – Advisory *** Mandatory**

Financial Risk

- Recession fears
- Stock market volatility
- Federal Reserve policy and rates
- International student and out of state strategy development
- Student's ability to accumulate funds or acquire debt for tuition and fees

UNT System	UNT	UNT Dallas	UNTHSC
	Tuition and Fees - Ongoing UNT (H)	Tuition and Fees – Ongoing UNT Dallas (H)	Tuition and Fees - HSC (H)
Treasury Services (M)			
	Student Managed Investment Funds*		
	Federal Republic of Germany*		

Legal/Compliance Risk

- Heightened international tension
- Changes to Title IX guidelines
- Compliance functions maturing and focusing on consistency
- Accessibility of online resources

UNT System	UNT	UNT Dallas	UNTHSC
Compliance Program On-Going Monitoring (H)			
Equal Employment Opportunity Process Maturity Assessment (Carryover) (H)			
Board of Regents Governance (H)			
	International Compliance (H)		International Compliance (H)

FY23 Internal Audit Plan

Risk Theme and Focus Area

Technology Risk

- Increased war on IT talent
- Continuous exposure to vulnerabilities and cyberattacks
- Ransomware increasing
- Significant Information Technology organizational changes
- Overall IT Governance, Accountability and Strategy
- Resiliency Model in development (cloud, on-premise)

Operational Risk

- Supply-chain issues impacting availability and delivery of goods and services
- Price of construction / other asset increases
- Accounts Payable (AP) backlog causing reputational and relational damage
- Aging building and infrastructure, deferred maintenance

Key:
 Inherent Risk Rating:
C – Critical Risk **H** – High Risk
M – Medium Risk **L** – Low Risk
 AD – Advisory * Mandatory

UNT System	UNT	UNT Dallas	UNTHSC
Data Center Migration (H) (AD)			
Cybersecurity Program Audit - Phase 2 (C)			
Identity and Access Management (H)			

UNT System	UNT	UNT Dallas	UNTHSC
Incident Response and Crisis Management (C)			
			HSC Clinic Pharmacy Operations (H)
Senate Bill 20 Contracting Compliance Assessment*			
			Faculty Development*
			Family Medicine*

FY23 Internal Audit Plan

Risk Theme and Focus Area

Key:
 Inherent Risk Rating:
C – Critical Risk **H – High Risk**
M – Medium Risk **L – Low Risk**
 AD – Advisory * Mandatory

People / Leadership Risk

- Attracting and retaining talent
- Low unemployment, demands on Remote work.
- Stress, political environment, mental health crisis.

UNT System	UNT	UNT Dallas	UNTHSC
Recruiting and Onboarding (C)			
Benefits Proportional by Fund*			
<i>NOT ON PLAN: Talent Development / Retention/ Performance Management and Workforce Planning / Succession Planning are additional Critically rated risk areas that had limited previous coverage. These areas will be planned for subsequent years as the Internal Audit Impact on Human Resources cannot be absorbed beyond the planned audit.</i>			

Strategic Risk

- Chancellor transition - mission, strategy, and value development
- Culture of resistance to change/uncertainty to change
- Overall governance structure philosophy
- Leadership changes impacting organizational structures

UNT System	UNT	UNT Dallas	UNTHSC
<i>Involvement in Strategy, Mission, Vision and Value development as part of Chancellor Cabinet. Risk mitigation activities through governance and control discussions in numerous forums. Our team consults and engages as needed.</i>			
<i>NOT ON PLAN: Organizational Structure & Accountability and IT Governance and Strategy are Critically rated risk areas that will not be covered due to ongoing organizational changes and IT strategy development. These areas will be planned for subsequent years as strategies and structures stabilizes.</i>			

FY 23 Internal Audit Plan At A Glance

Key:
 Inherent Risk Rating:
C – Critical Risk H – High Risk M – Medium Risk
L- Low Risk AD – Advisory * Mandatory

Risk Category	UNT System	UNT	UNT Dallas	UNTHSC
People / Leadership	Recruiting and Onboarding C			
	Benefits Proportional by Fund*			
Financial		Tuition and Fees - Ongoing UNT (H) (CM)	Tuition and Fees – Ongoing UNT Dallas (H) (CM)	Tuition and Fees - HSC (H)
	Treasury Services (M)			
		Student Managed Investment Funds*		
		Federal Republic of Germany*		
Legal / Compliance	Compliance Program On-Going Monitoring (H) (CM)			
	Equal Employment Opportunity Process Maturity Assessment (Carryover) (H)			
	Board of Regents Governance (H)			
		International Compliance (H)		International Compliance (H)
Technology	Data Center Migration (H) (AD)			
	Cybersecurity Program Audit - Phase 2 C			
	Identity and Access Management (H)			
Operations	Incident Response and Crisis Management C			
				HSC Clinic Pharmacy Operations (H)
	Senate Bill 20 Contracting Compliance Assessment*			
				Faculty Development*
			Family Medicine*	

Internal Audit Resources

For FY23 the focus is primarily on assurance engagements and mandatory audits. However, there are many interactions outside of formal / informal engagements, where Internal Audit collaborates with management and the Institutions to advise or monitor changes in risks (e.g., Advisory, Continuous Monitoring).

Budget:

FY23 Plan (proposed) \$2.55M

The budget includes a one-time expense of approximately \$80K to accomplish an audit system upgrade (audit workpaper system nearing end of support) and \$30K for an external Quality Assurance Review that is required every 3 years by Professional Standards

Our budget includes limited unallocated capacity. Additions will result in either a budget request or a replacement of a scheduled review.

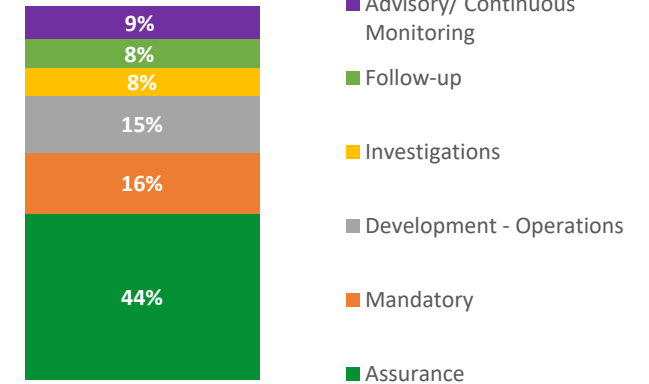
Resource Capacity

- Continue using Internal Audit full time employees in combination with co-sourced resources from audit consulting firms
- Co-sourcing used to augment staffing and internal expertise and provide industry best practices

Resource Capability

- Leverage SMEs in IT/Cybersecurity, Higher Education and other specialized areas from audit consulting firms
- In addition, Audit consulting firms will provide advice for:
 - Audit system upgrade
 - Quality Assurance and Improvement Program (QAIP)
 - Compliance Program

Resource Allocation



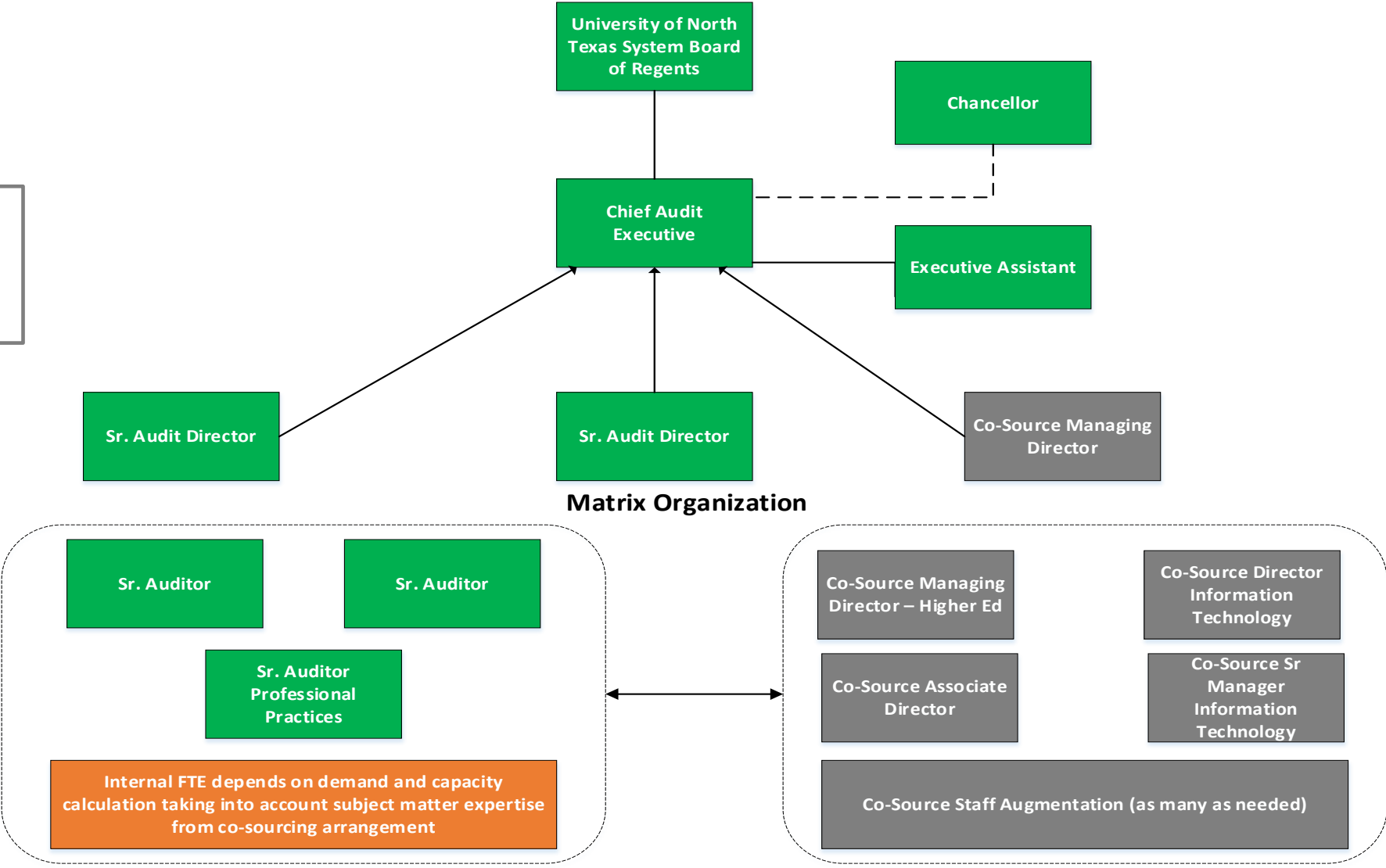
Allocation Category Definitions:

- **Assurance** – Risk-based independent audit
- **Mandatory** - Audits required by the State of Texas, Regent Rule, or grant awards
- **Development – Operations** – Non-audit activities to support internal audit function including QAIP and system upgrade
- **Investigations** - Reserved for investigations that may arise during the year
- **Follow-up** - Procedures to verify the status of corrective action plans
- **Advisory** – Consulting on strategic projects and improving process efficiency
- **Continuous Monitoring** - Monitoring events impacting the UNT World risk profile

Internal Audit Organization

Internal Audit Resources ~ 7,000 hours capacity

Outsource Provider ~ 7,000 hours capacity



**Title:** Approval of FY23 UNTS Internal Audit Plan and Budget

Background:

In accordance with the UNT System (UNTS) Internal Audit Charter, the Texas Internal Auditing Act (Government Code Chapter 2102.005) and Regent Rule 4,501.4.b, an Annual Risk Assessment was conducted for the UNTS and its member component institutions. The UNTS Internal Audit Plan for FY23, resulting from this Annual Risk Assessment, is attached for the Board of Regents review and approval. In addition, resources were secure to execute the Internal Audit plan. These resources are a combination of internal employees and external co-sourcing consultants.

Financial Analysis/History:

Preparing the Annual UNTS Internal Audit Plan and seeking approval by the Board of Regents is an integral component of the UNTS Internal Audit process. This proposal is anticipated to be accomplished using Internal Audit full time employees in combination with co-sourced resources from professional service firms, capitalizing on specialized skill sets.

The annual budget of approximately \$2.55M will be utilized to accomplish the completion of the audit plan. The budget includes a one-time expense of approximately \$80K to accomplish an audit system upgrade. Also included is a one-time expense of 30K to have an external Quality Assurance Review (QAR) completed as required at least once every three years by Texas Internal Auditing Act, Institute of Internal Auditor's (IIA) International Standards for the Professional Practice of Internal Auditing (Standards), and the Generally Accepted Government Auditing Standards. The QAR assesses the efficiency and effectiveness of Internal Audit activities and identifies opportunities for improvement. The last external QAR was completed in June 2020.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:56:07 -05'00'

Vice Chancellor/General Counsel

Schedule:

The FY23 UNTS Internal Audit Plan will be adopted immediately upon approval by the Board of Regents.

Recommendation:

It is recommended that the Board of Regents approve the attached FY23 UNTS Internal Audit Plan and Budget.

Recommended By:

Ninette Caruso

Chief Audit Executive

Dr. Michael R.
Williams

Digitally signed by Dr. Michael
R. Williams
Date: 2022.07.29 10:06:52
-05'00'

Chancellor

Attachments Filed Electronically:

- Proposed FY23 Internal Audit Plan



Board Order

Title: Approval of FY23 UNTS Internal Audit Plan and Budget

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, Chapter 2102 Texas Government Code and Regent Rule 04.501.4.b requires the Board of Regents to review the FY23 Risk Assessment Methodology and approve the Internal Audit Plan; Institute of Internal Auditor's (IIA) International Standards for the Professional Practice of Internal Auditing (Standards) require the Board of Regents to approve the Internal Audit Budget.

Whereas, the Internal Audit department conducted an annual risk assessment as required by the professional standards with input from management and the Compliance Offices; and

Whereas, the Board of Regents has reviewed the Internal Audit Plan and overall budget;

Now, Therefore, The Board of Regents authorizes and approves the following:

1. FY23 UNTS Internal Audit Plan
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

**Title:** Approval of UNT System Internal Audit Charter

Background:

The Texas Internal Auditing Act (Government Code Chapter 2012) specifies that internal audit programs shall conform to the Standards for the Professional Practice of Internal Auditing, the Code of Ethics contained in the Professional Practices Framework as promulgated by the Institute of Internal Auditors, and Generally Accepted Government Auditing Standards. The Institute of Internal Auditor's Practice Advisory 1000-1 in the Professional Practices Framework, and the UNT System Regent Rule 4.501.4, both outline the need for a formal written Internal Audit Charter, which should be approved by the Board.

The Institute of Internal Audit's Practice Advisory indicates a "periodic" review and approval of the Internal Audit Charter are required but best practices indicate this activity to be conducted on an annual basis. The previous comprehensive review and update was done in November 2021 and subsequent approval at the November 2021 Board of Regents meeting.

In reviewing the Charter for the 2023 Fiscal Year, Internal Audit did not identify the need for any modifications. Accordingly, the Internal Audit Charter is being presented to the Board of Regents for approval and issuance consistent with the current Internal Audit Charter, pursuant to Regent Rule 4.501.4, and the Institute of Internal Auditor's Professional Practice Framework

Financial Analysis/History:

No financial impact.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:55:34 -05'00'

Vice Chancellor/General Counsel

Schedule:

The Internal Audit Charter will be adopted immediately upon approval by the Board of Regents.

Recommendation:

It is recommended that the Board of Regents approve the attached UNT System Internal Audit Charter.

Recommended By:

Ninette Caruso

Chief Audit Executive

Dr. Michael R.
Williams

Digitally signed by Dr.
Michael R. Williams
Date: 2022.07.29 10:06:20
-05'00'

Chancellor

Attachments Filed Electronically:

- Internal Audit Charter



Board Order

Title: Approval of UNT System Internal Audit Charter

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Regent Rules 04.501 states to periodically review the Internal Audit Charter and present it to senior management and the Board for approval, and

Whereas, the Chief Audit Executive has prepared the Internal Audit Charter, and

Whereas, the Board of Regents has reviewed the Internal Audit Charter,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. UNT System Internal Audit Charter
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 16](#).



Title: Delegation of Authority to Execute Internal Audit Co-Source Professional Services Contracts with Protiviti, Inc and Deloitte & Touche, LLP

Background:

Since June of 2020, UNT System has maintained a Professional Services Agreement with Protiviti, Inc. to support UNT System’s Internal Audit function with a co-sourcing model. The co-sourcing arrangement covered FY21 and FY22 and has allowed the Internal Audit function to scale, through staff augmentation and subject matter expertise, to meet the assurance and advisory needs of the UNT System and its component institutions.

UNT System Internal Audit seeks to continue with the co-sourcing model and expand the number of firms providing professional services to a primary and secondary firm. This will allow Internal Audit to have access to a broader range of skillsets and ensure that potential conflicts and independence can be resolved by having the flexibility to source from two firms.

UNT System Internal Audit seeks to enter into a three-year Professional Services Agreement, covering FY23, FY24, and FY25, with Protiviti, Inc (“Protiviti”) and Deloitte & Touche, LLP (“Deloitte”) in the amounts of up to \$2 million and \$1 million per fiscal year respectively. The agreements will have a two-year renewal option after completion of the initial three-year term. The contract values require them to be submitted to the Board of Regents for approval in accordance with Regents Rule 03.900.

Financial Analysis/History:

The Protiviti contract is set at \$2 million and the Deloitte contract is set at \$1 Million per fiscal year

The contract amounts provide flexibility for Internal Audit to complete the FY 23, FY24, and FY25 Internal Audit Plans using co-sourcing services with a FY23 Internal Audit co-sourced budget of \$1.2 Million and future budgets to be determined.. The remaining contract amounts are a built-in contingency in the event Internal Audit scope of audits expands, or other departments within UNT System Enterprise elect to use either Protiviti or Deloitte for risk, control or other services.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.29 17:19:12
-05'00'

Vice Chancellor/General Counsel

Schedule:

The professional services contracts are to be negotiated and implemented upon approval by the Board of Regents.

Recommendation:

It is recommended that the UNT System Board of Regents delegate authority to the Chancellor to negotiate, approve, and execute the Protiviti and Deloitte three-year contracts covering FY 23, FY24, and FY25, with a two-year renewal option, in the amount of up to \$2 Million and \$1 Million per fiscal year respectively.

Recommended By:

Ninette Caruso

Chief Audit Executive

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.29 16:39:31 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R. Williams
Date: 2022.08.01 11:29:52 -05'00'

Chancellor



Board Order

Title: Delegation of Authority to Execute Internal Audit Co-Source Professional Services Contracts with Protiviti, Inc and Deloitte & Touche, LLP

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, Protiviti and Deloitte have provided services to UNT System in the past, including Protiviti's support of Internal Audit's activities for UNT System, and

Whereas, services will provide for coverage of key risks and strategic initiatives included in the FY23, FY24, and FY25 Internal Audit Plan as well as other potential risk and control initiatives for which the UNT System may need to engage the firms.

Whereas, UNT System wishes to enter into agreements to engage Protiviti and Deloitte to support UNT System's Internal Audit function with a co-sourcing model and provide specialty services to other departments within UNT System who may elect to use their services.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Delegation of authority to the Chancellor to negotiate, approve, and execute contracts with Protiviti and Deloitte covering FY23, FY24 and FY25, with a two-year renewal option, in the amount of up to \$2 Million and \$1 Million per fiscal year respectively.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents



**MINUTES
BOARD OF REGENTS
Strategic Infrastructure Committee
May 19, 2022**

The Strategic Infrastructure Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 19, 2022, in the University Union, Jade Ballroom-Room 333, at the University of North Texas, 1155 Union Circle, Denton, Texas with the following members in attendance: Regents A.K. Mago, Mary Denny, and John Scott.

There being a quorum present, the meeting was called to order by Committee Chair A.K. Mago. Pursuant to a motion by Regent John Scott seconded by Regent Mary Denny, the committee approved the minutes of the February 17, 2022, Strategic Infrastructure Committee meeting.

The committee had one action item to consider. Steve Maruszewski, Vice Chancellor for Strategic Infrastructure, presented an amendment to the FY22 Capital Improvement Plan as noted below:

12. UNTS Approval to Amend the UNT System FY22 Capital Improvement Plan

Pursuant to a motion by Regent John Scott, and seconded by Regent Mary Denny, the Strategic Infrastructure Committee approved the above item on a 3-0 vote.

There being no further business, the Strategic Infrastructure Committee meeting adjourned at 1:31 p.m.

Submitted By:



Rachel Barone,
Board Secretary

Date: 5-25-2022

**Board of Regents
Strategic Infrastructure Committee**

“Facility Conditions Assessments”

Presented by Steven Maruszewski

August 11, 2022

Agenda

- Background
 - Facilities Management by the Numbers
 - Board Reporting Requirement
- Analysis
 - Methodology
 - Common Definitions
- Findings
- Next Steps

Facilities Management By the Numbers

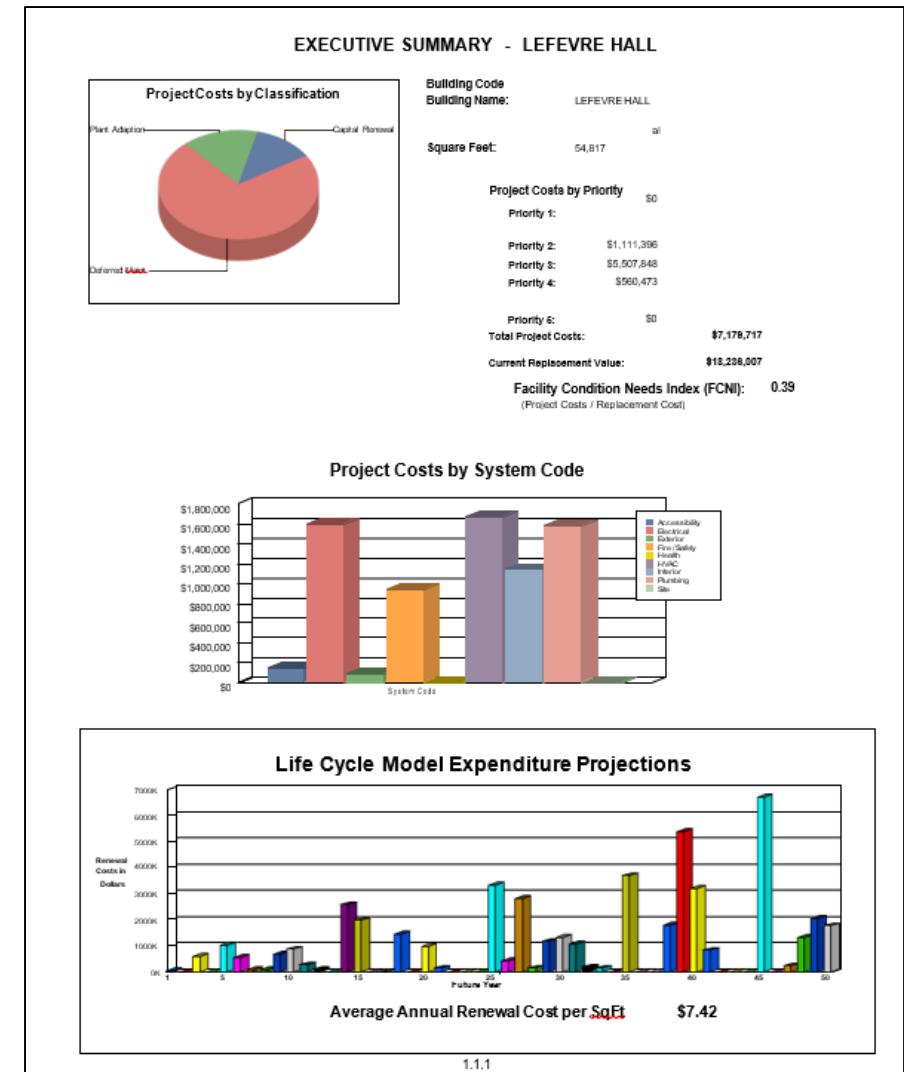
- Acres of Land **> 1200**
- Number of Buildings **> 220**
- Total Facility Square Footage **> 10.5 million**
- Annual M&O Budget **> \$40 million**
- Annual Average Capital Project Expenditures **> \$75 million**
- Facility Replacement Value **> \$4 billion**

Facility Condition Assessments

1. 3rd Party Review – The Gordian Group
2. Internal Validation

Definitions

- Deferred Maintenance – critical maintenance that was planned, but not completed due to lack of funding or execution
- Renewal – building systems and components that require renewal based on life cycle and/or condition
- Facility Condition Index – ten year renewal need divided by the facility replacement value
 - 0 – 0.24 Keep Up
 - 0.25 – 0.5 Catch Up
 - > 0.5 Renew, Repurpose or Remove



Total Deferred Maintenance (All Locations) ~ \$200m Total Ten Year Unmitigated Renewal Need (All Locations) ~ \$815m

Keep Up
99 Buildings
7,009,243 GSF



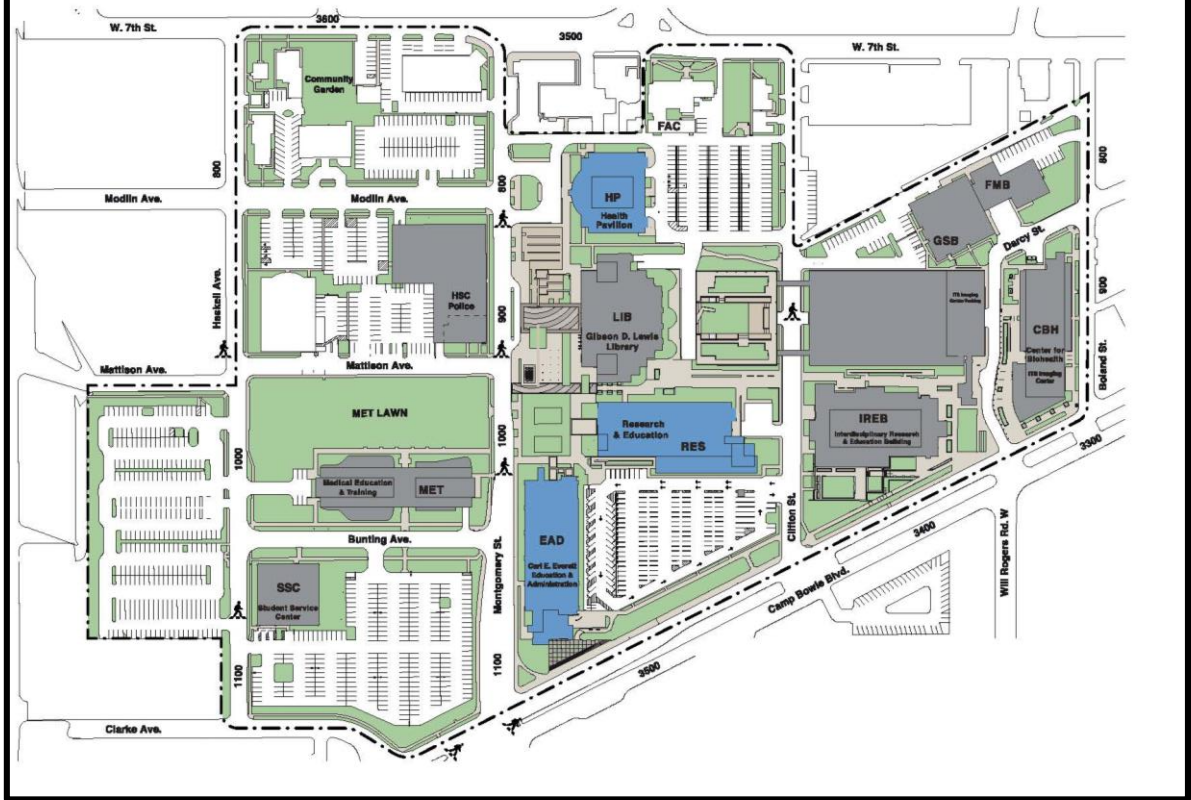
Catch Up
30 Buildings
2,602,173 GSF



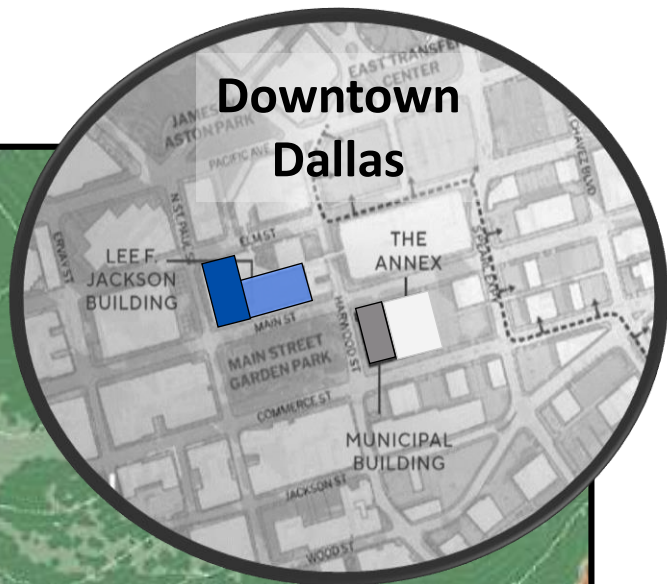
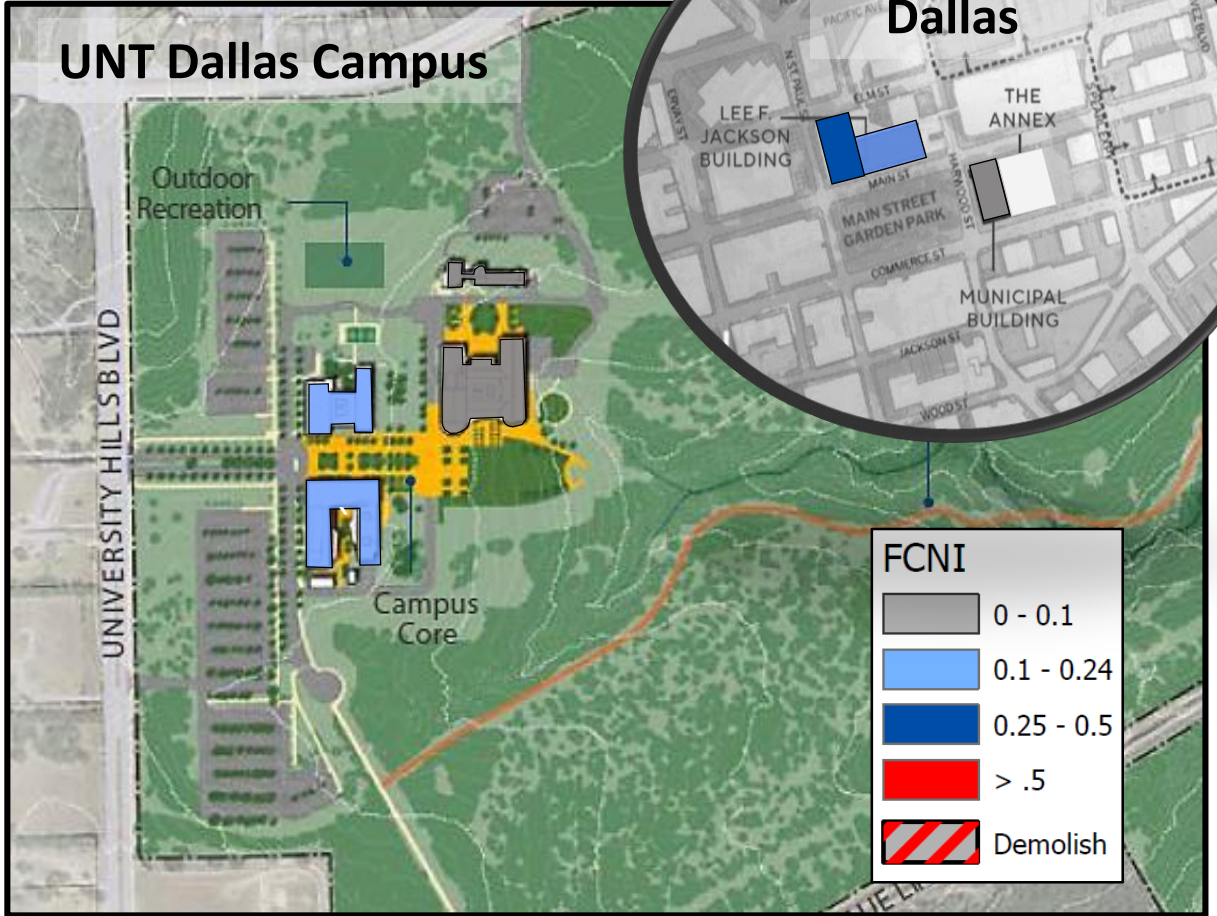
**Renew, Repurpose
or Remove**
25 Buildings
599,929 GSF



HSC Campus Map



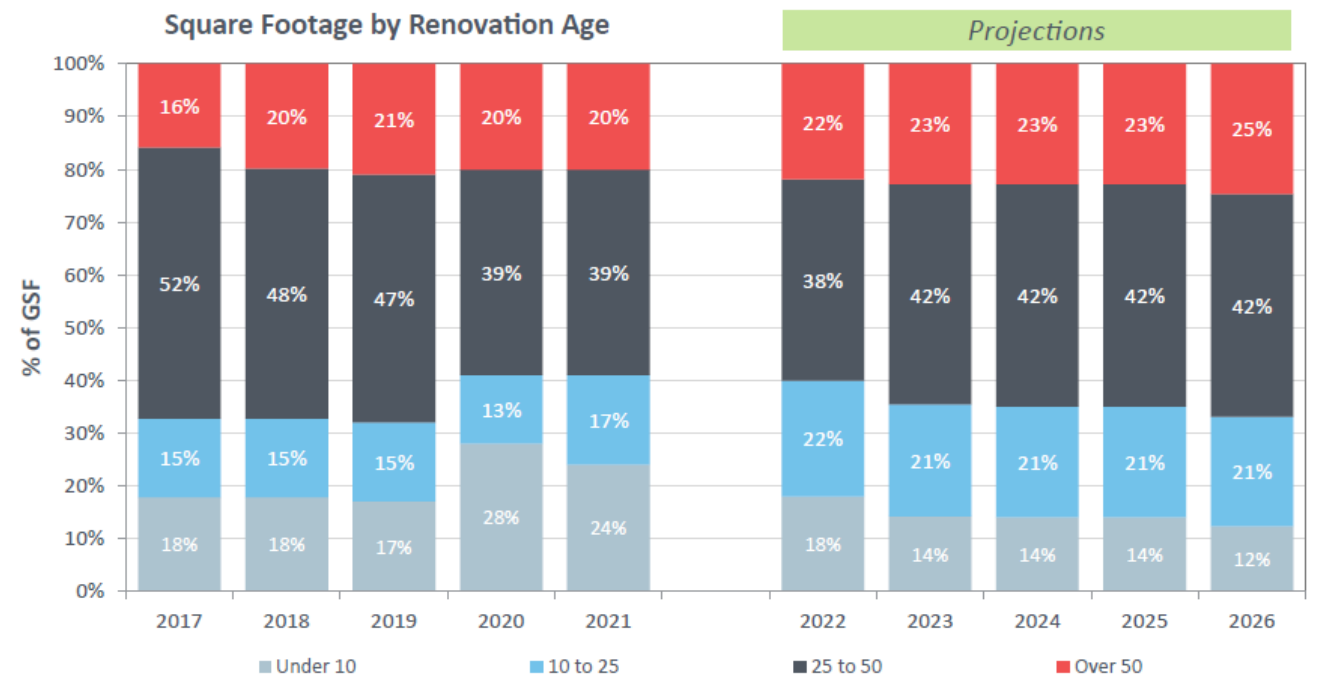
UNT Dallas Campus



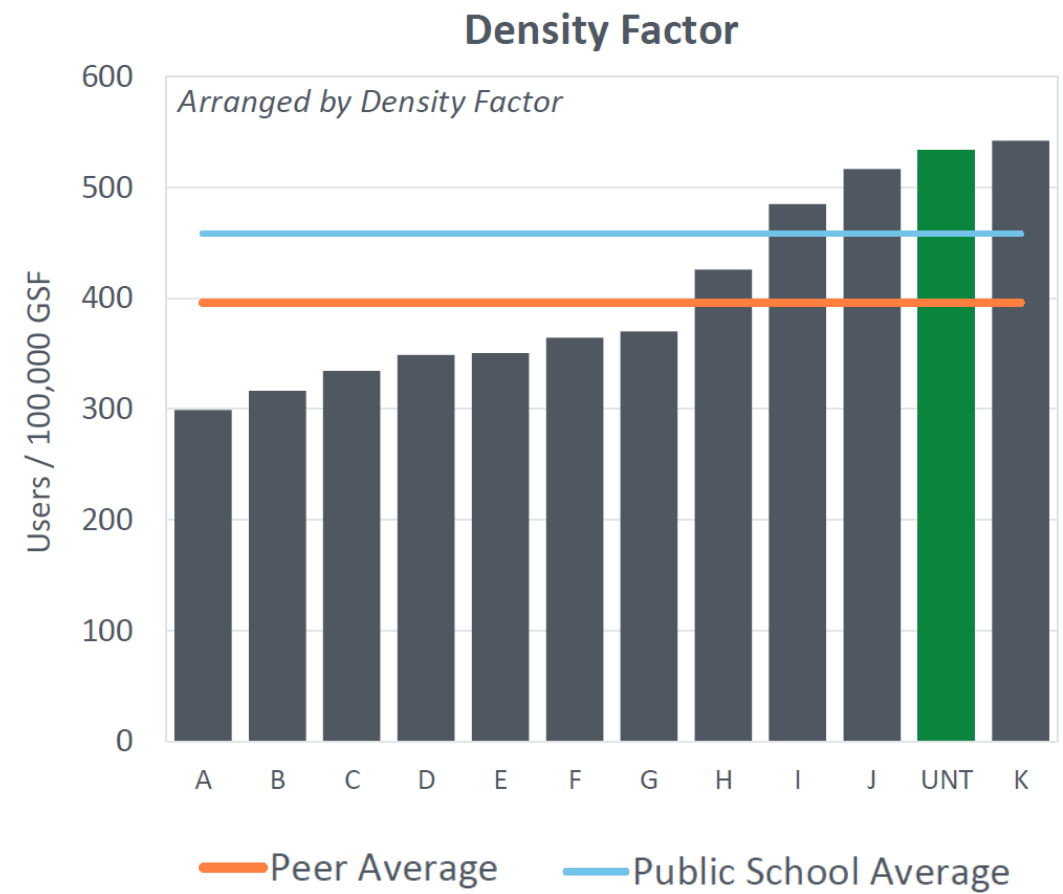
Renewal age is the key contributing factor with 25 years being the target for significant renewal

Projecting UNT's Future Space

In 5 years, 67% of UNT space will exist in higher-risk age categories (25+ years of age)



Square footage per FTE is lower than peers implying more occupants per facility leading to more wear and tear



Peer Institutions*

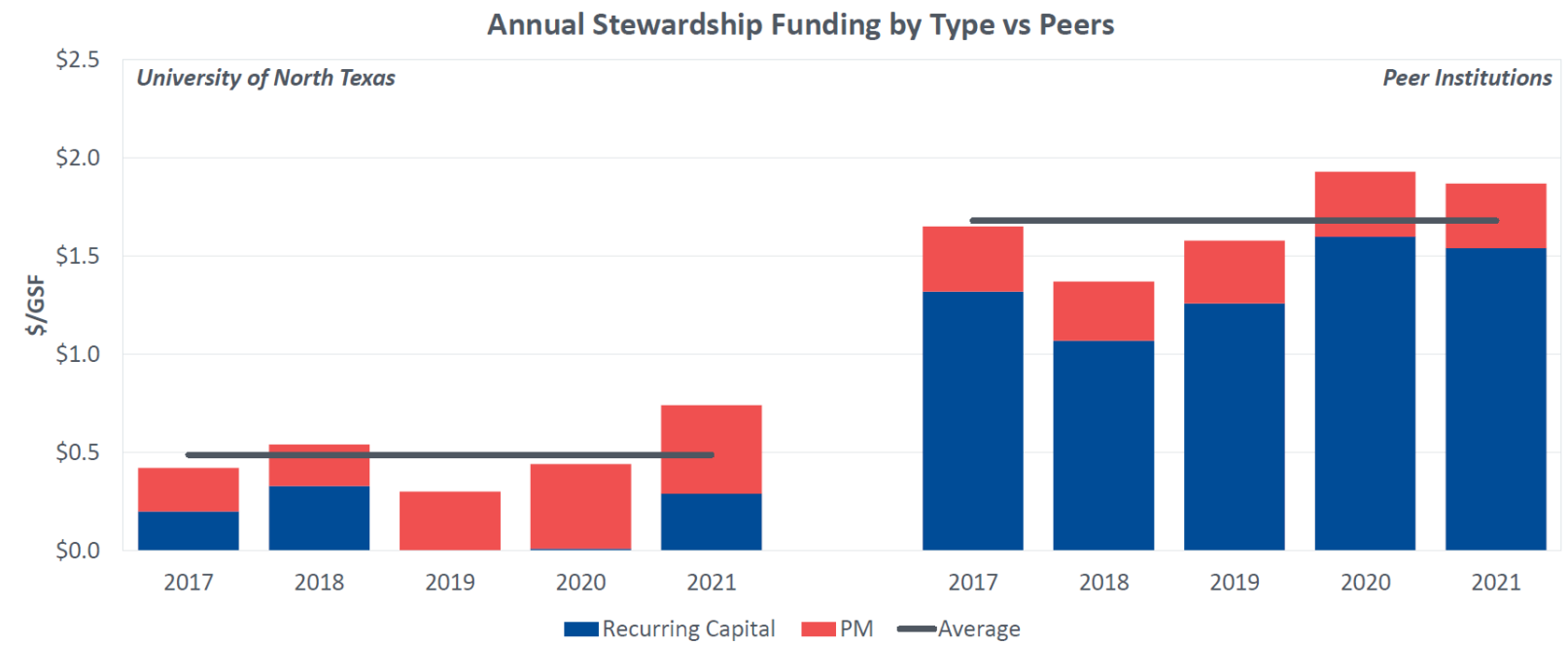
- Clemson University
- Florida State University
- New Mexico State University
- Texas State University
- The University of Arizona
- The University of Mississippi
- University of Arkansas
- University of Florida
- University of Missouri – Columbia
- University of Oregon
- University of Rhode Island

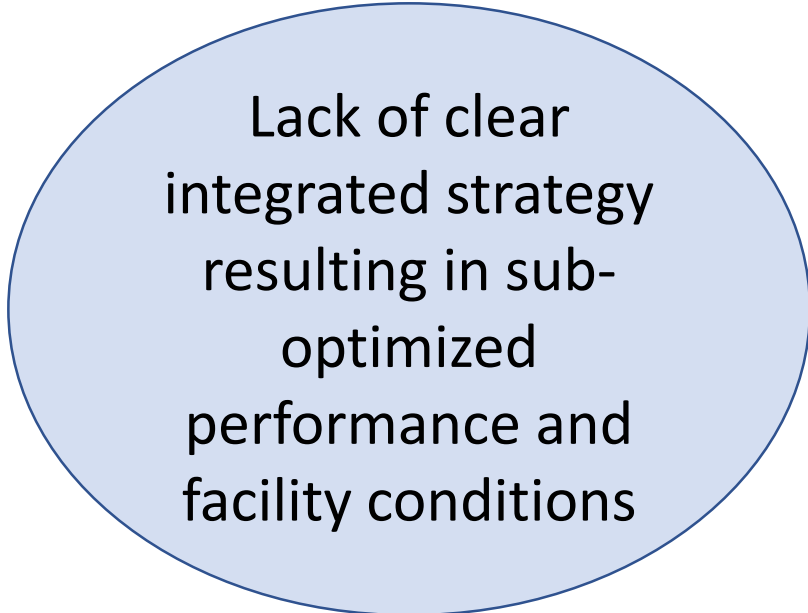
* Based on size, technical complexity, region, geographical location, and setting

Stewardship funding is lower than peers resulting in higher dependence on one-time money

UNT Has Access To Less Recurring Capital Than Peers

Annual stewardship program is funded primarily through preventive maintenance dollars





Lack of clear integrated strategy resulting in sub-optimized performance and facility conditions

Predominant current strategy is to react and repair, which is the least cost effective approach.

- Premature system failure
- Inability to effectively extend system life
- Unpredictable down time
- Increased damage due to adjacent failures

Not being strategic about funding sources hinders the development of effective facility stewardship strategies.

- Minimal ability to strategically extend system life and reduce capital injection needs

A \$2m annual investment over 10 years could reduce exposure by up to \$100m

The Good News

- Our Team of Facility Leads at Each Location is Focused on Addressing the Challenge
 - Wayne McInnis at UNTD and Cody McCullough at UNTS are adjusting maintenance planning to extend system life expectancy and invest wisely
 - Jason Hartley is leveraging the data along with space usage data to identify optimal space uses and appropriate capital investments at HSC
 - Jeff Brown, who is new to UNT, is champion in this area and will be incrementally changing all practices at UNT to optimize every facility dollar expended
- Facility Conditions Data is Increasingly Being Utilized to Refine all Facility Projects
- The list of Recent Impacts is Growing
 - UNT Dallas & System – Utilizing Data for Annual Planning
 - HSC CCAP
 - UNT
 - Physics Building Use
 - Discovery Park HVAC Upgrades and Vivarium Decision
 - Physical Education Building Planning, etc.
 - Etc.

UNT Oak Street Hall



- Usage: College of Visual Arts and Design - Ceramics
- Size: 37,011 GSF
- General Conditions:
 - Building is in very poor condition
 - Systems have exceeded their useful life
 - Significant Code Compliance Issues
- Demolition Under Way
 - Demolition Cost = \$350k
 - Avoided Costs = \$3m
 - Estimated Annual Operating Cost = \$185k
 - Simple Payback < 2 years

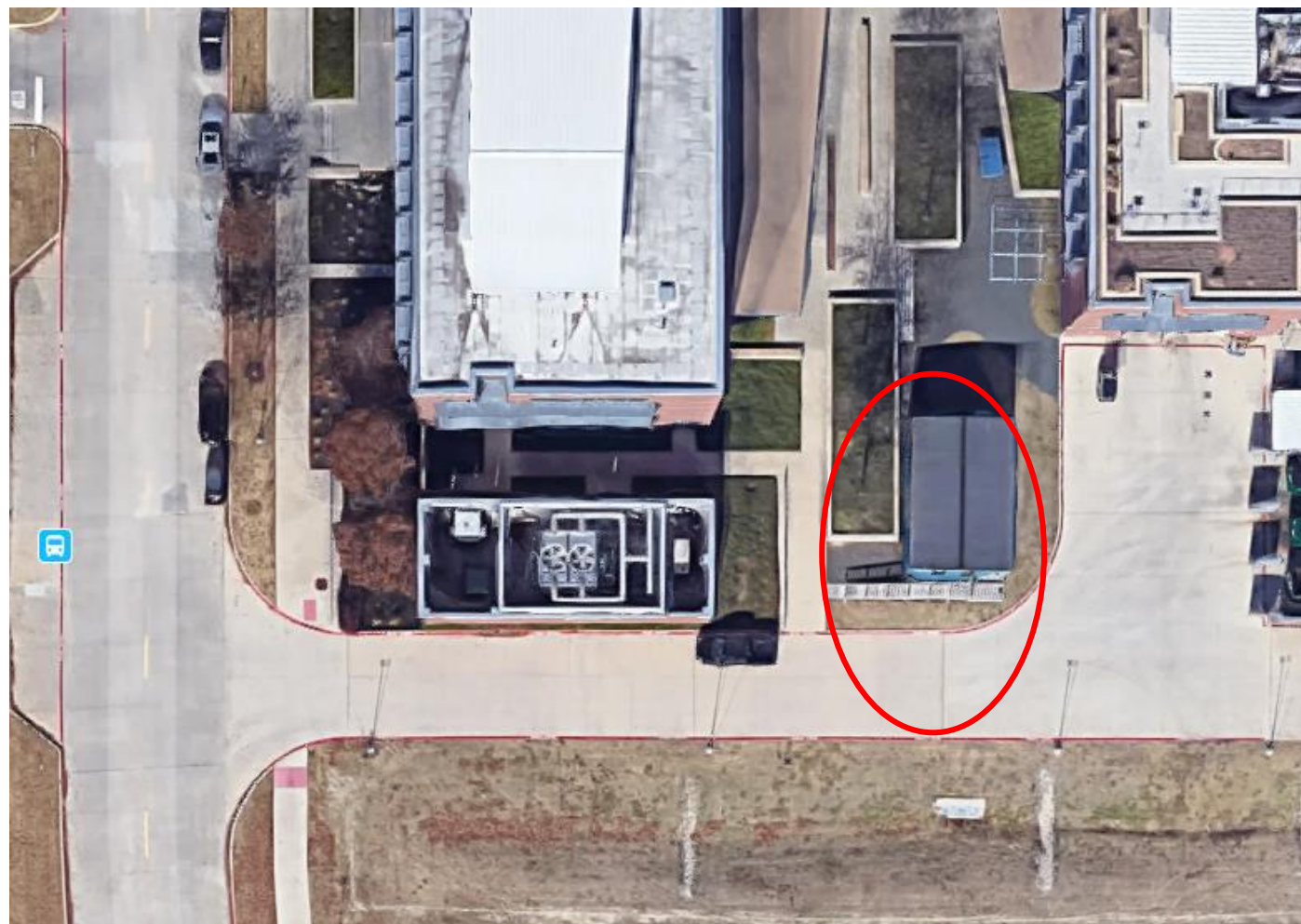
UNT College Inn



- Usage: Student Housing, Admissions and Facilities
- Size: 123,061 GSF
- General Conditions:
 - Buildings are in very poor condition
 - Systems have exceeded their useful life
 - Abatement need is an on-going liability
- Demolition Under Way
 - All Occupants Have Been Relocated
 - Estimated Demolition Cost = \$2.5m
 - Avoided Costs = \$17m
 - Estimated Annual Operating Cost = \$1.2m
 - Simple Payback ~ 2 years

UNT Dallas

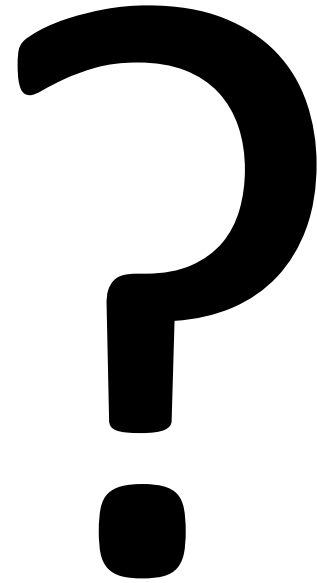
- Continued Consideration for Removal of General Storage
 - Size: 875 GSF
 - Wrong Location and Small Facility
 - Incorporate functions in existing buildings as part of new Capital Construction Assistance Project



Next Steps

- Refine, analyze and commit to maintaining the data
- Develop clear facility strategies at each location
 - Reassess need based on a focused change in strategy
 - Identify high priority investments vs potential run to failure and invest resources accordingly
 - Focus on eliminating true deferred maintenance backlog as these represent highest risks
 - Review facilities for functional obsolescence and develop strategy to eliminate or replace obsolete facilities
 - Once plans are complete and verified, hire or procure services necessary to keep up and catch up
 - Make the cultural shift from predominantly reactive to predominantly preventive
- Work with finance to optimize funding models that support stewardship
 - Prioritize investments for all assets
 - Establish funding necessary to address deferred maintenance and catch up
 - Establish stewardship funding Levels necessary to keep up
 - Maximize use of all currently available funding sources to address the challenge

Questions



Thank you

**Title:** Approval of the UNT System FY23 Capital Improvement Plan**Summary:**

The requested action is to approve the UNTS FY23 Capital Improvement Plan (CIP). The FY23 CIP adds three new projects: Inspire Park MEP & Interior Renovation, Discovery Park Fire Piping Replacement, and Eagle Landing Dining Retail; consolidates two previously approved projects into the HSC Capital Construction Assistance Project (CCAP): Facilities Management and General Services Buildings Renovation, and Research and Education (RES) Level 4; and modifies the scope and/or project budgets for five previously approved projects.

Background:

The following defines the basis of the UNTS FY23 Capital Improvement Plan. The request is for three new projects to be added, two existing projects to be removed, and five projects to have their funding either increased or decreased or scope modified.

Additions to the CIP:

- Project 23-01-2301 Inspire Park MEP & Interior Renovation with a project budget of \$10.0M: UNT acquired this facility as part of the larger development agreement for the Frisco Campus. This project will provide the necessary upgrade to the mechanical systems and construct new class laboratories for expanding needs at the Frisco campus. The funding will come from a reallocation of \$10M from the Science & Technology Research Building CCAP project.
- Project 23-01-2302 Discovery Park Fire Piping Replacement with a project budget of \$2.5M: this project will replace the underground piping for the fire protection system that has reached the end of its serviceable life.
- Project 23-01-2303 Eagle Landing Dining Retail with a project budget of \$2.4M: this project will provide the finish-out for the shelled retail space provided during the initial construction of the Eagle Landing Dining Hall.

Proposed Consolidation of Previously Approved Projects on the CIP:

- Project 19-03-1902 Facilities Management and General Services Buildings Renovation. Amend to cancel original project and incorporate into the CCAP project. The scope and original funding for this project is being incorporated into the Campus Space Optimization & Realignment CCAP Project.

- Project 22-03-2201 Everett Education & Administration (EAD) Level 4 Renovation. Amend to cancel original project and incorporate into the CCAP Project. The scope for this project is being incorporated into the Campus Space Optimization & Realignment CCAP Project and the previously identified funds will no longer be used.

Proposed Funding Increases to Existing Projects on the CIP:

- Project 22-03-2303 Campus Space Optimization & Realignment Project is currently approved for \$59,897,111. Amend to increase by \$3.5M for a revised project budget of \$63,397,111. The additional \$3.5M in HEF funds were originally allocated for the Facilities Management and General Services Buildings Renovation. As stated previously, this project along with the original funds will be incorporated into this CCAP project.
- Project 17-01-0002 Coliseum MEP Renovation is currently approved for \$3.5M. Amend to increase by \$1.4M for a revised project budget of \$4.9M to support additional necessary scope and the significant construction market inflation that has occurred since project inception.
- Project 22-01-1721 Chilton Hall Exterior Envelope Repairs is currently approved for \$3.0M. Amend to increase by \$1.0M for a revised project budget of \$4.0M to provide for additional identified critical scope for interior code compliance modifications. The additional scope will bring the facility up to compliance with the fire code and allow for future renovations in the building.

Proposed Funding Decreases to Existing Projects on the CIP:

- Project 22-01-2205 Science & Technology Research Building is currently approved for \$113.4M. Amend to decrease by \$10.0M for a revised project budget of \$103.4M. CCAP funds currently approved for this project will be reallocated to provide for the necessary renovation and MEP upgrades at Inspire Park.

Proposed Project Scope Modifications

- Project 19-01-1904 Kerr Hall A Tower Common Areas is currently funded at \$3.9M. The scope is being increased to accommodate renovations to the vacated Dining Hall to relocate the Mean Greens Dining Hall in Maple to this larger space. It is anticipated that this can be achieved within the existing project funding.

Financial Analysis:

Funds for all projects outlined on the FY23 Capital Plan have been allocated by the institutions and confirmed by the respective Presidents and Chief Financial Officers. Funding plans have been reviewed and approved by the Deputy Chancellor for Finance and Operations.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 14:31:31
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Vice Chancellor/General Counsel

Schedule:

The planning, design, and/or construction of these projects are anticipated to begin in Fiscal Year 2023. A schedule specific to each project is detailed in the attached plan document.

Recommendation:

It is recommended that the Board of Regents authorize the FY23 Capital Improvement Plan.

Recommended By:

Steve Maruszewski

Vice Chancellor for Strategic
Infrastructure

Gregory R.
Anderson

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Anderson
Date: 2022.07.28 10:54:59 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R.
Williams

Digitally signed by Dr.
Michael R. Williams
Date: 2022.07.29 10:08:53
-05'00'

Chancellor

Attachments Filed Electronically:

- UNTS FY23 Capital Improvement Plan



Board Order

Title: Approval of the UNT System FY23 Capital Improvement Plan

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Board of Regents has previously approved the Campus Master Plans for UNT, UNTHSC, and UNTD, and

Whereas, UNT, UNTHSC, UNTD and UNT System Administration have developed Capital Improvement Plans consistent with the master plans and their strategic plans, and

Whereas, the Capital Improvement Plan shall be amended for FY23 to include the following projects, scopes, and budgets:

- Add Project 23-01-2301 Inspire Park MEP & Interior Renovation with a project budget of \$10.0M
- Add Project 23-01-2302 Discovery Park Fire Piping Replacement with a project budget of \$2.5M
- Add Project 23-01-2303 Eagle Landing Dining Retail with a project budget of \$2.4M
- Project 22-03-2303 Campus Space Optimization & Realignment Project is currently approved for \$59,897,111. Amend to increase by \$3.5M for a revised project budget of \$63,397,111
- Project 17-01-0002 Coliseum MEP Renovation is currently approved for \$3.5M. Amend to increase by \$1.4M for a revised project budget of \$4.9M
- Project 22-01-1721 Chilton Hall Exterior Envelope Repairs is currently approved for \$3.0M. Amend to increase by \$1.0M for a revised project budget of \$4.0M
- Project 22-01-2205 Science & Technology Research Building is currently approved for \$113.4M. Amend to decrease by \$10.0M for a revised project budget of \$103.4M.
- Project 19-01-1904 Kerr Hall A Tower Common Areas. Amend to increase scope with no funding adjustment
- Project 19-03-1902 Facilities Management and General Services Buildings Renovation. Amend to cancel projects and incorporate scopes in Project 22-03-2303,
- Project 22-03-2201 Everett Education & Administration (EAD) Level 4 Renovation. Amend to cancel project and incorporate scope in Project 22-03-2303; and

Whereas, program and project quarterly status reports will be available to the Board, and

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Approve UNTS FY23 Capital Improvement Plan as listed above and indicated in the attached CIP.
2. Vice Chancellor for Strategic Infrastructure to present quarterly updates on progress of projects in the CIP with data provided by the institutions as needed.
3. Reporting to the Texas Higher Education Coordinating Board as appropriate.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 49](#).

Board Briefing



Committee: Strategic Infrastructure

Date Filed: July 20, 2022

Title: Approval to Reallocate Project Authorizations Incorporated in Senate Bill 52 87th (3rd) Legislature

Background:

The 87th (3rd) Legislature passed, and the Governor signed, Senate Bill 52, relating to the issuance of revenue bonds to fund capital projects at institutions of higher education. Among the University of North Texas System institutions, \$113,400,000 was authorized for the University of North Texas for construction of a science and technology research building.

The bill also provides authority to the respective Boards of Regents to (1) transfer funds among component institutions and (2) finance alternate projects. Financing alternate projects requires notification to the Texas Higher Education Coordinating Board and, if the alternate project exceeds \$25 million, the request is subject to approval by the Legislative Budget Board and the Office of the Governor.

UNT System proposes the reallocation of \$10,000,000 from the amount authorized for the University of North Texas to fund renovations at Inspire Park in Frisco.

Financial Analysis/History:

Debt service for Capital Construction Assistance Projects passed by the legislature will be funded by the State. Accordingly, there is no financial requirement for the UNT System.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 14:04:06
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Vice Chancellor/General Counsel

Schedule:

The reallocation of funds will occur upon approval by the Board of Regents.

Recommendation:

It is recommended that the Board of Regents authorize and approve the reallocation of project authorizations incorporated in Senate Bill 52 87th (3rd) Legislature.

Recommended By:

Steve Maruszewski

Vice Chancellor for Strategic
Infrastructure

Gregory R. Anderson Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:54:15 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael
R. Williams
Date: 2022.07.29 10:08:13
-05'00'

Chancellor



Board Order

Title: Approval to Reallocate Project Authorizations Incorporated in Senate Bill 52 87th (3rd) Legislature

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, a need has been identified for additional classroom space for UNT at Frisco, and

Whereas, Senate Bill 52 authorized \$113,400,000 in Capital Construction Assistance Project funds, and

Whereas, Senate Bill 52 provides authority to the respective Boards of Regents to (1) transfer funds among component institutions and (2) finance alternate projects,

Now, Therefore, The Board of Regents authorizes and approves the following:

Reallocation of \$10,000,000 from the amount authorized for the University of North Texas for construction of a science and technology research building to fund classroom renovations at UNT at Frisco's Inspire Park campus.

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents



MINUTES

BOARD OF REGENTS Finance Committee May 19, 2022

The Finance Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 19, 2022, in University Union, Jade Ballroom-Room 333, at the University of North Texas, 1155 Union Circle, Denton, Texas, with the following members in attendance: Regents Carlos Munguia, Melisa Denis and A.K. Mago.

There being a quorum present, the meeting was called to order by Committee Chairman Munguia. The minutes of the February 17, 2022 Audit and Finance Committee meeting were approved on a 3-0 vote following a motion by Regent A.K. Mago, and seconded by Regent Melisa Denis.

The Committee had one briefing, the **UNTS Quarterly Financial Update**, which was presented by UNT System Deputy Chancellor for Finance and Operations Greg Anderson.

Following the briefing, the Committee considered two action items. The first action item was for approval of the Finance Committee charter.

5. UNTS Approval of the Finance Committee Charter

Pursuant to a motion by Regent A.K. Mago, and seconded by Regent Melisa Denis, the above action item was approved on a 3-0 vote.

The final action item, a request for approval of the FY24 Holiday Schedule was presented by Deputy Chancellor for Finance and Operations, Greg Anderson.

6. UNTS Approval of FY24 Holiday Schedule for the UNT System Administration, UNT, UNTHSC, and UNT Dallas

Pursuant to a motion by Regent A.K. Mago, and seconded by Regent Melisa Denis, the above action item was approved on a 3-0 vote.

There being no further business, the Committee meeting adjourned at 10:30 a.m.

Submitted By:



Rachel Barone, Secretary
Board of Regents

Date: 5-25-2022

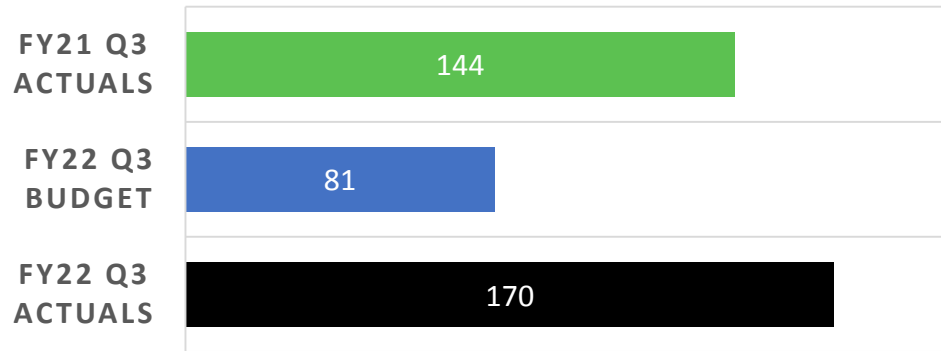
UNTS Board of Regents

FY 2022 Q3 Financial Highlights

Greg Anderson,
Deputy Chancellor for Finance and Operations
August 11, 2022

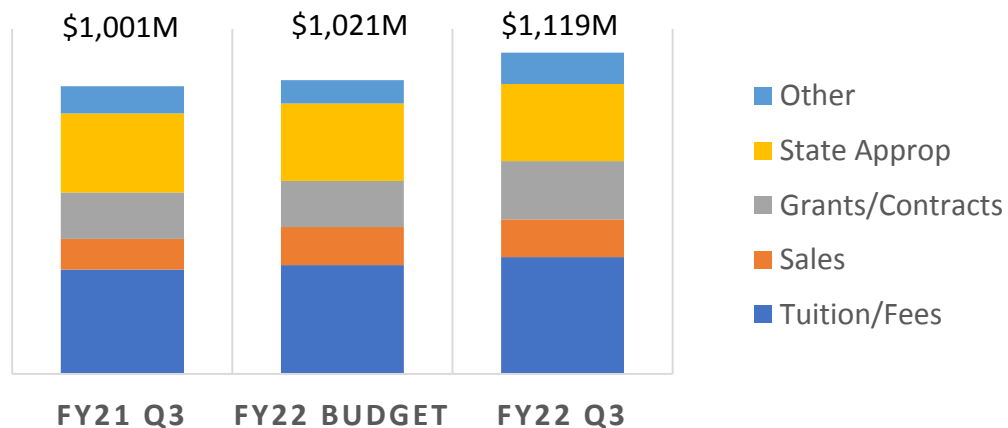
FY 2022 Q3 Performance: UNTS Consolidated

Net contribution to fund balances (\$M)

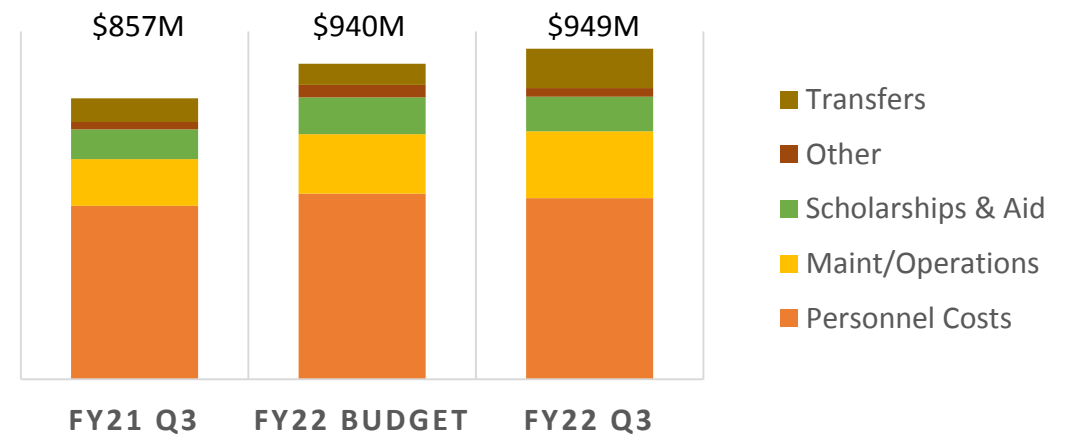


- Net contribution to fund balances higher than plan
 - Higher than budget by \$89m; higher than 2021 actuals by \$26m
- Revenues higher than planned
 - Tuition/Fees higher than plan by \$28m/8% due to increased enrollment
 - Grants and Contracts higher than plan by \$43m/27% due to timing of COVID relief funding
- Expenses and Transfers higher than planned by \$9m/1%
 - Above plan due to return to campus; mostly driven by maintenance/operations

REVENUES



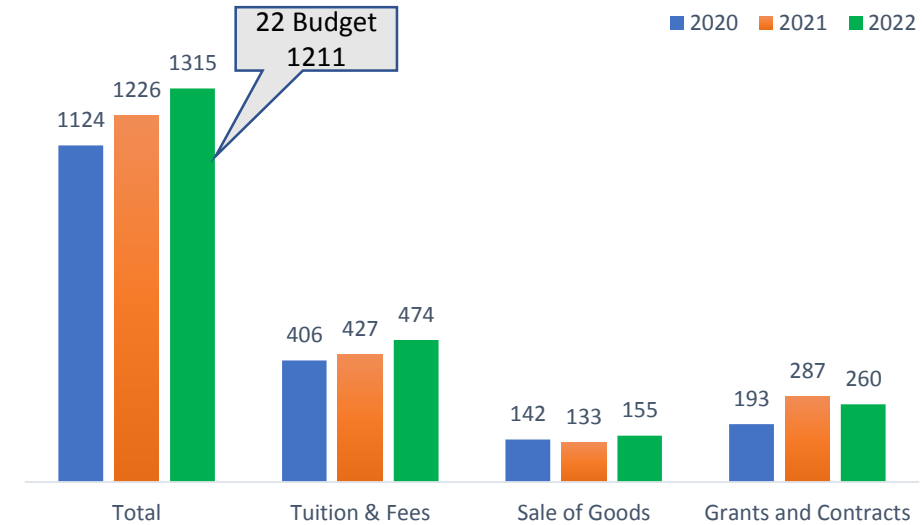
EXPENSES & TRANSFERS



FY 2022 UNTS End of year financial estimates (\$m)

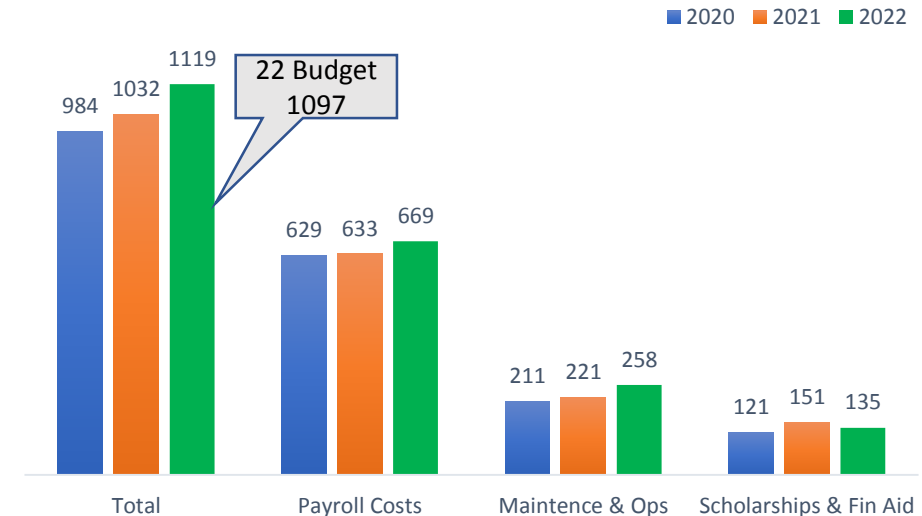
• Projected Revenue:

- FY22 Revenue projecting higher than FY21 by \$89m; higher than budget plan by \$104m;
- Tuition & Fees projecting higher than FY21 by \$47m due to increased student enrollment;
- Sales of goods projecting \$22m higher than FY21 due to full reopening of campuses;
- Grants and Contracts lower than prior year by \$27m because a majority of COVID relief funding was recognized in FY21.



• Projected Expenses:

- FY22 Expenses projecting higher than FY21 by \$87m; higher than budget plan by \$22m;
- Payroll costs projecting higher than prior year by \$36m due to increased enrollment support, faculty & auxiliary enterprises;
- Maintenance & Operations higher than FY21 by \$37m due to planned reopening costs;
- Scholarships & Aid projecting \$16m lower compared to prior year due to less COVID relief funding in FY22.



*Note: These are the main drivers, and do not total

FY 2022 Statement of Net Position (Assets, Liabilities & Net Position)

Net Position increased by \$85m (6.5%)

Assets & Deferred Outflows: increased \$152m (6.4%)

- Cash – \$83m
- Accounts Receivable – \$23m
- Investments – \$14m
- Capital Assets (GASB 87) – \$24m

Liabilities & Deferred Inflows: increased \$67m (6.3%)

- Notes & Loans (decrease) – (\$57m)
- Bonded Debt – \$62m
- Deferred Inflows (GASB 87) – \$19m

Condensed Comparative Statement of Net Position As of May 31, 2022 and 2021 (in thousands of dollars)

	May 31 2022	May 31 2021	% Increase (Decrease)
Assets and Deferred Outflows of Resources			
Current Assets	\$ 612,102	\$ 512,332	19.5%
Non-Current Assets:			
Capital Assets, Net	1,424,807	1,400,356	1.7%
Other Non-Current Assets	496,928	468,267	6.1%
Deferred Outflows of Resources	6,284	6,822	-7.9%
Total Assets and Deferred Outflows of Resources	\$ 2,540,121	\$ 2,387,777	6.4%
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$ 274,083	\$ 251,437	9.0%
Non-Current Liabilities:			
Bonded Indebtedness	807,242	782,718	3.1%
Other Non-Current Liabilities	37,616	36,473	3.1%
Deferred Inflows of Resources	19,977	1,082	1746.3%
Total Liabilities and Deferred Inflows of Resources	\$ 1,138,918	\$ 1,071,710	6.3%
Net Position			
Net Investment in Capital Assets	\$ 553,386	\$ 520,500	6.3%
Restricted:			
Funds Held as Permanent Investments:			
Non-Expendable	64,322	58,517	9.9%
Expendable	44,246	63,174	-30.0%
Other Restricted	62,596	61,689	1.5%
Total Restricted	171,164	183,380	-6.7%
Unrestricted	676,653	612,187	10.5%
Total Net Position	\$ 1,401,203	\$ 1,316,067	6.5%
Total Liabilities and Net Position	\$ 2,540,121	\$ 2,387,777	6.4%

FY 2022 Statement of Revenues, Expenses & Changes in Net Position

Net Position increased by \$85m (6.5%)

Operating Revenues increased by \$77m (13.5%)

- Tuition – \$45m
- Auxiliary Revenue – \$20m

Operating Expenses increased by \$95m (11.8%)

- Salary & Benefits – \$21m
- Scholarships – \$14m
- Professional Fee Expense – \$15m
- Auxiliary Expenses – \$14m

Non-operating Revenues decreased by (\$58m) (14.4%)

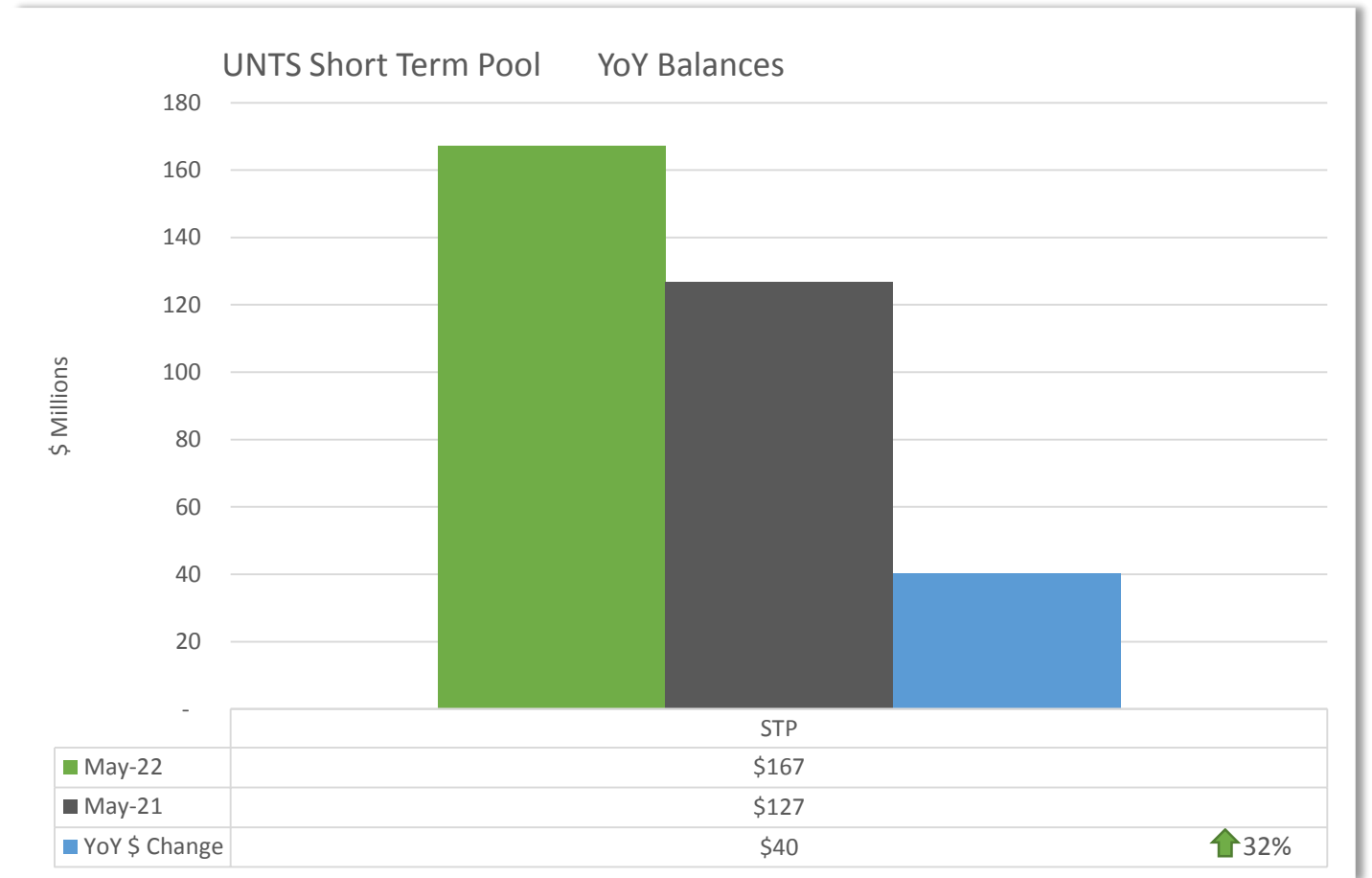
- Appropriations (decrease) – (\$8m)
- Federal Revenue (HEERF) – \$33m
- FMV of Investments (decrease) – (\$96m)

UNAUDITED			
Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position			
For the Nine Months Ended May 31, 2022 and 2021			
(in thousands of dollars)			
	May 31, 2022	May 31, 2021	% Increase (Decrease)
Operating Revenues	\$ 646,865	\$ 570,164	13.5%
Operating Expenses	898,900	803,994	11.8%
Operating Income (Loss)	\$ (252,035)	\$ (233,830)	7.8%
Nonoperating Revenues (Expenses)	346,650	404,963	(14.4%)
Income (Loss) Before Other Revenues, Expenses and Transfers	\$ 94,615	\$ 171,133	(44.7%)
Other Revenues, Expenses and Transfers	59,196	51,576	14.8%
Change in Net Position	\$ 153,811	\$ 222,709	(30.9%)
Net Position, September 1	\$ 1,247,854	\$ 1,093,358	14.1%
Restatement	(462)	-	0.0%
Restated Net Position, September 1	1,247,392	1,093,358	14.1%
Net Position, May 31	\$ 1,401,203	\$ 1,316,067	6.5%

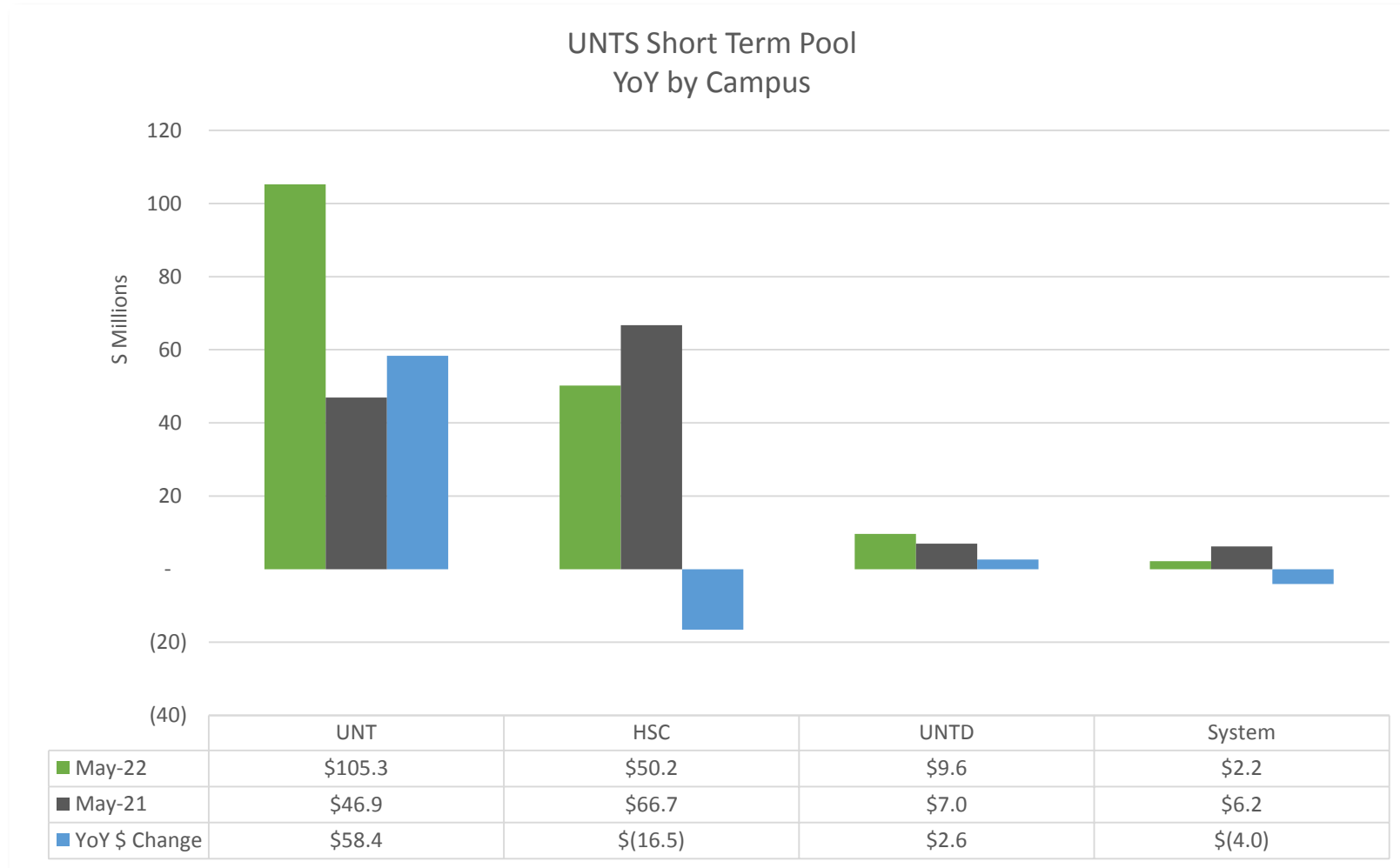
FY 2022 Q3 Cash Highlights

Highlights:

- Higher enrollments led to higher than anticipated tuition and fee revenues
- Sufficient reserve balances maintained
- Overall, improved operating liquidity over FY21



FY 2022 Q3 Cash Highlights – Cont.



Note: FY22 HSC balance reflects \$50m less due to transfers to long-term investments

FY 2022 Q3 UNTS Cash Flow Projections

Q3 FY 22 financials sustained a positive liquidity position for start of the fiscal year

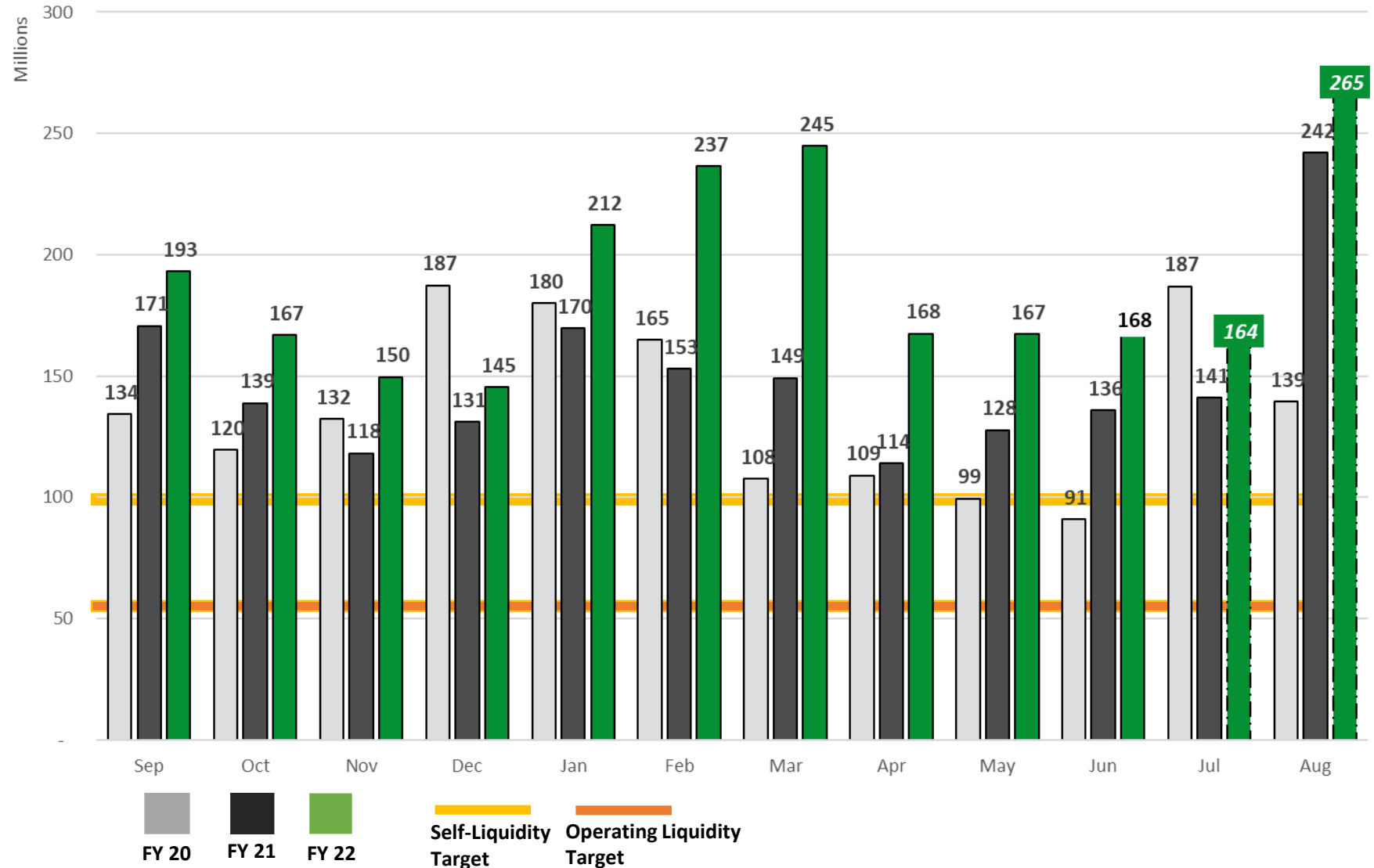
- Self-liquidity target of \$100m = 2x CP
- Operating liquidity target \$53m coverage of monthly PR and 5 days of AP

Days Cash on Hand

8/31/2021	11/30/2021	2/28/2022
226	183	223

5/31/2022	8/31/2022
190	227

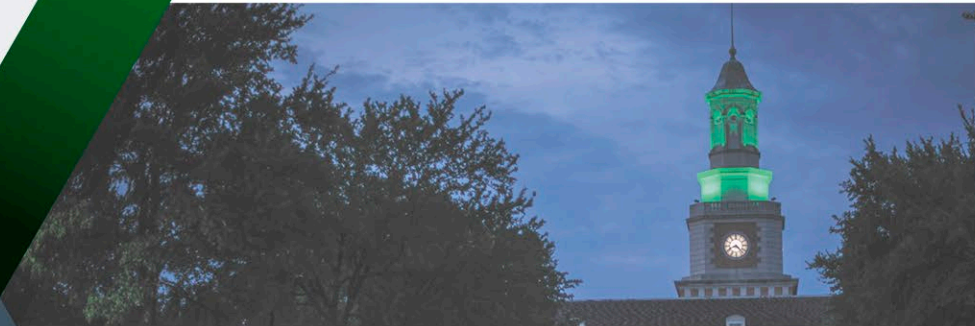
Benchmark – 169 days



Questions

UNT SYSTEM™ 2023

CONSOLIDATED OPERATING BUDGET



Greg Anderson
Deputy Chancellor for
Finance & Operations

August 11, 2022

Introduction

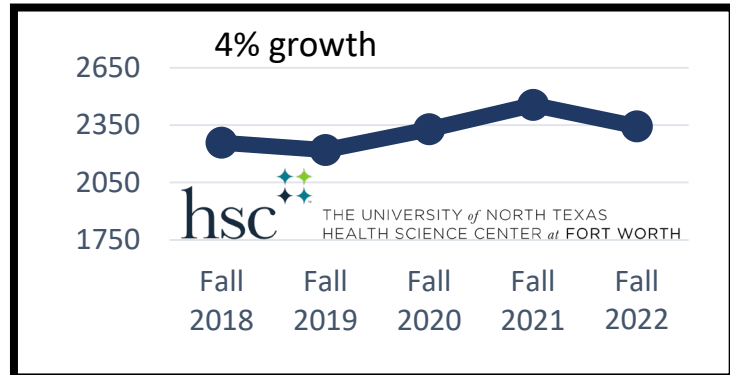
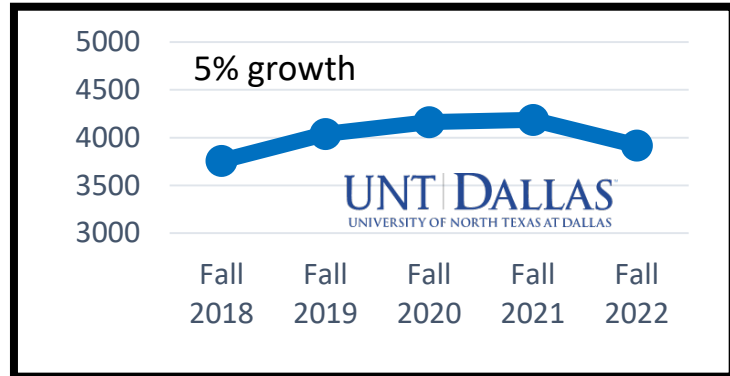
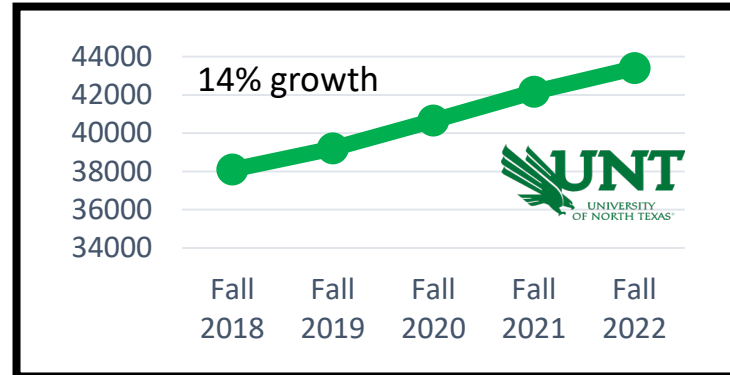
The FY23 consolidated operating budget supports the vision, mission, and objectives of the member institutions of UNT System Enterprise.

The FY23 operating budgets and 5-year financial plans are designed to optimize operations, and better serve our students and communities while strengthening our financial posture.

Budget planning for FY23:

- All campuses continue on-site operations
- Housing/dining still fully operational
- Athletics operational with full fan participation
- Conservative estimates on enrollment
- Potential market disruption that could negatively impact investment & gift income
- Investment in focused capital projects, including Capital Construction Assistance Projects funded by 87th legislature

Enrollment Trends



FY23 Budget Process Priorities

Enabling our strategic initiatives

- Investments in new buildings and renovations system-wide
- Continued development at UNT's Frisco campus
- Developing new models of healthcare and educational delivery
- Providing pathways to socio-economic mobility

Pursuing growth and value

- Focused on supporting new and high growth academic programs
- Sustained emphasis on cost containment and affordability
- Support for faculty recruitment and retainment

Enhancing operational performance

- Continued rigorous review of shared services
- New investments in technology infrastructure and automation



Consolidated FY23 Budget Proposal

FY23 Budget Proposal:

- Revenues projected to increase in FY23 by \$94M/8% due to an increase in graduate enrollment, an increase in grants and contracts from HSC's AIM-Ahead grant, and an increase in auxiliaries.
- Expenses planned to increase in FY23 by \$108M/10% reflecting the investments in faculty and staff, high growth programs, and student success.

	FY22	FY22 Est	FY23	FY22 vs FY23 Budget	
	Budget	Actuals	Budget	Δ in \$	Δ in %
Revenues	1,149.2	1,238.5	1,300.6	151.4	13%
COVID-19 Relief Funding	61.4	76.7	4.0	-57.4	-93%
Total Revenues	1,210.6	1,315.2	1,304.6	94.1	8%
Expenses	1,035.2	1,044.1	1,200.6	165.5	16%
COVID-19 Relief Funding	61.4	74.5	4.0	-57.4	-93%
Total Expenses	1,096.5	1,118.6	1,204.6	108.1	10%
Debt Service	-80.3	-80.2	-77.6	2.7	-3%
Capital Projects	-31.2	-38.2	-24.1	7.1	-23%
Legislative & Other Transfers	3.5	-1.0	2.8	-0.7	-19%
Total Net Transfers	-108.0	-119.5	-98.9	9.1	-8%
Est. Impact on Fund Balances	6.0	77.2	1.1	-4.9	-82%

Note: Dollars in millions

Budget	22 Bud	22 Est	23 Bud
UNT	2.9	59.3	0.5
HSC	3.3	17.3	0.6
UNTD	0.3	0.8	0
SYS ADM	(0.5)	(0.2)	0
TOTAL	\$6.0M	\$77.2M	\$1.1M

Consolidated Budget and Plan

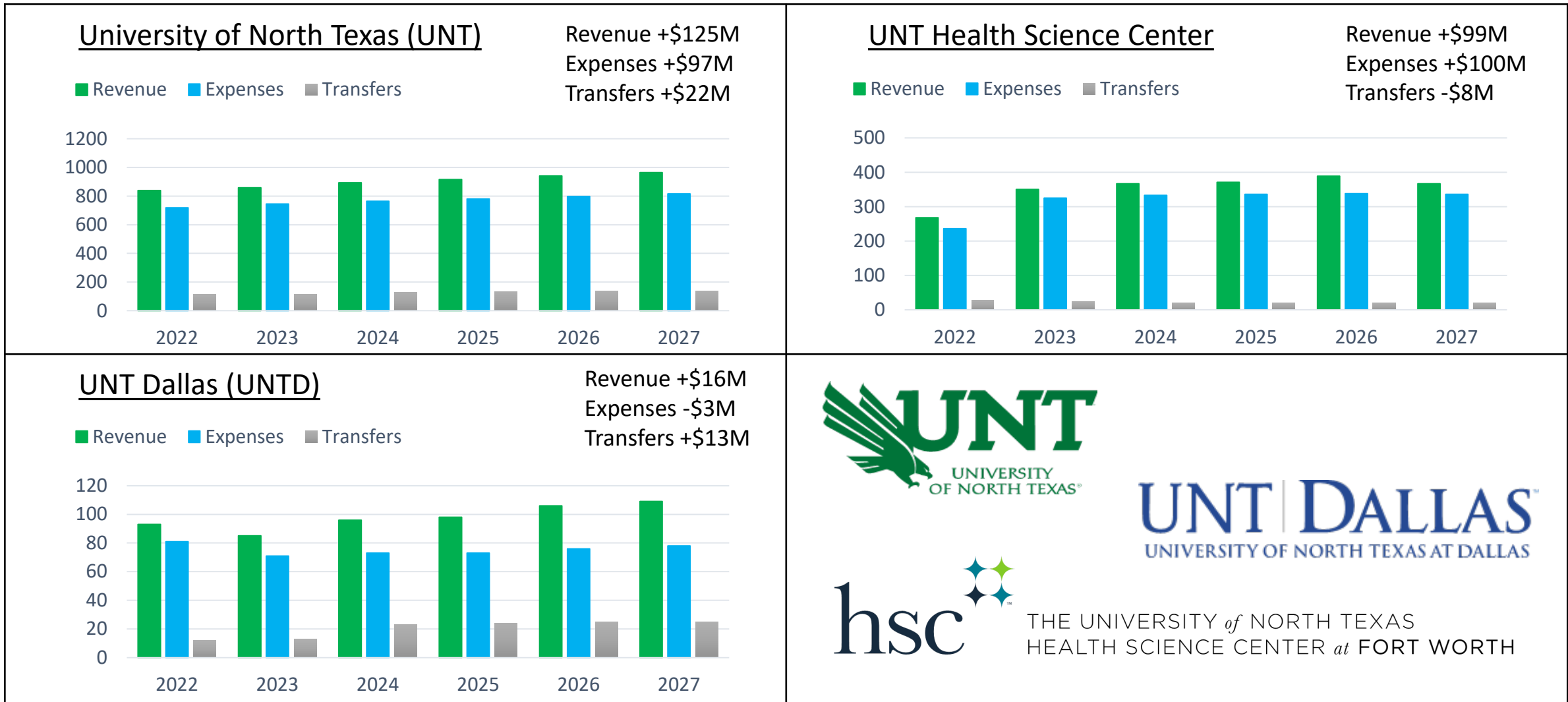
FY23 Proposed Budget including Five Year Look Forward (Millions)

Major budget notes:

- Revenues projected to increase in FY23 and grow in out years
- Expenses projected to increase in FY23 and slightly increase in out years
- Positive impact on fund balance with increasing trend across the years

	FY22 Budget	FY22 Est Actuals	FY23 Budget	FY24 Plan	FY25 Plan	FY26 Plan	FY27 Plan
REVENUES							
Net Tuition and Fees	428.0	473.7	487.7	503.8	517.7	534.4	550.9
Sales of Goods and Services	145.0	154.6	150.7	153.9	159.5	166.6	170.2
Grants and Contracts	237.3	259.8	262.9	271.3	276.0	272.7	275.5
State Appropriations	307.3	307.6	303.8	346.2	346.4	357.2	357.4
All Other Revenue	93.0	119.5	99.5	93.5	96.2	96.9	99.1
Total Revenues	1,210.6	1,315.2	1,304.6	1,368.7	1,395.8	1,427.9	1,452.9
EXPENSES							
Personnel Costs	677.0	669.4	711.8	722.1	730.5	741.9	751.1
Maintenance & Operation Costs	233.6	257.6	262.3	281.4	290.3	294.2	301.3
Scholarships, Exemptions and Financial Aid	142.0	135.3	115.2	121.2	123.7	126.6	129.3
All Other Expenses	43.9	56.3	115.3	108.6	110.1	116.3	115.5
Total Expenses	1,096.5	1,118.6	1,204.6	1,233.3	1,254.5	1,279.0	1,297.3
TRANSFERS							
Total Net Transfers	-108.0	-119.5	-98.9	-119.0	-122.2	-126.1	-129.4
Estimated Budgeted Impact on Fund Balances	6.0	77.2	1.1	16.4	19.0	22.9	26.2

Budget Trends by institution



Note: Dollars in millions

Questions



Fiscal Year 2023 Budget

University of North Texas

Clayton Gibson, VP Finance & Administration

Presented to the UNT System Board of Regents

Thursday, August 11, 2022

Introduction from the President Strategic Priorities

- Inflation
- Competitive Compensation
- Advancement
- Research
 - Center for Intelligent Integrated Mobility Systems (CIIMS) and test range
 - Grant writing and training support
 - High impact hires

Introduction from the President Strategic Priorities

Supporting our growth

- Faculty/Staff to support high demand programs
- Increased math and English support
- Counseling, advising, career development
- Integrated financial services
- Frisco program growth

Buildings

- Stem building
- SRB renovation
- Inspire Park Renovation
- Residence hall
- Multicultural Center
- Frisco Campus

AAC entrance

Budget Context/Assumptions

FY 2023 budget development was based on the following premises:

- Continued growth and investment in high growth programs.
 - Faculty and start-up packages for researchers, mental health counselors, advisors, career development etc.
 - Increased math and English support.
- Start-up of new Frisco Campus.
- Investment in Campus infrastructure.
- Elimination of HEERF funding.

Revenues

Key Drivers & Initiatives

Driver 1: continued positive enrollment response from strategic non-resident graduate student recruitment efforts.

Driver 2: students increasingly seeking the on-campus experience; freshman enrollment expected to be up in Fall 2022.

Driver 3: Elimination of HEERF, hence the decline in Grants & Contracts.

Initiative 1: increasingly targeted discounts to hold discounting manageable.

Initiative 2: targeting enrollment increases in high-growth areas of Science and Engineering.

	FY2022 Budget	FY2022 Est Actuals	FY2023 Budget	FY21 vs. FY22	
				Budget Variance \$000's	%
REVENUES					
Net Tuition and Fees	364,606	410,641	425,980	61,374	16.8%
Sales of Goods and Services	95,424	99,799	99,671	4,247	4.5%
Grants and Contracts	167,297	162,297	119,506	-47,791	-28.6%
State Appropriations	155,422	155,422	153,655	-1,767	-1.1%
All Other Revenue	55,781	69,222	59,681	3,900	7.0%
Total Revenues	838,530	897,381	858,493	19,963	2.38%

Note: All dollars in thousands

Expenditures & Net Transfers

Key Drivers & Initiatives

Driver 1: Increased programming cost to serve large student population, and inflationary pressures in personnel and goods and services.

Driver 2: recruitment difficulties evidenced in 638 current vacancies (126 faculty, 512 staff), point in time, June 27.

Driver 3: expenses associated with a more-competitive athletic conference (AAC).

Initiative 1: increasing grant-writing support and graduate student recruitment resources.

Initiative 2: increasing focus on Advancement and ancillary resources.

	FY2022 Budget	FY2022 Est Actuals	FY2023 Budget	FY21 vs. FY22 Budget Variance	
				\$000's	%
EXPENSES					
Personnel Costs	435,040	431,276	468,230	33,190	7.7%
Maintenance & Operation Costs	135,890	148,251	154,687	18,797	12.7%
Scholarships, Exemptions and Financial Aid	121,274	113,998	99,748	-21,526	-18.9%
All other Expenses	26,664	17,242	22,462	-4,202	-24.4%
Total Expenses	718,868	710,767	745,127	26,259	3.7%
Total Net Transfers	116,722	127,271	112,853	-3,869	-3.3%
Total Expenses and Transfers	835,590	838,038	857,980	22,390	2.7%

Note: All dollars in thousands

Reserves and Estimated Budget Impact on Fund Balance

Highlights:

- Programming costs increasing to meet enrollment volume and inflationary pressures.
- Auxiliary costs ramping up to accommodate enrollment volume and housing.

FY2021 Ending Reserves*	FY2022 Projected Ending Reserves	FY2023 Estimated Ending Reserves	FY2022 vs. FY2023	
			\$000's	%
256,899	316,242	316,754	512	0.2%

Estimated Budget Impact on Fund Balance	
0	Education and General – addition to Reserves
512,260	Designated Operating – addition to Reserves
0	Auxiliary & Restricted – addition to Reserves

Note: All dollars in thousands

Five-Year Plan

Highlights:

Long-term Investments

- Frisco Landing opening
- New STEM building
- Renovations of the Science Research Building and Inspire Park

	FY22 Budget	FY22 Fcst	FY23 Budget	FY23 vs. FY22 Variance		FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
				\$	%				
REVENUES									
Net Tuition and Fees	364,606	410,641	425,980	61,374	16.8%	438,759	451,922	465,480	479,444
Sales of Goods and Services	95,424	99,799	99,671	4,247	4.5%	102,661	105,741	108,913	112,181
Grants and Contracts	167,297	162,297	119,506	(47,791)	-28.6%	123,091	126,784	130,587	134,505
State Appropriations	155,422	155,422	153,655	(1,767)	-1.1%	167,745	167,745	170,879	170,879
All Other Revenue	55,781	69,222	59,681	3,901	7.0%	61,472	63,316	65,215	67,172
Total Revenues	838,529	897,381	858,493	19,964	2.4%	893,728	915,507	941,075	964,181
EXPENSES									
Personnel Costs	435,040	431,276	468,230	33,190	7.6%	475,150	482,214	489,702	497,444
Maintenance & Operation	135,890	148,251	154,687	18,797	13.8%	160,874	167,309	174,002	180,962
Scholarships, Exemptions and Financial Aid	121,274	113,998	99,748	(21,526)	-17.7%	104,536	106,836	109,186	111,589
All Other Expenses	26,664	17,242	22,462	(4,202)	-15.8%	23,473	24,177	25,265	26,275
Total Expenses	718,868	710,767	745,127	26,259	3.7%	764,033	780,536	798,155	816,270
TRANSFERS									
Total Net Transfers	(116,722)	(127,271)	(112,853)	3,869	-3.3%	(127,256)	(131,073)	(135,005)	(138,921)
Estimated Budgeted Impact on Fund Balances	2,940	59,343	512	(2,427)	-82.6%	2,439	3,898	7,914	8,990

Note: All dollars in thousands

Fiscal Year 2023 Budget

Presented to
UNT Board of Regents
August 2022

Presented by
Chuck Fox, MBA, CPA
Chief Fiscal Officer



THE UNIVERSITY *of* NORTH TEXAS
HEALTH SCIENCE CENTER *at* FORT WORTH

Major Accomplishments for FY2022

- Texas College of Osteopathic Medicine (TCOM)
 - *US News & World Report* Primary Care Ranking
 - #1 for Osteopathic School
 - #11 in Primary Care workforce production
 - #36 for all schools

- College of Pharmacy: Five-year reunion of first Doctor of Pharmacy graduating class of 2017

- First Primary Care Patient Safety Organization in Texas

- New Regional Simulation Center (opened June 2022)

- Opened Onsite Pharmacy with Catalyst Health Group

- HSC Health: Highest Overall Patient Satisfaction Score (*FY21-73.8% to FY22 81.0%*)

- Received APLU Innovation & Economic Prosperity designation for HSC; first for a health science center and smallest institution by a factor of five

Strategic Roadmap (FY21-23)



HSC allocates resources to support our Vision and Mission.

Focus Areas	Key Results
People <i>Be a Best Place for All</i>	<ul style="list-style-type: none">• Strengthen inclusivity on the HSC campus through our Values and Code of Culture• Enhance remote work capabilities• Implement continuous process improvement system
Programs <i>Prepare future leaders to improve and transform human health</i>	<ul style="list-style-type: none">• Cultivate and promote workforce readiness• Implement HSC Whole Health Model• Develop and implement comprehensive health disparities program
Strengths <i>Focus/Purpose</i>	<ul style="list-style-type: none">• Invest in innovation and entrepreneurship• Position HSC Brand

FY23 Key Investments



Initiatives	Strategic Roadmap	Investments
Technology Upgrades for Study/Work Environment	People Enhance remote work capabilities	\$2.1M
Health Pavilion Updates (HSC Health)	Programs Implement HSC Whole Health Model	\$1.1M
Nursing Program	Programs Cultivate and promote career and health workforce readiness	\$1.0M
Research Facilities and Infrastructure	People Implement continuous process improvement plan	\$1.0M
Faculty and Student Recruitment	Strength Increase HSC Brand	\$0.8M
HSC Assessment and Accreditation/PhD Program Support	Strength Position HSC brand as source of expertise and thought leader	\$0.6M
Total		\$6.6M

Budget Context/Assumptions

FY 2023 budget development was based on the following premises:

- Enrollment Management
 - Nursing program initial funding to complete feasibility study
 - Entrepreneurship certificate program and micro-credential
 - BS in Biomedical Sciences (Spring 2023: online undergraduate program)

- Growth in Research Grants
 - AIM AHEAD (*Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity*)
 - Health and Aging Brain Study: Health Disparities (HABS-HD)
 - Genomics: Human Trafficking, DNA Projects, Missing Persons

- Accreditation Requirements

- Continued investment in Faculty and Staff to support retention and recruitment efforts

Revenues



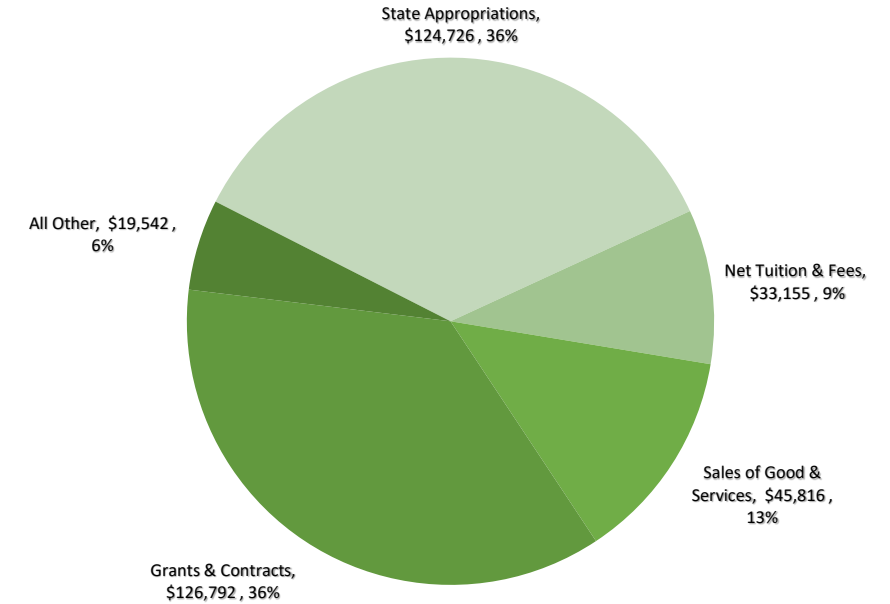
FY 2023 BUDGETED REVENUES

FY2022 Budgeted	FY2022 Est Actuals	FY2023 Budgeted	*Change \$	*Change %
\$ 267,764	\$ 315,694	\$ 350,031	\$ 82,267	30.7%

* Change \$ & Change % calculated using FY2022 Budget vs FY2023 Budget

Key Drivers, Trends, & Initiatives

- ❑ **State Appropriations** reflect a net **decrease** of \$1.8 million (-2%) from the FY 2022 budget, resulting from a decrease in TRB.
- ❑ **Net Tuition and Fees** are expected to **decrease** by \$0.5 million (-2%) from the FY 2022 budget, primarily due to an overall downward trend in resident graduate tuition.
- ❑ **Sales of Goods & Services** reflect a net **increase** of \$0.7 million or 2% from the FY 2022 budget, primarily due to Correctional Medicine’s renegotiated contracts with FCI and FMC.
- ❑ **Grants & Contracts increased** \$81.5 million or 180% from the 2022 budget, mostly as a result of the Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity, or AIM-AHEAD grant award.
- ❑ The **All Other** category reflects a net **increase** of \$2.3 million or 13% from the FY 2022 budget, primarily due to the following:
 - \$0.8M – Investment Income increased from prior year budget primarily due to the \$40M asset transfer from STP to LTP.
 - \$0.6M – Net Professional fees increased related to clinical encounters at HSC Health clinics.
 - \$0.9M – Gift Income and Other Revenue



Note: All dollars in thousands

Highlighted Categories	FY2022 Budgeted	FY2022 Est Actuals	FY2023 Budgeted	FY22 Budget vs FY23 Budget	
	\$	\$	\$	\$	%
State Appropriations*	\$ 126,494	\$ 126,494	\$ 124,726	\$ (1,768)	-1.4%
Net Tuition & Fees	\$ 33,665	\$ 34,000	\$ 33,155	\$ (510)	-1.5%
Sales of Good & Services	\$ 45,100	\$ 50,000	\$ 45,816	\$ 716	1.6%
Grants & Contracts	\$ 45,250	\$ 75,000	\$ 126,792	\$ 81,542	180.2%
All Other	\$ 17,255	\$ 30,200	\$ 19,542	\$ 2,287	13.3%
Total Revenues	\$ 267,764	\$ 315,694	\$ 350,031	\$ 82,267	30.7%

*State Appropriations is comprised of State Appropriations-GR and HEF

Expenditures & Transfers



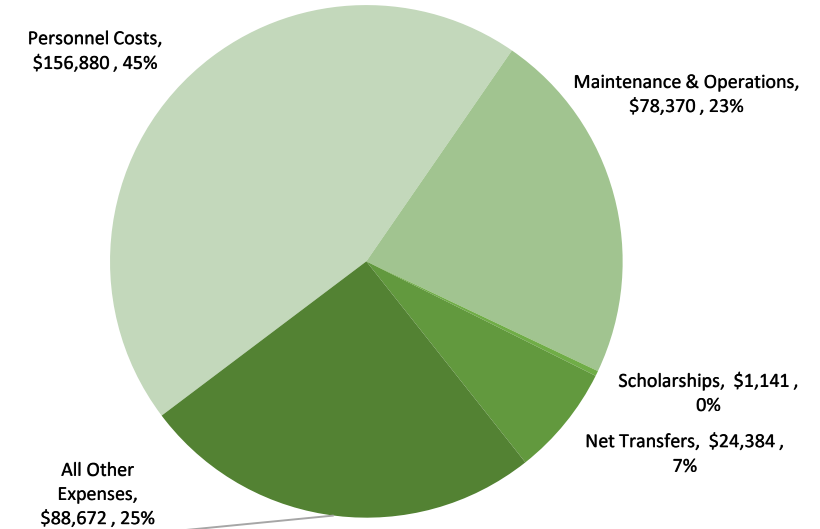
FY 2023 BUDGETED EXPENSES

FY2022 Budgeted	FY2022 Est Actuals	FY2023 Budgeted	*Change \$	*Change %
\$ 264,470	\$ 298,420	\$ 349,447	\$ 84,977	32.1%

* Change \$ & Change % calculated using FY2022 Budget vs FY2023 Budget

Key Drivers, Trends, & Initiatives

- **Personnel costs** totaling \$156.9 million represent **48%** of the UNTHSC expenditure budget. Salaries, wages, and benefits are projected to have a moderate **increase** of \$1.4 million or **1%** from the FY 2022 budget, resulting from the expansion and creation of programs, as well as academic support.
- **Total Maintenance & Operations (M&O)** expenses totaling \$78.4 million have increased \$11.4 million as a result of the following:
 - Materials & Supplies are anticipated to increase \$6.0 million from the FY 2022 budget primarily related to research activities in the Institute for Translational Research and library subscriptions expense reclassification.
 - Communications & Utilities are budgeted to rise \$1.1 million from the FY 2022 budget primarily due to the anticipated upward trend in utility costs.
 - M&O Other Expenditures budgeted increase of \$3.9 million from the FY 2022 budget. This is primarily related to research activities in the Institute for Translational Research.
- **All Other** expenses totaling \$88.7 million have increased \$75.7 million primarily the result of the Federal and State Pass-Through expenses related to the AIM-AHEAD award.
- **Net Transfers** decreased \$3.7 million (-13%) from FY 2022 budget, mostly due to a decrease in TRB and lower transfers to non-current funds.



Note: All dollars in thousands

Highlighted Categories	FY2022 Budgeted	FY2022 Est Actuals	FY2023 Budgeted	FY22 vs FY23 Budget Variance	
				\$	%
Personnel Costs	\$ 155,500	\$ 151,900	\$ 156,880	\$ 1,380	0.9%
Maintenance & Operations	\$ 67,000	\$ 78,200	\$ 78,370	\$ 11,370	17.0%
Scholarships	\$ 850	\$ 1,500	\$ 1,141	\$ 291	34.2%
All Other Expenses	\$ 13,000	\$ 37,000	\$ 88,672	\$ 75,672	582.1%
Total Expense	\$ 236,350	\$ 268,600	\$ 325,063	\$ 88,713	37.5%
Total Net Transfers	\$ 28,120	\$ 29,820	\$ 24,384	\$ (3,736)	-13.3%
Total Expense & Net Transfers	\$ 264,470	\$ 298,420	\$ 349,447	\$ 84,977	32.1%

All Other includes Federal Pass-through and Capital Expense

Reserves

FY2021 Ending Reserves	FY2022 Proj Ending Reserves	FY2023 Est Ending Reserves	Change \$ FY2022 vs FY2023	Change % FY2022 vs FY2023
\$ 233.0	\$ 250.2	\$ 250.8	\$ 0.6	0.2%

Estimated Budget Impact on Fund Balance

\$0.2	Education and General – addition to Reserves
\$0.2	Designated Operating – addition to Reserves
\$0.2	Auxiliary & Restricted – addition to Reserves

Note: All dollars in millions

Five Year Plan



FY23 Proposed Budget including Five Year Look Forward

	FY22 Budget	FY22 Est. Actuals	FY23 Budget	FY23 vs. FY22 Budget		FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
				\$	%				
REVENUES									
Net Tuition and Fees	33,665	34,000	33,155	(510)	-1.5%	35,177	35,461	36,463	36,778
Sales of Goods and Services	45,100	50,000	45,816	716	1.6%	45,864	48,201	49,493	49,544
Grants and Contracts	45,250	75,000	126,792	81,542	180.2%	131,131	131,644	123,986	122,302
State Appropriations	126,494	111,368	124,726	(1,768)	-1.4%	128,005	128,005	132,522	132,522
All Other Revenue	17,255	45,326	19,542	2,287	13.3%	26,686	27,344	26,003	26,000
Total Revenues	267,764	315,694	350,031	82,267	30.7%	366,863	370,655	368,467	367,146
EXPENSES									
Personnel Costs	155,500	151,900	156,880	1,380	0.9%	159,083	159,209	160,309	159,959
Maintenance & Operation Costs	67,000	78,200	78,370	11,370	17.0%	90,183	92,298	88,724	88,299
Scholarships, Exemptions and Financial Aid	850	1,500	1,141	291	34.2%	2,072	2,080	2,088	2,096
All Other Expenses*	13,000	37,000	88,672	75,672	582.1%	81,550	82,216	87,261	85,388
Total Expenses	236,350	268,600	325,063	88,713	37.5%	332,887	335,802	338,381	335,741
TRANSFERS									
Total Net Transfers	(28,120)	(29,820)	(24,384)	3,736	13.3%	(20,301)	(20,301)	(20,301)	(20,301)
Estimated Budgeted Impact on Fund Balances	3,294	17,273	584	(2,710)	-82.3%	13,674	14,551	9,784	11,104

*Capital Expenditures and Federal Pass-throughs

Note: All dollars in thousands

Highlights:

FY24-27 projection reflects

- **Tuition and fee** decline driven by resident graduate tuition offset by projected growth in the SB undergraduate program.

- **Grants and Contracts** research funding driven by the AIM-AHEAD and Health Disparities grants

- **Sales of Goods and Services** increase driven by Correctional medicine renegotiated contracts with FCI and FMC.

FY24-27 expense projection:

- reflects the continued investment in faculty and staff

- growth in grant related pass through expenditures.



Fiscal Year 2023 Budget

University of North Texas at Dallas
Board of Regents Meeting | August 11-12, 2022

Process

Unlike FY22 where the budgeting process was done using Microsoft Excel, for FY23 a new system called Axiom was used. Axiom allows for a fully integrated and streamlined process, near-real time results, and an intuitive user interface. The overall general process was similar.



1. The Budget Office set a preliminary expense baseline – or keep the lights on (KTLO) – for each functional area according to historical and year-to-date spending using certain revenue assumptions for FY23. This was the jumping off point.



2. Budget Managers reviewed their KTLO budgets for reasonableness and requested changes as needed.



3. University Budget Advisory Committee (UBAC) evaluated strategic initiative funding (SIF) requests for value-driving initiatives – either mission advancing, revenue generating, or expense saving.



4. Budget Office consolidated the budget, adjusted down numbers using more current revenue assumptions for FY23, and then locked budget.

Key Assumptions, Risks & Opportunities

Assumptions

Enrollment Growth %	Fall		Spring		Summer		Total	
	HC	SCH	HC	SCH	HC	SCH	HC	SCH
UG/GR	-7.1	-6.1	-3.5	-3.2	-1.2	-1.3	-4.5	-4.3
COL	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0
Total	-6.4	-5.4	-3.2	-2.8	-1.1	-1.1	-4.1	-3.8

- Fees – Adjusted to reflect decline in enrollment
- Institutional Scholarships – Maintained flat rather than decreased with enrollment
- Fee & Fund Reserves – No assumed use unless business critical
- HEERF & Comprehensive Regional University (CRU) Appropriations – None budgeted
- Merit/One-Time – None budgeted. To reassess mid-year.
- SIF (UBAC) – None funded. To reassess mid-year.

Risks

- Enrollment assumption
- Depth of expense reductions
- Macro economy (inflation)
- Employee attrition
- Out of year or unanticipated expenses
- Institutional scholarship overspend
- No budgetary contingency
- Non-capital expenses related to STEM Building

Opportunities

- Texas Lege funding level (FY24)
- UNTD Foundation and philanthropic activities

Revenues

Revenues	FY22	FY22	FY23	FY22 to FY23 Budget	
	Budget	Est Actuals	Budget	Variance	
				\$	%
Net Tuition & Fees	29,721	29,023	28,585	(1,135)	-3.8%
Sales of Goods & Services	1,535	1,870	2,036	502	32.7%
Grants & Contracts	24,740	22,540	16,569	(8,170)	-33.0%
State Appropriations	32,432	32,727	32,429	(3)	0.0%
Other	4,639	4,310	4,982	343	7.4%
Total Revenues	93,066	90,470	84,601	(8,464)	-9.1%

Key Drivers, Trends & Initiatives

- Net Tuition & Fees: Headcount -4.1% | Semester credit hours -3.8% | No tuition rate increase.
- Sales of Goods & Services: Housing occupancy at 100%, up from 90% | Increased events revenue and professional development fee (PIC) revenue.
- Grants & Contracts: No carryforward of COVID-19 federal funding -\$10.4M (HEERF) | Partial offset by increase in Texas Grants +\$1.3M.
- State Appropriations: Second year of funding - formula funding \$1.6M | continuation of expansion funding \$3.5M and Trailblazer Elite \$1.0M | addition of funding for Center for Socioeconomic Mobility Through Education \$1.8M.

Expenditures & Net Transfers

Expenditures & Net Transfers	FY22 Budget	FY22 Est Actuals	FY23 Budget	FY22 to FY23 Budget Variance	
				\$	%
Personnel	42,047	41,121	43,076	1,029	2.4%
Maintenance & Operations	16,663	15,813	12,517	(4,145)	-24.9%
Schship, Exemptns & Fin Aid	19,852	19,772	14,324	(5,528)	-27.8%
All Other Expenses	1,977	743	1,185	(792)	-40.1%
Total Expenditures	80,538	77,449	71,102	(9,436)	-11.7%
Total Net Transfers	(12,282)	(12,254)	(13,499)	(1,218)	9.9%
Expenditures + Net Transfers	92,820	89,702	84,601	(8,218)	-8.9%

Key Drivers, Trends & Initiatives

- Personnel: Investments in new positions and living wage continuation for certain hourly staff.
- Maintenance & Operations: No carryforward of COVID-19 federal funding of -\$3.4M (HEERF) | Expense management measure due to enrollment decline.
- Scholarships, Exemptions & Financial Aid: No carryforward of COVID-19 federal funding -\$7.0M (HEERF) | Partial offset by increase in Texas Grants +\$1.3M.
- Net Transfers: System Assessment \$4.4M, up \$0.1M | \$1.1M shift in how System assessment was funded in this budget versus FY22 budget.
- Expenditures + Net Transfers declining at -8.9%, 24 bps slower than Revenues decline of -9.1%.

Reserves

FY21 Actual	FY22 Est Actuals	FY23 Budget	FY22 vs FY23 Variance	
			\$	%
39,209	39,977	39,977	(0)	0.0%

Estimated Budget Impact on Fund Balance	
0	Education & General - Addition to Reserves
0	Designated Operating - Additions to Reserves
0	Auxiliary & Restricted - Additions to Reserves

Key Drivers, Trends & Initiatives

- After FY21 close, the year-end unrestricted reserve balance was \$39.2M.
- After Q3 FY22 close, forecasting a \$0.8M add to total reserves.
- FY23 budget reflects balanced or breakeven position.

5-Year Plan

	FY22 Budget	FY22 Est Actuals	FY23 Budget	Inc (Dec) FY22 to FY23 Bud \$	%	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
REVENUES									
Net Tuition & Fees	29,721	29,023	28,585	(1,135)	-3.8%	29,826	30,357	32,504	34,636
Sales of Goods & Services	1,535	1,870	2,036	502	32.7%	2,097	2,160	4,752	4,895
Grants & Contracts	24,740	22,540	16,569	(8,170)	-33.0%	17,066	17,578	18,106	18,649
State Appropriations	32,432	32,727	32,429	(3)	0.0%	42,144	42,144	45,125	45,125
Other	4,639	4,310	4,982	343	7.4%	5,132	5,285	5,444	5,607
Total Revenues	93,066	90,470	84,601	(8,464)	-9.1%	96,265	97,524	105,930	108,911
EXPENDITURES									
Personnel	42,047	41,121	43,076	1,029	2.4%	43,938	44,377	46,152	47,075
Maintenance & Operations	16,663	15,813	12,517	(4,145)	-24.9%	12,768	12,896	13,411	13,680
Schship, Exemptns & Fin Aid	19,852	19,772	14,324	(5,528)	-27.8%	14,610	14,756	15,347	15,653
All Other Expenses	1,977	743	1,185	(792)	-40.1%	1,208	1,220	1,269	1,294
Total Expenditures	80,538	77,449	71,102	(9,436)	-11.7%	72,524	73,249	76,179	77,703
Total Net Transfers	(12,282)	(12,254)	(13,499)	(1,218)	9.9%	(23,484)	(23,954)	(24,912)	(25,410)
Expenditures + Net Transfers	92,820	89,702	84,601	(8,218)	-8.9%	96,008	97,203	101,092	103,113
Estimated Budgeted Impact On Fund Balances	246	768	0	(246)	NM	256	321	4,838	5,798

Key Assumptions

- Master Plan: STEM and housing-dining combo online in FY26.
- Net Tuition & Fees: +3.6% YOY growth with tuition rate increase FY24 and FY26.
- Sales of Goods & Services: +3% YOY growth FY24-25 | additional housing/dinning combo online FY26 (est. +\$2.6M housing + \$0.1M dining/parking).
- Grants & Contracts: +3% YOY.
- State Appropriations: Aligns with YOY enrollment growth.
- All other lines grow YOY between +1% and 2% with +4% assumed in FY26 as STEM building comes online.
- Fund Balance: YOY contribution to reserves.

UNT System Administration Fiscal Year 2023 Budget

Gregory Anderson

Deputy Chancellor for Finance and Operations

August 11, 2022

FY23 System Administration Budget

- Provides for key Investments to advance the UNT Enterprise
 - New technologies in Treasury and Audit
 - System transformation
 - Government Relations
 - IT Storage
- Collaborative governance model for shared services
 - Strategic Infrastructure designated a shared service for FY23 and forward
 - Budgets and services reviewed by Shared Services Governing Body
 - Central services based on percentage of revenues
- Enables more efficient operations across institutions
 - Supports continued advancement of IT objectives including substantial investments in infrastructure for data storage and security
 - Ensures sustained increases in efficiencies and automation



Budget Context/Assumptions

FY 2023 budget development was based on the following premises:

- *UNT System Administration is focused on the strategic objectives of the UNT Enterprise*
- *Allocations from campuses fund approximately 84.6% of UNT System Administration Expenses*
 - *Approx. 57.5% - Shared Services Allocation – Budget built in collaboration with leaders across the UNT Enterprise*
 - *Approx. 27.1% - Central Services Allocation – Funding based on an agreed upon share of Campus Adjusted revenue*
- *Lofts expenses are supported by rental income and not allocated to the campuses*
- *No merit or performance-based increases for System Administration employees*

Allocations by Department

<u>Shared Services</u>	Budget	Proposed	FY23 vs FY22	
	FY22	FY23	Variance \$	Variance %
ITSS	\$25.94M	\$28.25M	\$2.31M	9%
Human Resources	\$7.55M	\$8.04M	\$.49M	6%
Procurement	\$3.23M	\$3.27M	\$.05M	1%
Payroll	\$1.17M	\$1.23M	\$.06M	5%
Strategic Infrastructure - Shared		\$2.26M	\$2.26M	
Total Allocation - Shared Services	\$37.88M	\$43.05M	\$5.17M	14%
Central Services				
	Budget	Proposed	FY23 vs FY22	
	FY22	FY23	Variance \$	Variance %
Academic Affairs	\$.74M	\$.22M	-\$0.52M	-70%
Chancellor	\$1.55M	\$3.15M	\$1.61M	104%
Communications	\$.83M	\$.57M	-\$0.26M	-31%
Compliance	\$.02M	\$.00M	-\$0.02M	-100%
Diversity	\$.36M	\$.00M	-\$0.36M	-100%
Strategic Infrastructure - Central	\$4.36M	\$2.47M	-\$1.89M	-43%
Finance	\$8.92M	\$6.45M	-\$2.47M	-28%
Strategic Business Development		\$.30M	\$.30M	100%
General Counsel	\$2.84M	\$3.02M	\$.18M	6%
Government Relations / Strategy	\$1.34M	\$1.35M	\$.01M	1%
Internal Audit	\$2.00M	\$2.44M	\$.45M	22%
General	\$.27M	\$.70M	\$.43M	155%
Total Allocation - Central Services	\$23.23M	\$20.69M	-\$2.54M	-11%
Total	\$61.11M	\$63.74M	\$2.63M	4%

Note: Prior years contain adjustments for year over year comparability

Revenues & Net Transfers

Key Drivers, Trends, & Initiatives

- *FY23 Revenue budgeted at 2.5% higher than FY22 Budget.*
 - Sales of Goods and Services up year over year driven by increase in Lofts revenues
 - State Appropriations up year over year driven largely by increase in State Benefits
 - “All Other Revenue” category down year over year driven by a decrease in investment income

	FY2022 Budget	FY2022 Est Actuals	FY2023 Budget	FY23 vs. FY22 Budget Variance	
				\$000's	%
REVENUES					
Net Tuition and Fees	\$ -	\$ -	\$ -	\$ -	
Sales of Goods and Services	\$ 2,912,733	\$ 2,912,733	\$ 3,175,250	\$ 262,517	9.0%
Grants and Contracts	\$ -	\$ -	\$ -	\$ -	
State Appropriations	\$ 8,117,692	\$ 8,117,692	\$ 8,164,635	\$ 46,943	0.6%
All Other Revenue	\$ 200,650	\$ 649,693	\$ 175,294	\$ (25,356)	-12.6%
Total Revenues	\$ 11,231,075	\$ 11,680,118	\$ 11,515,179	\$ 284,104	2.53%
Total Net Transfers	\$ 49,084,225	\$ 49,886,120	\$ 51,830,007	\$ 2,745,782	5.6%
Total Revenues and Transfers	\$ 60,315,300	\$ 61,566,238	\$ 63,345,186	\$ 3,029,886	5.0%

Expenses

Key Drivers, Trends, & Initiatives

- Compared to the FY22 budget, Total Expenses and Total Net Transfers are up approximately \$2.6M and \$2.7M respectively
 - \$2.1M – ITSS – Shifting of HSC data analytics and security teams to SYS (\$1.1M), plus System Enterprise licenses, storage and security (\$1M)
 - \$447K – Internal Audit – FY22 Board approved increase in spend with Co-Sourcing partner
- The decrease in Personnel Costs is driven mostly by shifting Controller staff to the campuses.

				FY23 vs. FY22 Budget Variance	
	FY2022 Budget	FY2022 Est Actuals	FY2023 Budget	\$000's	%
EXPENSES					
Personnel Costs	\$ 44,440,762	\$ 45,114,037	\$ 43,613,778	\$ (826,984)	-1.8%
Maintenance & Operation Costs	\$ 14,091,409	\$ 15,304,943	\$ 16,705,444	\$ 2,614,035	17.1%
Scholarships, Exemptions and Financial Aid	\$ -	\$ -	\$ -	\$ -	
All other Expenses	\$ 2,257,507	\$ 1,336,007	\$ 3,025,964	\$ 768,457	57.5%
Total Expenses	\$ 60,789,678	\$ 61,754,988	\$ 63,345,186	\$ 2,555,508	4.2%
Estimated Impact on Fund Balance	\$ (474,378)	\$ (188,750)	\$ 0	\$ 474,378	-100.0%

Five-Year Plan

Assumptions:

- Sales of Goods and Services assumes 3% annual inflation
- Maintenance & Operations assumes inflation pressures of 5% in FY24 and 2% thereafter
- Transfers increase as a percentage of member adjusted revenues

	FY22 Budget	FY22 Est Actuals	FY23 Budget	FY22 vs FY23 Budget		FY24 Plan	FY25 Plan	FY26 Plan	FY27 Plan
				Δ in \$	Δ in %				
REVENUES									
Net Tuition and Fees	0	0	0	0		0	0	0	0
Sales of Goods and Services	2,913	2,913	3,175	263	9.0%	3,271	3,369	3,470	3,574
Grants and Contracts	0	0	0	0		0	0	0	0
State Appropriations	8,118	8,118	8,165	47	0.6%	8,328	8,494	8,664	8,838
All Other Revenue	201	650	175	(25)	-12.6%	250	258	265	273
Total Revenues	11,231	11,680	11,515	284	2.5%	11,848	12,121	12,399	12,685
EXPENSES									
Personnel Costs	44,441	45,114	43,614	(827)	-1.9%	43,955	44,691	45,711	46,650
Maintenance & Operation Costs	14,091	15,305	16,705	2,614	18.6%	17,541	17,792	18,022	18,383
Scholarships, Exemptions and Financial Aid	0	0	0	0		0	0	0	0
All Other Expenses	2,258	1,336	3,026	768	34.0%	2,404	2,453	2,502	2,552
Total Expenses	60,790	61,755	63,345	2,556	4.2%	63,900	64,935	66,235	67,585
TRANSFERS									
Total Net Transfers	49,084	49,886	51,830	2,746	5.6%	52,052	53,093	54,155	55,238
Estimated Budgeted Impact on Fund Balances	(474)	(189)	0	474	-100.0%	0	279	319	338

Note: All dollars in thousands

Allocations by Institution

FY22				
	UNT	HSC	DAL	Total
Central @ 1.489% Adjusted Revenue	\$ 16,407,608	\$ 5,297,836	\$ 1,523,000	\$ 23,228,443
Shared	\$ 29,967,356	\$ 5,076,156	\$ 2,839,757	\$ 37,883,269
Total FY22 Allocations	\$ 46,374,964	\$ 10,373,992	\$ 4,362,757	\$ 61,111,712

FY23 - Proposed				
	UNT	HSC	DAL	Total
Central @ 1.489% Adjusted Revenue	\$ 14,528,693	\$ 4,723,669	\$ 1,435,502	\$ 20,687,864
Shared	\$ 33,446,961	\$ 6,605,357	\$ 3,002,153	\$ 43,054,471
Total FY23 Allocations (Proposed)	\$ 47,975,654	\$ 11,329,026	\$ 4,437,655	\$ 63,742,335

Allocation Change by Institution	\$ 1,600,690	\$ 955,034	\$ 74,898	\$ 2,630,623
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Board Briefing



Committee: Finance

Date Filed: July 7, 2022

Title: Approval of the FY23 UNT System Consolidated Operating Budget

Background:

The Office of Finance and Operations presents to the Board of Regents the FY23 Consolidated Operating Budget for approval on behalf of the University of North Texas (UNT), UNT Health Science Center (UNTHSC), University of North Texas at Dallas (UNTD), and UNT System Administration (System Administration).

The proposed FY23 Consolidated UNT System Operating Budget is composed of current funds revenue of \$1.3B, current funds expenditures of \$1.2B, and total current funds net transfers of (\$98.9M).

Financial Analysis/History:

The UNT System FY23 Consolidated Operating Budget as presented provides detailed information on the proposed revenue, expense and transfer budgets and their impact on the financial health of the UNT System.

Gregory R.
Anderson

Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:52:12 -05'00'

Deputy Chancellor for Finance and
Operations

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan Stucky
Date: 2022.07.28 13:55:11
-05'00'

Vice Chancellor/General Counsel

Schedule:

Once approved, this budget will be implemented for fiscal year 2023 beginning September 1, 2022.

Recommendation:

Approval of the FY23 Consolidated Current Fund Budget for UNT, UNT Health Science Center, UNT Dallas and UNT System Administration.

Recommended By:

Gregory Anderson

Deputy Chancellor for Finance and
Operations

Dr. Michael R.
Williams

Digitally signed by Dr. Michael
R. Williams
Date: 2022.07.29 10:13:04
-05'00'

Chancellor

Attachments Filed Electronically:

- UNT System FY23 Consolidated Operating Budget



Board Order

Title: Approval of the FY23 UNT System Consolidated Operating Budget

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, each institution of the UNT System has developed a budget for the 2023 Fiscal Year, and

Whereas, the total Current Funds revenue budget of the UNT System is summarized in the following table, and

	Current Funds Revenues by UNTS Component				
	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ 310,499,613	\$ 337,185,165	\$ 102,695,647	\$ 108,112,216	\$ 858,492,640
UNT Health Science Center	\$ 137,091,127	\$ 84,464,015	\$ 659,761	\$ 127,816,565	\$ 350,031,467
UNT Dallas	\$ 46,842,010	\$ 22,365,710	\$ 1,535,106	\$ 13,858,596	\$ 84,601,422
UNT System Administration	\$ 8,164,635	\$ 976,949	\$ 2,373,595	\$ -	\$ 11,515,179
					\$ 1,304,640,709

Whereas, the total Current Fund expense budget of the UNT System is summarized in the following table, and

	Current Funds Expenses by UNTS Component				
	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ 279,223,734	\$ 279,266,698	\$ 76,601,348	\$ 110,035,551	\$ 745,127,331
UNT Health Science Center	\$ 117,053,510	\$ 89,201,497	\$ 483,893	\$ 118,324,142	\$ 325,063,042
UNT Dallas	\$ 38,637,431	\$ 17,670,987	\$ 1,111,473	\$ 13,682,181	\$ 71,102,072
UNT System Administration	\$ 9,381,365	\$ 52,466,542	\$ 1,497,280	\$ -	\$ 63,345,186
					\$ 1,204,637,632

Whereas, the total Current Fund transfer budget of the UNT System is summarized in the following table

	Current Funds Transfers by UNTS Component				
	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ (31,275,878)	\$ (57,406,103)	\$ (26,094,299)	\$ 1,923,335	\$ (112,852,945)
UNT Health Science Center	\$ (19,872,919)	\$ 4,964,692	\$ (175,868)	\$ (9,300,000)	\$ (24,384,096)
UNT Dallas	\$ (7,940,467)	\$ (5,069,530)	\$ (489,353)	\$ -	\$ (13,499,350)
UNT System Administration	\$ 1,216,730	\$ 51,489,593	\$ (876,315)	\$ -	\$ 51,830,007
					\$ (98,906,385)

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The FY23 Current Funds operating budget for UNT System institutions (UNT, UNTHSC, UNTD) and UNT System Administration as presented.

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 65](#).

Board Briefing



Committee: Finance

Date Filed: July 1, 2022

Title: Amendment to UNT System Regulation 08.2000, Investment of System Funds

Background:

UNT System Regulation 08.2000, Investment of System Funds, sets forth the Board of Regents annually approved investment policy for UNT System and its component institutions.

UNT System seeks to making the following amendments:

- Extend Short Term Pool investment maturity to three (3) years instead of one (1) year and extending weighted average maturity to 270 days from 180 days
- Delegate approval of Broker/Dealers to Deputy Chancellor for Finance and Operations
- Amend review of investment policy to every 2 years at minimum
- Eliminate “Real Assets” on the Long Term Pool Asset Parameters Chart with the current OCIO not carving this out as a dedicated asset category but rather as an attribute that falls within other categories
- Add investment reporting for clarification of reporting requirements

The revised investment policy incorporates recommendations from the System Outsourced Chief Investment Officer (OCIO), Goldman Sachs. In addition, the System’s Investment Advisory Committee reviewed and approved the policy to be submitted for Board approval.

Financial Analysis/History:

UNT System Regulation 08.2000, Investment of System Funds, is reviewed and approved annually by the UNT System Board of Regents.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:49:28 -05'00'

Vice Chancellor/General Counsel

Schedule:

This policy shall be effective immediately upon approval.

Recommendation:

It is recommended that the Board of Regents approve the amended University of North Texas System Regulation 08.2000, Investment of System Funds.

Recommended By:

Maleia Torres

Associate Vice Chancellor for Treasury

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.28 10:38:38 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R.
Williams
Date: 2022.07.29 09:55:22 -05'00'

Chancellor

Attachments Filed Electronically:

- Amended UNT System Regulation 08.2000



Board Order

Title: Amendment to UNT System Regulation 08.2000, Investment of System Funds

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, it is recommended that amendments be made to Short Term Pool investment duration to three (3) years instead of one (1) year and increasing weighted average maturity to less than 270 days from less than 180 days, and

Whereas, it is recommended that the delegation of Broker/Dealer list approval be made to the Deputy Chancellor for Finance and Operations instead of the Board, and

Whereas, it is recommended that the Long Term Pool investment parameters eliminate and roll the Real Assets grouping into alternatives, and

Whereas, it is recommended to include reporting responsibilities, minimum standards and deadlines, and

Whereas, the Investment Advisory Committee recommends the amended investment policy for approval.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. UNT System Regulation 08.2000, Investment of System Funds, as amended.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

Regulations of the University of North Texas System	Chapter 08 Fiscal Management
08.2000 Investment of System Funds	

08.2001 **Regulation Statement.** This Regulation sets forth the rules for the investment of all System funds and funds held by the System in trust for others. All investments by the System will be made in accordance with Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System and this System Regulation.

08.2002 **Application of Regulation.** This Regulation applies to the UNT System Administration and to all UNT Institutions.

08.2003 **Definitions.**

1. **Authorized Broker/Dealers.** “Authorized Broker/Dealers” means those entities that have been approved as provided herein.
2. **Funds.** “Funds” is defined by Government Code § 2256.002 and means public funds in the custody of a state agency or local government that:
 - a. are not required by law to be deposited in the state treasury; and
 - b. the investing entity has authority to invest.
3. **Funds Subject to Board of Regents Control.** “Funds Subject to Board of Regents Control” is defined by Texas Education Code § 51.002 and means:
 - a. student fees of all kinds;
 - b. charges for use of rooms and dormitories;
 - c. receipts from meals, cafes, and cafeterias;
 - d. fees on deposit refundable to students under certain conditions;
 - e. receipts from school athletic activities;
 - f. income from student publications and other student activities;
 - g. receipts from the sale of publication products and miscellaneous supplies and equipment;

- h. students' voluntary deposits of money for safekeeping;
 - i. all other fees and local or institutional funds arising out of and by virtue of the educational activities, research, or demonstrations carried on by the institution; and
 - j. donations and gifts to the institution.
4. Investment Officer. "Investment Officer" means the person(s) appointed by the Board pursuant to the Regents Rules, and any authorized designee.
 5. Managing Entity. "Managing Entity" means the entity holding and managing the investment of funds, and may include UNT System Administration, a UNT Institution, the University of North Texas Foundation, Inc. ("UNT Foundation"), the UNTHSC Foundation ("UNTHSC Foundation"), the University of North Texas at Dallas Foundation ("UNT at Dallas Foundation"), an external asset management firm, or Authorized Broker/Dealers.
 6. Prudent Person Standard. "Prudent Person Standard" is defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution, and means that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.
 7. System. "System" means, collectively, the University of North Texas System, University of North Texas System Administration, and UNT Institutions.
 8. UNT Institutions. "UNT Institutions" means University of North Texas, University of North Texas Health Science Center at Fort Worth, and University of North Texas at Dallas.

08.2004 Authority and Governing Statutes.

The System's authority to invest funds is established in the Public Funds Investment Act (Texas Government Code, Chapter 2256), Section 51.0031 of the Texas Education Code, and Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System. This Regulation is promulgated in accordance with Section 51.0032 of the Texas Education Code, the Uniform Prudent Investor Act (Texas Property Code, Chapter 117), the Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163), and the Public Funds Collateral Act (Texas Government Code, Chapter 2257). The Public Funds Collateral Act sets the standards for collateralization of public funds in Texas.

Investment of System Funds.

1. Purpose. The purpose of the Investment Regulation is to outline the following general provisions affecting the Pools by:
 - a. Assisting the Investment Advisory Committee (“Committee”) and Regents to fulfill their fiduciary responsibilities.
 - b. Conveying the Pools’ purpose, investment objective, investment strategy and constraints.
 - c. Setting forth the role and responsibilities of the Committee, Regents, Discretionary Investment Advisor (“Advisor”) and other relevant parties.
2. Investment Strategy. The investment management objective for the System is to retain appropriate liquidity to meet daily operating demands while seeking a higher yield on cash and risk-adjusted returns on investment reserves through an appropriately diversified investment portfolio. All System Funds Subject to Board of Regents Control shall be invested pursuant to a Prudent Person Standard. All System endowment funds shall be invested pursuant to a Prudent Person Standard.
3. Short Term Pool. Short-term working capital funds needed for daily liquidity requirements shall be held in the Short Term Pool “STP”. The purpose and objective of the STP is to provide daily liquidity while meeting or exceeding the results of the Bloomberg Barclays US 1-3 Month T-bill index. Emphasis should be placed on safety of principal and liquidity.
 - a. Short Term Pool Constraints.
 - i. All investments or investment vehicles must either provide daily liquidity, offer diversification, or reduce interest rate risk. All positions or vehicles must have maturities of three (3) years or less at the time of investment.
 - ii. No individual security may have a credit quality of less than A- or A3 at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
 - iii. No investment vehicle may have an average credit quality of no less than AA-/Aa3 at the time of investment unless it is

insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.

- iv. The STP must maintain a weighted-average maturity of less than 270 days.
 - v. All bank deposits of System funds shall be secured by pledged collateral with a market value equal to no less than 102% of the deposits plus accrued interest less an amount insured by the FDIC. Evidence of the pledged collateral shall be maintained by the Associate Vice Chancellor for Treasury. Eligible collateral must meet the requirements of the Public Funds Collateral Act or securities authorized by the Public Funds Investment Act. Repurchase agreements shall be documented by the Master Repurchase Agreement approved by The Bond Market (TBMA), or any other entity approved by the Finance Committee of the Board of Regents, noting the collateral pledged in each agreement. The use of a letter of credit issued to the System by the Federal Home Loan Bank may be considered by the System to meet the required bank depository collateral requirements. Collateral shall be reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances.
 - vi. The Associate Vice Chancellor for Treasury and Treasury staff shall engage with vetted broker/dealers for anticipated security purchases. The Deputy Chancellor for Finance and Operations will review and adopt a list of broker/dealers qualified and authorized to engage in investment transactions with and for the System annually. All Authorized Broker/Dealers and investment management firms must supply a certification of having read and understood the investment rules, regulations, and policies applicable to the System and acknowledge that the business has implemented reasonable procedures and controls in an effort to comply.
 - vii. Where applicable, transactions should settle as Delivery Versus Payment (DVP).
4. Debt Proceeds. As funds borrowed for the purpose of covering anticipated capital spending needs, these funds should be available for daily liquidity and invested in a manner consistent with the applicable Bond Covenants.

Emphasis should be placed on safety of principal and liquidity.

5. Long-Term Pool. The LTP's objective is to preserve the long-term purchasing power of assets when accounting for inflation and spending. The LTP's purpose is to benefit the Institution's long-term mission while prudently diversifying its assets.
 - a. Spending Policy. For the LTP, the Regents have established an annual spending policy equal to 2.5% of the LTP's rolling twenty quarter asset balance. Management reserves the right to request additional distributions from the LTP if doing so is in the best long-term interests of the Institution.
 - b. Investment Strategy. The Long-Term Pool is invested among various asset classes, investment strategies, and investment managers in order to pursue the Pools' investment objective(s) while complying with applicable constraints.
 - i. In addition to achieving the investment objectives outlined in this regulation, the goal of the overall investment strategy is to meet or exceed (a risk-appropriate) benchmark over full market cycles. The benchmarks will constitute underlying market indices appropriate for each strategy, and its components will be illustrated in the periodic performance report provided by the Advisor. The Advisor may also use additional performance benchmarks including, but not limited to, broader and/or more specific benchmarks made up of multiple underlying indices, peer group comparisons to similar funds, inflation-adjusted absolute return benchmarks, or any other benchmark the Advisor, Committee or Regents believe will further the evaluation of the Pools' effectiveness.
 - ii. The Advisor will periodically review the performance of underlying investment managers. Investment manager performance will be evaluated against proper indices, peer group comparisons, and risk-adjusted performance metrics. Managers will also be evaluated against other metrics that may include but are not limited to expenses, consistency of strategy or style, or other qualitative factors.
 - c. Long-Term Pool Constraints. There are no explicit prohibitions against investing a portion of the Pools' assets in any asset class, investment strategy or investment manager structures, so long as the

investment is:

- i. For the sole purpose of advancing the objective of the Pools;
- ii. Appropriate given the Pools’ investment strategy;
- iii. Not in violation any of the Pools’ liquidity constraints;
- iv. Intended to improve the Pools’ aggregate investment strategy’s expected risk-adjusted performance.

d. Long-Term Pool (LTP) Asset Allocation Ranges:

LTP Parameters:	Lower Limit	Upper Limit
Cash or Cash Equivalents	0%	10%
Global Public Fixed Income Securities	5%	50%
Global Public Equity Securities	20%	65%
Alternative Investments ¹	15%	35%

¹*Alternative Investments* include hedge funds, private markets asset classes and other investments that do not fall inside traditional categories.

6. Endowment Funds. The objective of endowment investment is to meet the donor intent having a long-term horizon, unless otherwise specified. The long-term objective is to achieve a total annual return which covers the spend rate plus inflation, administrative costs, and investment management fees. The endowment corpus shall be invested in a diversified portfolio using reasonable care to provide on-going and dependable cash payout, while mitigating the impact of inflation.

- a. Authorized Investments. The System has identified four options for investing endowed funds:
 - i. The UNT System Long-Term Pool
 - ii. The UNT Foundation Endowment

- iii. The UNTHSC Foundation Endowment
 - iv. The UNT at Dallas Foundation Endowment
- b. Endowment Policies. Each UNT Institution and the UNT System Administration shall adopt an Endowment Policy consistent with this Regulation and subject to Board approval that governs the type of endowments, acceptance of gifts, purpose and use of endowments, and distribution requirements of endowed funds.
 - c. Asset Allocation. Each UNT Institution and the UNT System Administration shall select the investment portfolio option. The asset allocation and selection of the underlying assets within each portfolio shall be at the discretion of the Managing Entity; provided, however, that investment of any endowment funds must be pursuant to the Prudent Person Standard and within the guidelines established in this Regulation, the applicable UNT Institution Endowment Policy, and the Investment Management Agreement.
 - d. Investment Objectives.
 - i. Appreciation
 - ii. Current Income
 - iii. Safety of Principal
 - iv. Diversification
 - v. Liquidity
7. Medical Professional Liability Self-Insurance Funds. The total amount of reserve funds required for medical professional liability self-insurance shall be actuarially determined annually. These funds may be invested in any combination of the UNT System LTP, the UNT Health Science Center Foundation, or the UNT System Short Term Pool at the discretion of the UNT Health Science Center. In the event all or a portion of the self-insurance fund is converted to a quasi-endowment – subject to liquidation resulting from claims – the quasi-endowment may be invested in accordance with Endowed Funds (above).

1. Investment Advisory Committee Membership. Members of the UNT System Investment Advisory Committee “IAC” shall be the Deputy Chancellor for Finance and Operations the Associate Vice Chancellor for Treasury, and the chief financial officers from each UNT Institution and up to four members appointed by the Deputy Chancellor for Finance and Operations. Members appointed at the discretion of the Deputy Chancellor for Finance and Operations shall serve up to two (2) three-year terms.

2. Responsibility. The UNT System Investment Advisory Committee shall have oversight of investments in the UNTS LTP and maintain an active role in advising Managing Entities. The Deputy Chancellor for Finance and Operations or the Associate Vice Chancellor for Treasury shall represent the System Investment Advisory Committee for all approvals needed by a Managing Entity regarding the LTP.
 - a. Oversee the management of assets including the distribution of funds and the movement of funds between Pools.
 - b. Act solely in the best interest of the Pools and its objectives.
 - c. Determine investment objectives and constraints. Immediately communicate any revision in objectives or constraints to the Advisor.
 - d. Set and revise the investment policy and receive approval from Regents.
 - e. Select Advisor, custodians, and any other vendors required to administer the Pools.
 - f. Review and evaluate investment results with the assistance of the Advisor.
 - g. Should any Investment Officer have a personal business relationship with a business organization offering to engage in an investment transaction with the System, a statement shall be filed disclosing that personal business interest. This statement must be filed with the Texas Ethics Commission and the Board of Regents. A “personal business relationship” is defined in Chapter 2256.005(i) of the Public Funds Investment Act. In addition, annually each Investment Officer must confirm that no improper personal

business relationships, as defined above, exist. The Deputy Chancellor for Finance and Operations is responsible for collecting these confirmations and providing them to the Office of General Counsel for reporting to the Board.

3. Evaluating and Selecting Service Providers. In carrying out the policies of this IPS, the Committee may rely on various service providers including, but not limited to, the Advisor, custodian, administrative services provider(s), and investment managers. Such service providers generally shall be evaluated and selected based on the following:
 - a. **Furthering the Purpose of the Pools in Cost-Effective Manner.** Each service provider is intended to advance the purpose of the Pools, which is to meet the objectives previously stated in this IPS. The service providers shall be expected to deliver administratively efficient services and charge fees that are reasonable given the service(s) provided.
 - b. **Core Business Commitment and Expertise.** Each service provider is intended to have a history of providing services to other similar portfolios and demonstrate an ongoing commitment to such business. Its employees should have a reputation among its clients for the quality of its services. The firm should show an appropriate knowledge of other applicable statutes and regulation.
 - c. **Fiduciary Status and Conflicts of Interest.** To the extent required based on the services being provided to the Pools, the service provider shall acknowledge its role as a fiduciary to the Pools. Service providers are expected to disclose any potential conflicts of interest to the Advisor and Committee.
 - d. **Investment management services provided by a Managing Entity (other than UNT System Administration or a UNT Institution) shall be administered only through a contractual agreement (“Investment Management Agreement”) with the System or an Institution. Authority to approve and sign Investment Management Agreements is delegated as follows: (i) on behalf of the Board, to the Chancellor; (ii) on behalf of the System, to the Chancellor or his/her designee; (iii) on behalf of a UNT Institution, to the Institution’s President or his/her designee.**

08.207 Investment Reporting.

1. Investment management reports are to be prepared by System Treasury, to be posted to the System reports website and submitted to the Board quarterly. Reports will consist of the recent fiscal quarter-end fair value balances and performance returns if available.

2. When adopted each legislative session, the system is to carry out reporting requirements imposed by The Texas General Appropriations Act, Article III, Section 6, Rider 5-Investment Reports, as a higher education institution.
 - a. Post on the System website by December 31 each year
 - i. the Annual Investment Report including deposits on a template provided the by State Auditor’s Office
 - ii. responses to three investment questions, and
 - iii. the most current version of its investment policy/ies
 - b. Submit to the State Auditor’s Office by December 31 each year, an annual tracking report for investment reporting by higher education institutions.

3. The reports prepared shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

References and Cross-references:

Texas Education Code, Chapter 51, Subchapter A (Section 51.001, et. seq.)
University of North Texas System Board of Regents Rule 10.100
Uniform Prudent Investor Act (Texas Property Code, Chapter 117)
Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163)
Public Funds Collateral Act (Texas Government Code, Chapter 2257)

Approved: August 16, 2012

Effective: August 16, 2012

Revised: May 16, 2013, August 15, 2013, December 5, 2013, August 21, 2014, October 16, 2014, November 20, 2015, November 18, 2016, May 19, 2017, *Reapproved with no change August 10, 2018, February 15, 2019, August 14, 2020, August 13, 2021, August 11, 2022

Regulations of the University of North Texas System	Chapter 08 Fiscal Management
08.2000 Investment of System Funds	

08.2001 **Regulation Statement.** This Regulation sets forth the rules for the investment of all System funds and funds held by the System in trust for others. All investments by the System will be made in accordance with Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System and this System Regulation.

08.2002 **Application of Regulation.** —This Regulation applies to the UNT System Administration and to all UNT Institutions.

08.2003 **Definitions.**

1. **Authorized Broker/Dealers.** —“Authorized Broker/Dealers” means those entities that have been approved as provided herein.
2. **Funds.** “Funds” is defined by Government Code § 2256.002 and means public funds in the custody of a state agency or local government that:
 - a. are not required by law to be deposited in the state treasury; and
 - b. the investing entity has authority to invest.
3. **Funds Subject to Board of Regents Control.** “Funds Subject to Board of Regents Control” is defined by Texas Education Code § 51.002 and means:
 - a. student fees of all kinds;
 - b. charges for use of rooms and dormitories;
 - c. receipts from meals, cafes, and cafeterias;
 - d. fees on deposit refundable to students under certain conditions;
 - e. receipts from school athletic activities;
 - f. income from student publications and other student activities;
 - g. receipts from the sale of publication products and miscellaneous supplies and equipment;

- h. students' voluntary deposits of money for safekeeping;
 - i. all other fees and local or institutional funds arising out of and by virtue of the educational activities, research, or demonstrations carried on by the institution; and
 - j. donations and gifts to the institution.
4. Investment Officer. "Investment Officer" means the person(s) appointed by the Board pursuant to the Regents Rules, and any authorized designee.
 5. Managing Entity. "Managing Entity" means the entity holding and managing the investment of funds, and may include UNT System Administration, a UNT Institution, the University of North Texas Foundation, Inc. ("UNT Foundation"), the UNTHSC Foundation ("UNTHSC Foundation"), the University of North Texas at Dallas Foundation ("UNT at Dallas Foundation"), an external asset management firm, or Authorized Broker/Dealers.
 6. Prudent Person Standard. "Prudent Person Standard" is defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution, and means that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.
 7. System. "System" means, collectively, the University of North Texas System, University of North Texas System Administration, and UNT Institutions.
 8. UNT Institutions. "UNT Institutions" means University of North Texas, University of North Texas Health Science Center at Fort Worth, and University of North Texas at Dallas.

08.2004 Authority and Governing Statutes.

The System's authority to invest funds is established in the Public Funds Investment Act (Texas Government Code, Chapter 2256), Section 51.0031 of the Texas Education Code, and Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System. This Regulation is promulgated in accordance with ~~the Public Funds Investment Act~~, Section 51.0032 of the Texas Education Code, the Uniform Prudent Investor Act (Texas Property Code, Chapter 117), the Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163), and the Public Funds Collateral Act (Texas Government Code, Chapter 2257). ~~Texas Education Code, Section 51.0032 requires a governing board to adopt a written investment policy, and the Public Funds Investment Act~~

~~requires a governing board to adopt a written investment policy and strategy, review the policy and strategy not less than annually, appoint an Investment Officer, and adopt internal controls to safeguard the System's funds.~~ The Public Funds Collateral Act sets the standards for collateralization of public funds in Texas.

08.2005 **Investment of System Funds.**

1. Purpose. The purpose of the Investment Regulation is to outline the following general provisions affecting the Pools by:
 - a. Assisting the Investment Advisory Committee ("Committee") and Regents to fulfill their fiduciary responsibilities.
 - b. Conveying the Pools' purpose, investment objective, investment strategy and constraints.
 - c. Setting forth the role and responsibilities of the Committee, Regents, Discretionary Investment Advisor ("Advisor") and other relevant parties.
2. Investment Strategy. The investment management objective for the System is to retain appropriate liquidity to meet daily operating demands while seeking a higher yield on cash and risk-adjusted returns on investment reserves through an appropriately diversified investment portfolio. All System Funds Subject to Board of Regents Control shall be invested pursuant to a Prudent Person Standard. All System endowment funds shall be invested pursuant to a Prudent Person Standard.
3. Short Term Pool. Short-term working capital funds needed for daily liquidity requirements shall be held in the Short Term Pool "STP". The purpose and objective of the STP is to provide daily liquidity while meeting or exceeding the results of the Bloomberg Barclays US 1-3 Month T-bill index. Emphasis should be placed on safety of principal and liquidity.
 - a. Short Term Pool Constraints.
 - i. All investments or investment vehicles must either provide daily liquidity, offer diversification, or reduce interest rate risk. All positions or vehicles must have maturities of three (3)

- ~~years~~ one (1) year or less at the time of investment.
- ii. No individual security may have a credit quality of less than A- or ~~A3A-1~~ at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
 - iii. No investment vehicle may have an average credit quality of ~~no~~ less than ~~AA-/Aa3-AAA~~ at the time of investment unless it is insured by the FDIC or otherwise guaranteed by the US Government or an agency or instrumentality of the US Government.
 - iv. The STP must maintain a weighted-average maturity of less than ~~270+80~~ days.
 - v. All bank deposits of System funds shall be secured by pledged collateral with a market value equal to no less than 102% of the deposits plus accrued interest less an amount insured by the FDIC. Evidence of the pledged collateral shall be maintained by the ~~Associate Vice Chancellor for Treasury-Vice Chancellor for Finance~~. Eligible collateral must meet the requirements of the Public Funds Collateral Act or securities authorized by the Public Funds Investment Act. Repurchase agreements shall be documented by the Master Repurchase Agreement approved by The Bond Market (TBMA), or any other entity approved by the Finance Committee of the Board of Regents, noting the collateral pledged in each agreement. The use of a letter of credit issued to the System by the Federal Home Loan Bank may be considered by the System to meet the required bank depository collateral requirements. Collateral shall be reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances.
 - vi. The ~~Associate Vice Chancellor for Treasury and Treasury staff shall engage with vetted broker/dealers for anticipated security purchases. The Deputy Chancellor for Finance and Operations~~ Board of Regents must annually will review and adopt a list of broker/dealers qualified and authorized to engage in investment transactions with and for the System annually. All Authorized Broker/Dealers and investment management firms must supply a certification of having read

and understood the investment rules, regulations, and policies applicable to the System and acknowledge that the business has implemented reasonable procedures and controls in an effort to comply.

vii. Where applicable, transactions should settle as Delivery Versus Payment (DVP).

4. Debt Proceeds. As funds borrowed for the purpose of covering anticipated capital spending needs, these funds should be available for daily liquidity and invested in a manner consistent with the applicable Bond Covenants. Emphasis should be placed on safety of principal and liquidity.
5. Long-Term Pool. The LTP's objective is to preserve the long-term purchasing power of assets when accounting for inflation and spending. The LTP's purpose is to benefit the Institution's long-term mission while prudently diversifying its assets.
 - a. Spending Policy. For the LTP, the Regents have established an annual spending policy equal to 2.5% of the LTP's rolling twenty quarter asset balance. Management reserves the right to request additional distributions from the LTP if doing so is in the best long-term interests of the Institution.
 - b. Investment Strategy. The Long-Term Pool is invested among various asset classes, investment strategies, and investment managers in order to pursue the Pools' investment objective(s) while complying with applicable constraints.
 - i. In addition to achieving the investment objectives outlined in this regulation, the goal of the overall investment strategy is to meet or exceed (a risk-appropriate) benchmark over full market cycles. The benchmarks will constitute underlying market indices appropriate for each strategy, and its components will be illustrated in the periodic performance report provided by the Advisor. The Advisor may also use additional performance benchmarks including, but not limited to, broader and/or more specific benchmarks made up of multiple underlying indices, peer group comparisons to similar funds, inflation-adjusted absolute return benchmarks, or any other benchmark the Advisor, Committee or Regents believe will further the evaluation of the Pools' effectiveness.

- ii. The Advisor will periodically review the performance of underlying investment managers. Investment manager performance will be evaluated against proper indices, peer group comparisons, and risk-adjusted performance metrics. Managers will also be evaluated against other metrics that may include but are not limited to expenses, consistency of strategy or style, or other qualitative factors.
- c. Long-Term Pool Constraints. There are no explicit prohibitions against investing a portion of the Pools' assets in any asset class, investment strategy or investment manager structures, so long as the investment is:
 - i. For the sole purpose of advancing the objective of the Pools;
 - ii. Appropriate given the Pools' investment strategy;
 - iii. Not in violation any of the Pools' liquidity constraints;
 - iv. Intended to improve the Pools' aggregate investment strategy's expected risk-adjusted performance.
- d. Long-Term Pool (LTP) Asset Allocation Ranges:

LTP Parameters:	Lower Limit	Upper Limit
Cash or Cash Equivalents	0%	10%
Global Public Fixed Income Securities	5%	50%
Global Public Equity Securities	20%	65%
Real Assets ¹	5%	15%
Alternative Investments ² Investments ¹	15%	35%

¹ Real Assets include real estate, commodity strategies, infrastructure assets and other intrinsically valuable assets.

^{2,3} Alternative Investments include hedge funds, private markets asset classes and other investments that do not fall inside traditional or real asset categories.

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6. Endowment Funds. The objective of endowment investment is to meet the donor intent having a long-term horizon, unless otherwise specified. The long-term objective is to achieve a total annual return which covers the spend rate plus inflation, administrative costs, and investment management fees. The endowment corpus shall be invested in a diversified portfolio using reasonable care to provide on-going and dependable cash payout, while mitigating the impact of inflation.
- a. Authorized Investments. The System has identified four options for investing endowed funds:
 - i. The UNT System Long-Term Pool
 - ii. The UNT Foundation Endowment
 - iii. The UNTHSC Foundation Endowment
 - iv. The UNT at Dallas Foundation Endowment
 - b. Endowment Policies. Each UNT Institution and the UNT System Administration shall adopt an Endowment Policy consistent with this Regulation and subject to Board approval that governs the type of endowments, acceptance of gifts, purpose and use of endowments, and distribution requirements of endowed funds.
 - c. Asset Allocation. Each UNT Institution and the UNT System Administration shall select the investment portfolio option. The asset allocation and selection of the underlying assets within each portfolio shall be at the discretion of the Managing Entity; provided, however, that investment of any endowment funds must be pursuant to the Prudent Person Standard and within the guidelines established in this Regulation, the applicable UNT Institution Endowment Policy, and the Investment Management Agreement.
 - d. Investment Objectives.
 - i. Appreciation
 - ii. Current Income
 - iii. Safety of Principal

iv. Diversification

v. Liquidity

7. Medical Professional Liability Self-Insurance Funds. The total amount of reserve funds required for medical professional liability self-insurance shall be actuarially determined annually. These funds may be invested in any combination of the UNT System LTP, the UNT Health Science Center Foundation, or the UNT System Short Term Pool at the discretion of the UNT Health Science Center. In the event all or a portion of the self-insurance fund is converted to a quasi-endowment – subject to liquidation resulting from claims – the quasi-endowment may be invested in accordance with Endowed Funds (above).

08.2006 **UNT System Investment Advisory Committee.**

1. Investment Advisory Committee Membership. Members of the UNT System Investment Advisory Committee “IAC” shall be the Deputy Chancellor for Finance and Operations ~~Vice-Chancellor for Finance~~, the Associate Vice Chancellor for Treasury, and the chief financial officers from each UNT Institution and up to four members appointed by the Deputy Vice-Chancellor for Finance and Operations. Members appointed at the discretion of the Deputy Vice-Chancellor for Finance and Operations shall serve up to two (2) three-year terms.
2. Responsibility. The UNT System Investment Advisory Committee shall have oversight of investments in the UNTS LTP and maintain an active role in advising Managing Entities. The Deputy Chancellor for Finance and Operations ~~Vice-Chancellor for Finance~~ or the Associate Vice Chancellor for Treasury shall represent the System Investment Advisory Committee for all approvals needed by a Managing Entity regarding the LTP.
 - a. Oversee the management of assets including the distribution of funds and the movement of funds between Pools.
 - b. Act solely in the best interest of the Pools and its objectives.
 - c. Determine investment objectives and constraints. Immediately communicate any revision in objectives or constraints to the Advisor.

- d. Set and revise the investment policy and receive approval from Regents.
- e. Select Advisor, custodians, and any other vendors required to administer the Pools.
- f. Review and evaluate investment results with the assistance of the Advisor.
- g. Should any Investment Officer have a personal business relationship with a business organization offering to engage in an investment transaction with the System, a statement shall be filed disclosing that personal business interest. This statement must be filed with the Texas Ethics Commission and the Board of Regents. A "personal business relationship" is defined in Chapter 2256.005(i) of the Public Funds Investment Act. In addition, annually each Investment Officer must confirm that no improper personal business relationships, as defined above, exist. The ~~Deputy Vice~~ Chancellor for Finance and Operations is responsible for collecting these confirmations and providing them to the Office of General Counsel for reporting to the Board.

~~h. Each member of the Board of Regents and the System Investment Advisory Committee shall attend at least one training session within six months after taking office or assuming duties. The Texas Higher Education Coordinating Board will provide training for the Regents. All Investment Officers and members of the System Investment Advisory Committee must attend training not less than once in each fiscal biennium, and may receive training from any independent source approved by the Board of Regents. The Texas Higher Education Coordinating Board is an approved source for training. The Investment Officers must report the status of their training to the Board of Regents no later than the 180th day after the last day of each regular session of the legislature.~~

3. Evaluating and Selecting Service Providers. In carrying out the policies of this IPS, the Committee may rely on various service providers including, but not limited to, the Advisor, custodian, administrative services provider(s), and investment ~~3~~ managers. Such service providers generally shall be evaluated and selected based on the following:

- a. Furthering the Purpose of the Pools in Cost-Effective Manner. Each service provider is intended to advance the purpose of the Pools,

which is to meet the objectives previously stated in this IPS. The service providers shall be expected to deliver administratively efficient services and charge fees that are reasonable given the service(s) provided.

- b. Core Business Commitment and Expertise. Each service provider is intended to have a history of providing services to other similar portfolios and demonstrate an ongoing commitment to such business. Its employees should have a reputation among its clients for the quality of its services. The firm should show an appropriate knowledge of other applicable statutes and regulation.
- c. Fiduciary Status and Conflicts of Interest. To the extent required based on the services being provided to the Pools, the service provider shall acknowledge its role as a fiduciary to the Pools. Service providers are expected to disclose any potential conflicts of interest to the Advisor and Committee.
- d. Investment management services provided by a Managing Entity (other than UNT System Administration or a UNT Institution) shall be administered only through a contractual agreement (“Investment Management Agreement”) with the System or an Institution. Authority to approve and sign Investment Management Agreements is delegated as follows: (i) on behalf of the Board, to the Chancellor; (ii) on behalf of the System, to the Chancellor or his/her designee; (iii) on behalf of a UNT Institution, to the Institution’s President or his/her designee.

08.207 Investment Reporting.

- 1. Investment management reports are to be prepared by System Treasury, to be posted to the System reports website and submitted to the Board quarterly. Reports will consist of the recent fiscal quarter-end fair value balances and performance returns if available.
- 2. When adopted each legislative session, the system is to carry out reporting requirements imposed by The Texas General Appropriations Act, Article III, Section 6, Rider 5-Investment Reports, as a higher education institution.
 - a. Post on the System website by December 31 each year

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- i. the Annual Investment Report including deposits on a template provided the by State Auditor's Office
 - ii. responses to three investment questions, and
 - iii. the most current version of its investment policy/ies
- b. Submit to the State Auditor's Office by December 31 each year, an annual tracking report for investment reporting by higher education institutions.

3. The reports prepared shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

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References and Cross-references:

Public Funds Investment Act (Texas Government Code, Chapter 2256)

Texas Education Code, Chapter 51, Subchapter A (Section 51.001, et. seq.)

University of North Texas System Board of Regents Rule 10.100

Uniform Prudent Investor Act (Texas Property Code, Chapter 117)

Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163)

Public Funds Collateral Act (Texas Government Code, Chapter 2257)

Approved: August 16, 2012

Effective: August 16, 2012

Revised: May 16, 2013, August 15, 2013, December 5, 2013, August 21, 2014, October 16, 2014, November 20, 2015, November 18, 2016, May 19, 2017, *Reapproved with no change August 10, 2018, February 15, 2019, August 14, 2020, August 13, 2021, August 11, 2022



Title: Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt

Background:

For the UNT System (the “System”) to proceed with the design, planning, acquisition and/or construction of various capital projects, costs (not to exceed \$140,000,000) will be incurred prior to the issuance of debt obligations, or establishment of other funding mechanisms, to finance the projects.

It is intended that the System reimburse itself for such payments through the issuance of tax exempt or taxable debt obligations, or other funding mechanisms, to finance the projects, as permitted by law.

Financial Analysis/History:

The proposed projects intended for reimbursement are the projects listed in the UNTS Capital Improvement Plan for Fiscal Year 2023 and are described as being debt financed. Projects may change in scope and cost.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
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Vice Chancellor/General Counsel

Schedule:

Effective upon approval by the Board of Regents.

Recommendation:

It is recommended that the Board of Regents authorize UNT System institutions to reimburse themselves for costs (not to exceed \$140,000,000) incurred prior to the issuance of debt obligations or other method of project financing.

Recommended By:

Maleia Torres

Associate Vice Chancellor for Treasury

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.28 10:44:51 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R. Williams
Date: 2022.07.29 09:56:30 -05'00'

Chancellor



Board Order

Title: Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Board of Regents (the “Board”) of the University of North Texas System (the “System”) is an agency of the State of Texas, and

Whereas, the System expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described as being debt financed in the UNTS Capital Improvement Plan for Fiscal Year 2023 (collectively, the “Project”), and

Whereas, the System finds, considers, and declares that the reimbursement of the System for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the System and, as such, chooses to declare the intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The System reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$140,000,000, for the purpose of paying the aggregate costs of the Project.
 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the System in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.
 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditures which is to be reimbursed is paid.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

Board Briefing



Committee: Finance

Date Filed: July 1, 2022

Title: Delegation of Authority to HSC President to Amend and Extend the Professional Services Contract with Pbailey Group

Background:

UNTHSC was awarded the federally-funded research project The Health & Aging Brain Study – Health Disparities (HABS-HD) in the amount of \$149.8M. HABS-HD is the continuation grant for two previous UNTHSC grants (\$45.5M).

In order to complete the required recruitment components of the new project, the Institute for Translational Research (ITR) at UNTHSC is seeking to amend and extend the services it receives under its professional services contract with the Pbailey Group.

Pbailey Group specializes in highly specialized marketing, outreach and media campaigns that target minority audiences. Pbailey Group was first contracted by ITR December 2020 after HSC was awarded \$7M to add 1000 African-American research participants to existing research projects. Pbailey group has since been contracted to provide continuous specialized marketing and outreach for the both the Mexican-American and African-American cohorts.

The new project will require ITR to recruit an additional 1500 participants for the younger cohort, ages 30-50, and retain or re-recruit all participants currently in the age 50 and above cohort and/or those lost to attrition.

The marketing, media, outreach, and media campaigns provided by Pbailey include a street team, outreach workers, continuous radio ads, speaking engagements, interviews with community leaders in the Hispanic and African American communities, major event sponsorships, and stage presence during educational talks.

Pbailey Group always works in conjunction with the UNTHSC marketing team and the ITR outreach team. ITR staff are present at all events to talk directly to participants and sign them up for the studies. Dr. Sidney O' Bryant and other ITR faculty lead the educational talks and interviews once set up by Pbailey Group.

Financial Analysis/History:

The cost incurred by UNTHSC for this contract will be paid for with external research funding and will total up to \$700,000.00 annually for each of the next 7 years. Due to the size of the project, Pbailey group was named specifically and written into the grant proposal in order to ensure continued success with recruitment.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:52:39 -05'00'

Vice Chancellor/General Counsel

Schedule:

The amended and extended professional services contract is to be implemented upon approval by the Board or Regents.

Recommendation:

It is recommended that the Board of Regents approve the delegation of authority to amend and extend the Professional Services Agreement with Pbailey Group.

Recommended By:

Brian Gladue
Executive Vice President for Research

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.28 10:48:09 -05'00'

Deputy Chancellor for Finance and Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R. Williams
Date: 2022.07.29 10:03:08 -05'00'

Chancellor



Board Order

Title: Delegation of Authority to HSC President to Amend and Extend the Professional Services Contract with Pbailey Group

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, since 2020, Pbailey Group has provided professional services for UNTHSC's Institute for Translational Research for externally funded research projects. Pbailey Group specializes in marketing, outreach and media campaigns that target minority audiences. Pbailey Group is also equipped to specify recruitment to the project demographics and metric requirements.

Whereas, Pbailey Group's continued services are required to maintain the current momentum in regard to project awareness and relevance in the DFW minority communities, and

Whereas, Pbailey Group will continue to provide a street team, outreach workers, continuous radio ads, speaking engagements, interviews with community leaders in the Hispanic and African American communities, major event sponsorships, and stage presence during educational talks,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The President or his designee to amend and extend the professional services contract with Pbailey Group.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents



**MINUTES
BOARD OF REGENTS
Student Success, Academic and Clinical Affairs Committee
May 19, 2022**

The Student Success, Academic and Clinical Affairs Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 19, 2022, in the University Union, Jade Ballroom-Room 333, at the University of North Texas, 1155 Union Circle, Denton, Texas with the following members in attendance: Regents Dan Feehan, Mary Denny, Carlos Munguia, and John Scott.

There being a quorum present, the meeting was called to order by Committee Chair Dan Feehan. Pursuant to a motion by Regent Mary Denny and seconded by Regent John Scott, the Committee approved the minutes of the February 17, 2022, meeting of the Student Success, Academic and Affairs Committee on a 4-0 vote.

The Committee had one briefing. Assistant Vice Chancellor for Academic Affairs and Student Success, Dr. Jamaica Chapple presented on **UNT System Mental Health**.

Following the briefing, the Committee had four action items to consider. Dr. Jamaica Chapple, UNT System Assistant Vice Chancellor for Academic Affairs and Student Success, presented the first action item.

8. UNTS Approval and Ratification of UNT System Institution Admission Standards for Students Admitted for Matriculation Beginning in Summer 2023

Pursuant to a motion by Regent John Scott and seconded by Regent Mary Denny, the Committee approved the above item on a 4-0 vote.

The next action item, a request for approval of UNT tenure recommendations, was presented by UNT Provost and Vice President for Academic Affairs Michael McPherson.

9. UNT Approval of UNT Tenure Recommendations

Pursuant to a motion by Regent John Scott and seconded by Regent Mary Denny, the Committee approved the above item on a 4-0 vote.

UNT Dallas Provost, Dr. Betty Stewart, presented a request UNT Dallas tenure recommendations.

10. UNTD Approval of UNT Dallas Tenure Recommendations

Student Success, Academic and Clinical Affairs Committee
University of North Texas System
Board of Regents Meeting
May 19, 2022

Pursuant to a motion by Regent Mary Denny and seconded by Regent John Scott, the Committee approved the above item on a 4-0 vote.

The last action item, was for approval of HSC Tenure recommendations. Provost and Executive Vice President for Academic Affairs, Dr. Charles Taylor, presented the item.

11. UNTHSC Approval of the University of North Texas Health Science Center (HSC) Tenure Recommendations

Pursuant to a motion by Regent Carlos Munguia and seconded by Regent John Scott, the Committee approved the above item on a 4-0 vote.

There being no further business, the Committee meeting adjourned at 12:10 p.m.

Submitted By:



Rachel Barone
Board Secretary

Date: 5-25-2022

Board Briefing



Committee: Student Success,
Academic & Clinical Affairs

Date Filed: July 1, 2022

Title: Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Human Performance and Movement Science

Background:

The University of North Texas is requesting to add a Doctor of Philosophy Degree Program with a Major in Human Performance and Movement Science (HPMS), effective August 1, 2023. This degree program will be housed in the Department of Kinesiology, Health Promotion and Recreation (KPHR) within the College of Education.

The educational objective of this program will be to prepare PhD graduates to conduct research and education within the physiological aspects of exercise science, with a focus on the interrelatedness between physical activity and health, in an effort to reduce health disparities so that all people have an equal opportunity to live long and healthy lives. The KPHR department is perfectly suited to support this objective given its faculty expertise in foundational quantitative methods, basic science, and community-based implementation. With the focus on the interrelatedness between physical activity and health, the HPMS curriculum will provide students with both the theoretical foundations and experiential training critical for development as successful scholars.

With a curriculum grounded in the interrelatedness between physical activity and health, the HPMS doctoral program will provide students with exceptional research training making them desirable candidates for a variety of academic and professional job opportunities. Potential career paths include academic teaching, research, and/or administrative positions within colleges and universities, careers in non-profit service and research organizations, policy-making positions in government agencies, and careers in industry using basic and applied exercise science research knowledge and skills.

There is student demand for this program. The department has a strong master's program, with many of their students active in research and publishing as first or co-authors. Some of these students stay at UNT to pursue a doctoral program with a concentration in Exercise Physiology, but others leave to pursue a PhD at institutions that offer the complete PhD in Exercise Physiology. The department frequently receives inquiries from interested master's students both nationally and internationally who wish to pursue a doctoral degree at UNT due to the established lines of research and scholarly notoriety of the faculty.

There is an established job market for this program. A recent market analysis found a 21.3% growth in employment opportunities requiring similar content, and a 75.4% growth specifically within the subcategory of exercise physiologist. In addition, there is strong industry support for this program. Representatives from the University of Alabama at Birmingham, Brooke Army Medical Center, Magellan Federal, Millipore Sigma, University of Oklahoma, University of Houston, Baylor Scott and White Sports Therapy Research, and Texas Tech University all wrote letters in support of this new doctoral program.

The proposed PhD in Human Performance and Movement Science (CIP code 26.0908) requires 54 semester credit hours beyond a master's degree.

Financial Analysis/History:

The costs and funding of the PhD degree program with a major in Human Performance and Movement Science meet Coordinating Board Rule 5.46. The total expenses over the first five years are estimated at \$2,595,130. The expenses include funding for one new hire in year four, and funding for graduate assistantships. The College of Education will reallocate funds for the expenses. UNT’s anticipated revenue for the first five years is \$4,016,878, thus exceeding expenses.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:53:47 -05'00'
Vice Chancellor/General Counsel

Schedule:

August 1, 2023

Recommendation:

The Provost recommends that the Board of Regents approve adding the PhD degree program with a major in Human Performance and Movement Science to the UNT degree program inventory.

Recommended By:

Michael McPherson
Provost and Vice President for Academic Affairs

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.28 10:49:52 -05'00'
Deputy Chancellor for Finance and Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R. Williams
Date: 2022.07.29 10:01:30 -05'00'
Chancellor

Attachments Filed Electronically:

- THECB Application for a New Doctoral Program



Board Order

Title: Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Human Performance and Movement Science

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the University of North Texas desires to add a Doctor of Philosophy degree program with a major in Human Performance and Movement Science, and

Whereas, there is an established industry need and student demand for this program, and

Whereas, costs and funding needed for the Doctor of Philosophy degree program with a major in Human Performance and Movement Science meets the standards established by the Coordinating Board Rules, Section 5.46, Criteria for New Doctoral Programs,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The addition of the UNT Doctor of Philosophy Degree Program with a Major in Human Performance and Movement Science
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 131](#).

Board Briefing



Committee: Student Success,
Academic & Clinical Affairs

Date Filed: July 1, 2022

Title: Approval to Add the UNT Master of Science Degree Program with a Major in Health Data Analytics

Background:

The University of North Texas is requesting to add a Master of Science Degree Program with a Major in Health Data Analytics, effective August 1, 2023. This degree program will be housed in the Department of Rehabilitation and Health Services within the College of Health and Public Service.

This program is designed to provide students with the advanced healthcare administration knowledge and data analytics skills necessary to succeed as a data analytics professional, supporting healthcare operations and management. Graduates of this program will be able to analyze large, complex healthcare datasets, derive operations and management improvement insights, and make compelling presentations to other managers and executives to drive data-directed decisions. These skills will allow improvements of healthcare operations to the benefit of patients and providers. Graduates will be able to perform valuable healthcare analytics, such as identifying and assessing the impact of admissions trends, reimbursement patterns, and length of stay after adjustment for diagnosis. Graduates will be prepared to obtain positions in a variety of healthcare and health insurance delivery environments, where data analytics skills are highly marketable.

There is an established job market for graduates of this program. A recent market analysis supported an above average growth for this field. A search of job postings on popular employment websites supports this projection with thousands of related openings throughout the nation. More than 800 job postings were in Texas, with 250 in the DFW area.

There is strong student demand for this program. Faculty from both the Advanced Data Analytics MS program and the Health Services Administration MS program receive inquiries for this type of degree program. The Health Data Analytics MS program is categorized as a STEM program, making it desirable for both domestic and international students.

The proposed new graduate degree curriculum will use a combination of five existing courses from the Health Services Administration MS program and five existing courses from the Advanced Data Analytics MS program at UNT, thus limiting the need for additional resources. The program will be offered 50% online and 50% face-to-face.

The proposed Master of Science Degree Program with a Major in Health Data Analytics degree program (CIP Code 30.7101) requires 30 semester credit hours.

Financial Analysis/History:

The costs and funding of the Master of Science Degree Program with a Major in Health Data Analytics meets the Standards for Bachelor's and Master's Degree Programs established by the Coordinating Board Rules, Section 5.45, Criteria for New Baccalaureate and Master's Degree Programs. The total expenses over the first five years are estimated at \$296,726. The College of Health and Public Service will reallocate funds as needed to support the program. UNT's anticipated revenue for the first five years is \$4,133,528, thus far exceeding expenses.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:54:13 -05'00'
Vice Chancellor/General Counsel

Schedule:

August 1, 2023

Recommendation:

The UNT Provost recommends that the Board of Regents approve adding the Master of Science Degree Program with a Major in Health Data Analytics to the UNT degree program inventory.

Recommended By:

Michael McPherson

Provost and Vice President for
Academic Affairs

**Gregory R.
Anderson**

Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:50:37 -05'00'

Deputy Chancellor for Finance and
Operations

**Dr. Michael R.
Williams**

Digitally signed by Dr. Michael
R. Williams
Date: 2022.07.29 10:02:07
-05'00'

Chancellor

Attachments Filed Electronically:

- THECB Certification Form



Board Order

Title: Approval to Add the UNT Master of Science Degree Program with a Major in Health Data Analytics

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the University of North Texas desires to add a Master of Science Degree Program with a Major in Health Data Analytics, and

Whereas, there is both student demand and a strong workforce need for health data analytics professionals, and

Whereas, costs and funding needed for the Master of Science Degree Program with a Major in Health Data Analytics meets the Standards for Bachelor's and Master's Degree Programs established by the Coordinating Board Rules, Section 5.45, Criteria for New Baccalaureate and Master's Degree Programs,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The addition of the Master of Science Degree Program with a Major in Health Data Analytics
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 133](#).

Board Briefing



Committee: Student Success,
Academic & Clinical Affairs

Date Filed: July 1, 2022

Title: Approval to Add the UNT Master of Science Degree Program with a Major in Health Informatics

Background:

The University of North Texas is requesting to add a Master of Science Degree Program with a Major in Health Informatics, effective August 1, 2023. This degree program will be housed in the Department of Information Science within the College of Information.

The purpose of the Master of Science Degree Program with a Major in Health Informatics (MSHI) is to educate future leaders in health informatics who can apply data science methods and techniques to improve the delivery of healthcare in diversified health environments with a patient-centered focus. The healthcare landscape continues to rapidly evolve as the digitization of health records progresses with advancements in technology. Healthcare data is being generated at an increasingly rapid pace and the equally rapid evolution of data management technology supports a more patient/consumer-centric delivery of healthcare. This has increased the demand for health informatics professionals with the competencies to develop and apply data science management technologies and systems to the ultimate benefit of patients.

There is an established job market for health informatics professionals with data science skills. According to the U.S. Bureau of Labor Statistics (2021), the overall employment of “health information specialists is projected to grow 9 percent from 2020 to 2030”. A current search of job postings on a popular employment website supports this projection with more than a thousand related openings throughout the nation. More than 500 job postings were in Texas.

There is an established student demand for this program. A concentration in Health Informatics is currently offered with the Information Science MS. Enrollment in the concentration classes has tripled in the last two years. Students frequently ask for a full degree in Health Informatics to better qualify for a Health Informatics career. In addition, the data management focus of this degree is consistent with the existing expertise of the faculty in the College of Information. The STEM designation of this degree makes it attractive to both domestic and international students.

The program will be delivered in a hybrid format combining online and face-to-face course delivery. Faculty plan to offer the program 100% online in the future, in addition to the hybrid program.

The proposed Master of Science Degree Program with a Major in Health Informatics degree program (CIP Code 51.2706) requires 36 semester credit hours.

Financial Analysis/History:

The costs and funding of the Master of Science Degree Program with a Major in Health Informatics meets the Standards for Bachelor’s and Master’s Degree Programs established by the Coordinating Board Rules, Section 5.45, Criteria for New Baccalaureate and Master’s Degree Programs. The total expenses over the first five years are estimated at \$1,362,089. The College of Information will reallocate funds as needed to support the program. UNT’s anticipated revenue for the first five years is \$5,252,180, thus far exceeding expenses.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:54:43
-05'00'

Vice Chancellor/General Counsel

Schedule:

August 1, 2023.

Recommendation:

The UNT Provost recommends that the Board of Regents approve adding the Master of Science Degree Program with a Major in Health Informatics to the UNT degree program inventory.

Recommended By:

Michael McPherson

Provost and Vice President for
Academic Affairs

Gregory R. Anderson Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:51:20 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael
R. Williams
Date: 2022.07.29 10:04:15
-05'00'

Chancellor

Attachments Filed Electronically:

- THECB Certification Form



Board Order

Title: Approval to Add the UNT Master of Science Degree Program with a Major in Health Informatics

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the University of North Texas desires to add a Master of Science Degree Program with a Major in Health Informatics, and

Whereas, there is both student demand and employment opportunities for health informatics professionals, and

Whereas, costs and funding needed for the Master of Science Degree Program with a Major in Health Informatics meets the Standards for Bachelor's and Master's Degree Programs established by the Coordinating Board Rules, Section 5.45, Criteria for New Baccalaureate and Master's Degree Programs,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The addition of the Master of Science Degree Program with a Major in Health Informatics
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 141](#).

Board Briefing



Committee: Full Board

Date Filed: July 1, 2022

Title: Amendment to Regents Rule 10.300, Debt Management

Background:

Regents Rule 10.300, Debt Management, was adopted by the Board on November 15, 2007 and amended on May 8, 2008, February 20, 2014, November 18, 2016, August 18, 2017, May 18, 2018 and August 10, 2018.

The proposed Amendment includes the following:

- Insertion of procedures to formalize an approval process for financing capital projects in the Revenue Financing System.
- The Associate Vice Chancellor for Treasury is to have delegated bond issuance authority in addition to the UNT System CFO.
- Minor revisions throughout.

Financial Analysis/History:

The proposed changes to Regents Rule 10.300, Debt Management will provide a common systematic pathway used to enhance the review and analysis in the planning stage to formally vet projects in the Revenue Financing System.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:50:12 -05'00'

Vice Chancellor/General Counsel

Schedule:

Shall be effective immediately upon approval.

Recommendation:

It is recommended that the Board of Regents approve the revised University of North Texas System Regents Rule 10.300, Debt Management at attached.

Recommended By:

Maleia Torres

Associate Vice Chancellor for Treasury

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.28 10:44:08 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R. Williams
Date: 2022.07.29 09:55:57 -05'00'

Chancellor

Attachments Filed Electronically:

- University of North Texas System Regents Rule 10.300, Debt Management (with revisions to Sections 10.306 proposed for approval)-redline
- University of North Texas System Regents Rule 10.300, Debt Management-clean version



Board Order

Title: Amendment to Regents Rule 10.300, Debt Management

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the University of North Texas System formalizes an approval process for projects seeking access to the Revenue Financing System;

Whereas, University of North Texas System Regents Rule 10.300, Debt Management delegates authority to issue bonds to the UNT System CFO or to the Associate Vice Chancellor for Treasury;

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Regents Rule 10.300, Debt Management, as amended.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

10.300 Debt Management

- 10.301 Incurring Debt. The System wholly on behalf of the component institutions of the system shall issue or incur debt (taxable or tax exempt) in accordance with applicable federal and state law and pursuant to actions taken by the Board to authorize the issuance or incurrence of debt. The System shall obtain an opinion from bond counsel that the issue complies with applicable laws and regulations and receive requisite approval from all necessary state agencies before issuing or incurring any long-term or short-term debt. If a project requires Texas Higher Education Coordinating Board approval, no debt proceeds will be allocated to that project prior to receiving such approval.
- 10.302 Goals. The System will manage its debt within its overall financial profile as follows:
1. Identify, review, and prioritize projects for debt financing that are critical to the mission and advance the strategic objectives of the System and allocate the System's debt capacity to these projects.
 2. Align the financial position of the System to optimize its credit profile in conjunction with its strategic plan to obtain favorable cost of capital, flexibility, and terms.
- 10.303 Project Prioritization and Financing Form Submission. The System recognizes that debt as a funding source is a limited resource. Using debt as a funding source for capital projects is made in the context of the missions of the System and its Component Institutions – and considering other funding options such as state sources, philanthropy, and self-funding. Allocation and expenditure of replacement proceeds, if any, resulting from tax credits associated with a debt financed project shall require Board approval.
1. Financing for capital needs is available through the Revenue Financing System (RFS) for all component institutions. When financing is anticipated for funding capital needs, the submission of a Revenue Financing System Financing Form (RFS financing form) is required as early in the planning process as possible. A fully executed RFS financing form [including component institution Chief Financial Officer (CFO) and President signatures] will be required before the project is presented to the Board of Regents (board) for approval of construction, renovations, additions, capital equipment, infrastructure or land is purchased. The decision to finance shall be made only if it is in the best interest of the component institution and the system as a whole. The System Office of Finance (System Finance) and Treasury (Treasury) shall work with the component institution to make the determination to finance. Exceptions to the process for exigent reasons shall be made by the UNT System chief

financial officer (UNT System CFO).

2. General Procedures

- (a) The component institution shall complete Section I of the *RFS Financing* form and submit it to Treasury for processing.
 - (b) Treasury shall provide a debt service schedule in Section II of the *RFS Financing* form based on the funding needs submitted by the component institution. Debt service may be calculated utilizing short-term debt, long-term debt or a combination of both. Allocated issuance costs and administration costs directly related to a debt issuance shall be factored into the financing calculation. Interest rates will reflect estimated rates on a project's expected borrowing date.
 - (c) The debt service schedule(s) shall be returned to the component institution's CFO for review and adjustment if necessary. Approval to proceed with the financing shall require the signature of Treasury in Section II of the *RFS Financing* form and the signatures of the component institution CFO and President in Section III. The original or electronic copy of Section III will be returned to Treasury.
3. The following provisions apply to major construction projects which are to be financed with system funds.
- (a) The component institution shall contact Treasury in the earliest stages of capital needs identification to discuss financing alternatives.
 - (b) The component institution shall submit the *RFS Financing* form Section I for processing by Treasury prior to presenting a construction award to the board. Projects may not be submitted for approval to the board's Strategic Infrastructure Committee until the *RFS Financing* form Section III has been returned to Treasury with proper signatures.
 - (c) If conditions change significantly after the financing request is submitted, a revised *RFS Financing* form shall be submitted and the debt service shall be recalculated and re-approved.
 - (d) If, during design or construction, a change in scope alters the total cost of the project by 10% or more and the change will be financed, the previously agreed upon financing terms shall be recalculated to determine if the component institution has the capacity to finance the scope increase. A revised debt service schedule shall be transmitted under cover of *RFS Financing* form Section II, and *RFS Financing* form Section III must be signed and returned to Treasury by the component institution before an appropriation for

the increased scope will be processed.

4. The following provisions apply to minor construction projects which are to be financed with system funds.
 - (a) The component institution shall contact Treasury in the earliest stages of capital needs identification to discuss financing alternatives.
 - (b) The component institution shall submit the *RFS Financing* form Section I for processing by Treasury. Upon receipt of a properly authorized *RFS Financing* form Section III, funding will be available for the project.
5. The following provisions apply to financed capital equipment.
 - (a) The component institution shall contact Treasury in the earliest stages of capital needs identification to discuss financing alternatives.
 - (b) The component institution shall submit the *RFS Financing* form Section I for processing by Treasury prior to including any financed capital equipment in the applicable annual operating budget or prior to asking the chancellor or the board for an appropriation. Upon receipt of a properly authorized *RFS Financing* form Section III, funding will be available for the capital purchase.
 - (c) The financing of capital equipment needs is usually most efficiently managed using a short-term debt instrument. Therefore, when a component institution chooses to follow through with a capital equipment financing, the component institution is agreeing to make annual principal payments to the system and shall bear the fluctuating market interest rates of the short-term debt instrument as long as the obligation of the component institution is outstanding.

10.304 Debt Capacity and Affordability.

1. In evaluating its debt capacity and affordability, the UNT System CFO will consider current debt levels, future debt financings, and overall financial strength of the System and the Component Institutions. Debt capacity considers the financial resources and the ability to leverage financial resources to finance certain capital projects. Debt affordability considers the ability to pay the debt service on an annual basis through operating budgets and identified revenue streams.

2. The UNT System CFO monitors and reports key financial indicators to the Board of Regents at least annually and shall benchmark these financial ratios to external sources, such as medians for the “Aa2/AA” category and peer higher education institutions.
3. The System evaluates its performance against these measures with a long-term view and will monitor the trend of the ratios over time. The System recognizes that financing a strategically important project may cause one or more ratios to perform poorly against the trend, median, or peer comparison in the short-term. Accordingly, the System takes a long term view to evaluate the project. Based on changing market conditions, the Vice Chancellor for Finance may change the financial indicators or ratios as related to the financial strength of the System.
4. The UNT System CFO will evaluate alternative financings to determine the impact on the System’s credit profile.

10.305 Debt Financial Ratios. In connection with this policy the ratios below will be monitored on at least an annual basis in conjunction with the adoption of the annual capital improvement plan – at both the System and component level – and reported to the Board of Regents. These ratios will be taken into consideration when developing long-term capital plans and when authorizing the issuance of additional debt. While these primary ratios below will be analyzed, other ratios may also be evaluated. The UNT System CFO will evaluate the impact of proposed amendments to the capital improvement plan and report any anticipated material changes to the below ratios.

1. Cash and Investments to Debt: This ratio measures the availability of cash and investments to debt and is a medium to long-term indicator of financial health based on the strength of the balance sheet.
2. Debt Service to Adjusted Operating Expenses: This ratio measures the percentage of expenses that support debt service and is an indicator of the System’s operating flexibility to finance existing obligations and provide funding for new initiatives.
3. Debt Service Coverage Ratio: This ratio measures the System’s ability to cover debt service requirements with operating revenues and is an indicator of the strength of the operating incomes ability to meet its annual obligations.
4. Cash and Investments to Operating Expenses: This ratio measures the ability to cover operating expenses with cash and investments and is an indicator of the financial strength of the System. Also, it provides insight into the amount of flexibility the System has to invest in new initiatives from existing resources.

10.306 Short-term Indebtedness.

1. The Board delegates to the UNT System CFO or to the Associate Vice Chancellor for Treasury, subject to Section 10.312 below, the authority to issue short-term indebtedness of up to \$125,000,000 in Revenue Financing System (“RFS”) commercial paper, which may be issued as traditional commercial paper (“CP”) or as extendible commercial paper (“ECP”). The aggregate principal amount of CP at any one time outstanding shall not exceed: (a) the aggregate principal amount established by resolution of the Board; (b) liquidity requirements approved by the Board; and (c) the sum of self-liquidity provided by the System and liquidity support obtained with the approval of the Board from a financial institution. The aggregate principal amount of ECP at any one time outstanding shall not exceed:
(a) the aggregate principal amount established by resolution of the Board; and (b) parameters approved by the Board to service extendible rate debt payments. The maximum combined amount of CP and ECP maturing on any one day is \$25,000,000 and the maximum combined amount of CP and ECP maturing in the same week is \$50,000,000; except for circumstances when the System has identified funds including, but not limited to, proceeds of refunding bonds issued to convert interim financing commercial paper notes into long-term obligations, to extinguish commercial paper notes.
2. The UNT System CFO shall be responsible for identifying funds held by the System for the purpose of providing self-liquidity in support of CP notes, the investment of such funds, and the administration and development of a policy with respect to the management of the self-liquidity program.
3. Short-term debt may be used to purchase equipment, to provide interim financing for capital projects (including land acquisition) during construction, to pay for issuance costs, and to provide continued financing after construction has been completed.
4. The UNT System CFO shall be responsible for monitoring the issuance of RFS commercial paper, including the rollover of outstanding CP and ECP notes and the payment of any extendible interest rate obligations with respect to ECP. All conversions of CP and ECP notes to long-term indebtedness shall be approved by the Board by adoption of a resolution authorizing the issuance of long-term indebtedness to refinance CP and ECP notes.

10.307 Use of Commercial Paper after Completion of Construction.

1. For projects that utilize CP or ECP as interim financing and are expected to be completed before or during the next fiscal year, Institutions shall budget for projected debt service expenses assuming that the CP or ECP shall be fixed into long-term bonds in the next fiscal year, at prevailing rates as provided by System Treasury staff. If CP or ECP issued to provide interim financing for a project is to remain outstanding beyond the fiscal year end that construction of the project is completed, the System Administration or Component Institution shall submit a written proposal and financing plan to the UNT System CFO within a reasonable period of time, but no later than 90 days, prior to the expected date of completion of the project. Approval is required from the UNT System CFO for CP or ECP to remain outstanding after construction of a project is completed. CP or ECP may remain outstanding for a period no greater than two years after the completion of a project, unless the Board, in its sole determination, permits CP or ECP to remain outstanding beyond the two-year period.
2. Any fiscal year interest savings realized by financing a project after construction with CP or ECP, as compared to projected interest rate payments if the financing had been converted to fixed long-term bonds, shall be used to reduce the project's outstanding CP or ECP principal balance unless otherwise approved by the Board, the Chancellor or the UNT System CFO .

10.308 Bond Approval. The UNT System CFO or the Associate Vice Chancellor for Treasury has the authority to approve the pricing of bond and note issues and is responsible for assuring compliance with all bond covenants and that all necessary approvals, certifications, and authorizations are fully documented and made available to the Board and to all bondholders.

10.309 Debt Service. The UNT System CFO is responsible for assuring that all debt service payments are made in a timely manner to the appropriate paying agents. The President is responsible for debt service funding if a Component Institution is participating in the RFS program.

10.310 Texas Higher Education Coordinating Board Approval. The UNT System CFO shall be responsible for maintaining a record of the approvals of projects by the Texas Higher Education Coordinating Board, when applicable, that are financed or to be financed with the proceeds of debt, including approvals identifying the proposed funding sources and amounts authorized for approved projects.

10.311 Reimbursement Certificates. The UNT System CFO is authorized and directed to execute Reimbursement Certificates, as required by U.S. Treasury Regulations § 1.150-2, in connection with projects the Board intends to debt finance.

10.312 Financing of Capital Items with Commercial Paper. Financing of any capital item with RFS commercial paper must be approved by the Board. The UNT System CFO shall be responsible for submitting any required notice to the Texas Bond Review Board.

10.313 Compliance. The System receives financial benefits from the Revenue Financing System and the issuance of tax-exempt RFS commercial paper and bonds to achieve the System's tax-exempt purposes. The Board recognizes that legal obligations must be met to ensure good stewardship of this tax-exempt benefit. The System shall adopt appropriate regulation(s) and procedures related to tax-exempt RFS commercial paper and bond compliance, including issuance, expenditure of proceeds, and post-issuance compliance consistent with the Internal Revenue Code, Treasury Regulations, these Regents Rules, and bond documents.

Adopted: November 15, 2007

Effective: November 15, 2007

Revised: May 8, 2008; February 20, 2014, November 18, 2016, August 18, 2017, May 18, 2018, August 10, 2018, August 11, 2022

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10.300 Debt Management

10.301 Incurring Debt. The System ~~wholly on behalf of the component institutions of the system~~ shall issue or incur debt (taxable or tax exempt) in accordance with applicable federal and state law and pursuant to actions taken by the Board to authorize the issuance or incurrence of debt. The System shall obtain an opinion from bond counsel that the issue complies with applicable laws and regulations and receive requisite approval from all necessary state agencies before issuing or incurring any long-term or short-term debt. If a project requires Texas Higher Education Coordinating Board approval, no debt proceeds will be allocated to that project prior to receiving such approval.

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10.302 Goals. The System will manage its debt within its overall financial profile as follows:

1. Identify, review, and prioritize projects for debt financing that are critical to the mission and advance the strategic objectives of the System and allocate the System's debt capacity to these projects.
2. Align the financial position of the System to optimize its credit profile in conjunction with its strategic plan to obtain favorable cost of capital, flexibility, and terms.

10.303 Project Prioritization and Financing Form Submission. The System recognizes that debt as a funding source is a limited resource. Using debt as a funding source for capital projects is made in the context of the missions of the System and ~~its Component Institutions~~ – and considering other funding options such as state sources, philanthropy, and self-funding. Allocation and expenditure of replacement proceeds, if any, resulting from tax credits associated with a debt financed project shall require Board approval.

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1. Financing for capital needs is available through the Revenue Financing System (RFS) for all component institutions. When financing is anticipated for funding capital needs, the submission of a Revenue Financing System Financing Form (RFS financing form) is required as early in the planning process as possible. A fully executed RFS financing form [including component institution Chief Financial Officer (CFO) and President signatures] will be required before the project is presented to the Board of Regents (board) for approval of construction, renovations, additions, capital equipment, infrastructure or land is purchased. The decision to finance shall be made only if it is in the best interest of the component institution and the system as a whole. The System Office of Finance (System Finance) and Treasury (Treasury) shall work with the component institution to make the determination to finance. Exceptions to the process for exigent reasons shall be made by the UNT System chief

financial officer (UNT System CFO).

2. General Procedures

- (a) The component institution shall complete Section I of the *RFS Financing* form and submit it to Treasury for processing.
 - (b) Treasury shall provide a debt service schedule in Section II of the *RFS Financing* form based on the funding needs submitted by the component institution. Debt service may be calculated utilizing short-term debt, long-term debt or a combination of both. Allocated issuance costs and administration costs directly related to a debt issuance shall be factored into the financing calculation. Interest rates will reflect estimated rates on a project's expected borrowing date.
 - (c) The debt service schedule(s) shall be returned to the component institution's CFO for review and adjustment if necessary. Approval to proceed with the financing shall require the signature of Treasury in Section II of the *RFS Financing* form and the signatures of the component institution CFO and President in Section III. The original or electronic copy of Section III will be returned to Treasury.
3. The following provisions apply to major construction projects which are to be financed with system funds.
- (a) The component institution shall contact Treasury in the earliest stages of capital needs identification to discuss financing alternatives.
 - (b) The component institution shall submit the *RFS Financing* form Section I for processing by Treasury prior to presenting a construction award to the board. Projects may not be submitted for approval to the board's Strategic Infrastructure Committee until the *RFS Financing* form Section III has been returned to Treasury with proper signatures.
 - (c) If conditions change significantly after the financing request is submitted, a revised *RFS Financing* form shall be submitted and the debt service shall be recalculated and re-approved.
 - (d) If, during design or construction, a change in scope alters the total cost of the project by 10% or more and the change will be financed, the previously agreed upon financing terms shall be recalculated to determine if the component institution has the capacity to finance the scope increase. A revised debt service schedule shall be transmitted under cover of *RFS Financing* form Section II, and *RFS Financing* form Section III must be signed and returned to Treasury by the component institution before an appropriation for

the increased scope will be processed.

4. The following provisions apply to minor construction projects which are to be financed with system funds.

(a) The component institution shall contact Treasury in the earliest stages of capital needs identification to discuss financing alternatives.

(b) The component institution shall submit the RFS Financing form Section I for processing by Treasury. Upon receipt of a properly authorized RFS Financing form Section III, funding will be available for the project.

5. The following provisions apply to financed capital equipment.

(a) The component institution shall contact Treasury in the earliest stages of capital needs identification to discuss financing alternatives.

(b) The component institution shall submit the RFS Financing form Section I for processing by Treasury prior to including any financed capital equipment in the applicable annual operating budget or prior to asking the chancellor or the board for an appropriation. Upon receipt of a properly authorized RFS Financing form Section III, funding will be available for the capital purchase.

(c) The financing of capital equipment needs is usually most efficiently managed using a short-term debt instrument. Therefore, when a component institution chooses to follow through with a capital equipment financing, the component institution is agreeing to make annual principal payments to the system and shall bear the fluctuating market interest rates of the short-term debt instrument as long as the obligation of the component institution is outstanding.

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10.304 Debt Capacity and Affordability.

1. In evaluating its debt capacity and affordability, the UNT System CFO will consider current debt levels, future debt financings, and overall financial strength of the System and the Component Institutions. Debt capacity considers the financial resources and the ability to leverage financial resources to finance certain capital projects. Debt affordability considers the ability to pay the debt service on an annual basis through operating budgets and identified revenue streams.

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2. The UNT System CFO monitors and reports key financial indicators to the Board of Regents at least annually and shall benchmark these financial ratios to external sources, such as medians for the “Aa2/AA” category and peer higher education institutions.

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3. The System evaluates its performance against these measures with a long-term view and will monitor the trend of the ratios over time. The System recognizes that financing a strategically important project may cause one or more ratios to perform poorly against the trend, median, or peer comparison in the short-term. Accordingly, the System takes a long term view to evaluate the project. Based on changing market conditions, the Vice Chancellor for Finance may change the financial indicators or ratios as related to the financial strength of the System.

4. The UNT System CFO will evaluate alternative financings to determine the impact on the System’s credit profile.

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10.305 Debt Financial Ratios. In connection with this policy the ratios below will be monitored on at least an annual basis in conjunction with the adoption of the annual capital improvement plan – at both the System and component level – and reported to the Board of Regents. These ratios will be taken into consideration when developing long-term capital plans and when authorizing the issuance of additional debt. While these primary ratios below will be analyzed, other ratios may also be evaluated. The UNT System CFO will evaluate the impact of proposed amendments to the capital improvement plan and report any anticipated material changes to the below ratios.

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1. Cash and Investments to Debt: This ratio measures the availability of cash and investments to debt and is a medium to long-term indicator of financial health based on the strength of the balance sheet.

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2. Debt Service to Adjusted Operating Expenses: This ratio measures the percentage of expenses that support debt service and is an indicator of the System’s operating flexibility to finance existing obligations and provide funding for new initiatives.

3. Debt Service Coverage Ratio: This ratio measures the System’s ability to cover debt service requirements with operating revenues and is an indicator of the strength of the operating incomes ability to meet its annual obligations.

4. Cash and Investments to Operating Expenses: This ratio measures the ability to cover operating expenses with cash and investments and is an indicator of the financial strength of the System. Also, it provides insight into the amount of flexibility the System has to invest in new initiatives from existing resources.

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10.306 Short-term Indebtedness.

1. The Board delegates to the UNT System CFO or to the Associate Vice Chancellor for Treasury, subject to Section 10.312 below, the authority to issue short-term indebtedness of up to \$125,000,000 in Revenue Financing System (“RFS”) commercial paper, which may be issued as traditional commercial paper (“CP”) or as extendible commercial paper (“ECP”). The aggregate principal amount of CP at any one time outstanding shall not exceed: (a) the aggregate principal amount established by resolution of the Board; (b) liquidity requirements approved by the Board; and (c) the sum of self-liquidity provided by the System and liquidity support obtained with the approval of the Board from a financial institution. The aggregate principal amount of ECP at any one time outstanding shall not exceed:
(a) the aggregate principal amount established by resolution of the Board; and (b) parameters approved by the Board to service extendible rate debt payments. The maximum combined amount of CP and ECP maturing on any one day is \$25,000,000 and the maximum combined amount of CP and ECP maturing in the same week is \$50,000,000; except for circumstances when the System has identified funds including, but not limited to, proceeds of refunding bonds issued to convert interim financing commercial paper notes into long-term obligations, to extinguish commercial paper notes.
2. The UNT System CFO shall be responsible for identifying funds held by the System for the purpose of providing self-liquidity in support of CP notes, the investment of such funds, and the administration and development of a policy with respect to the management of the self-liquidity program.
3. Short-term debt may be used to purchase equipment, to provide interim financing for capital projects (including land acquisition) during construction, to pay for issuance costs, and to provide continued financing after construction has been completed.
4. The UNT System CFO shall be responsible for monitoring the issuance of RFS commercial paper, including the rollover of outstanding CP and ECP notes and the payment of any extendible interest rate obligations with respect to ECP. All conversions of CP and ECP notes to long-term indebtedness shall be approved by the Board by adoption of a resolution authorizing the issuance of long-term indebtedness to refinance CP and ECP notes.

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10.307 Use of Commercial Paper after Completion of Construction.

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2. Any fiscal year interest savings realized by financing a project after construction with CP or ECP, as compared to projected interest rate payments if the financing had been converted to fixed long-term bonds, shall be used to reduce the project's outstanding CP or ECP principal balance unless otherwise approved by the Board, the Chancellor or the UNT System CFO.

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10.310 Texas Higher Education Coordinating Board Approval. The UNT System CFO shall be responsible for maintaining a record of the approvals of projects by the Texas Higher Education Coordinating Board, when applicable, that are financed or to be financed with the proceeds of debt, including approvals identifying the proposed funding sources and amounts authorized for approved projects.

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10.312 Financing of Capital Items with Commercial Paper. Financing of any capital item with RFS commercial paper must be approved by the Board. The UNT System CFO shall be responsible for submitting any required notice to the Texas Bond Review Board.

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10.313 Compliance. The System receives financial benefits from the Revenue Financing System and the issuance of tax-exempt RFS commercial paper and bonds to achieve the System's tax-exempt purposes. The Board recognizes that legal obligations must be met to ensure good stewardship of this tax-exempt benefit. The System shall adopt appropriate regulation(s) and procedures related to tax-exempt RFS commercial paper and bond compliance, including issuance, expenditure of proceeds, and post-issuance compliance consistent with the Internal Revenue Code, Treasury Regulations, these Regents Rules, and bond documents.

Adopted: November 15, 2007

Effective: November 15, 2007

Revised: May 8, 2008; February 20, 2014, November 18, 2016, August 18, 2017, May 18, 2018, August 10, 2018, August 11, 2022



Board Order

Title: Approval of Minutes of the May 19, 2022, Board Meeting

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the minutes of the May 19, 2022, Board Meeting have been prepared by the Board Secretary and attached here for Board Approval,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The minutes of the May 19, 2022, Board Meeting
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents



**MINUTES
BOARD OF REGENTS MEETING
May 19, 2022**

The University of North Texas System Board of Regents convened on Thursday, May 19, 2022, in the University Union, Jade Ballroom-Room 333, at the University of North Texas, 1155 Union Circle, Denton, Texas, with the following Regents in attendance: Melisa Denis, Dan Feehan, A.K. Mago, Carlos Munguia, John Scott, Laura Wright, and Jessica Armstead. In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chair Wright called the meeting to order at 8:03 a.m.

Chair Wright began the meeting by honoring Regent Jessica Armstead for her year of service on the Board of Regents, noting that this would be her last meeting as a Student Regent, as her term expires on May 31, 2022. Regent Armstead made brief comments, thanking the Regents and the UNT System for the opportunity to serve the students.

For **Spotlight on Students**, Chair Wright introduced the panel moderator, Jose Grimaldo, Director for the G. Brint Ryan College of Business Professional Leadership Program, and five students, Caeden Cooley, Jonathan De La Rosa, Isaac Grey, Barbara LaMont, and Abigail Weismuller. Each of the students told the Board about themselves and shared how the Professional Leadership Program helped them to develop fundamental leadership skills and connection with industry mentors.

Following Spotlight on Students, Chancellor Williams introduced Ann Rhoades of PeopleInk who presented **Built on Values**, a system for developing a values-based organizational culture.

Next, the Board was briefed on the **UNT System Vision and Strategy** updates. UNT System Chancellor Michael R. Williams provided a UNT System Administration Strategic Plan Update. UNT President Neal Smatresk, UNT Vice President for Planning Deb Rohwer, and UNT Executive Vice President for Student Affairs Elizabeth With presented the UNT Strategic Plan Update. UNT Health Science Center President Michael R. Williams and Executive Vice President and Chief Strategy Officer Dr. Sylvia Trent-Adams presented the HSC Strategic Plan Update, and UNT Dallas President Bob Mong provided the Strategic Plan Update for UNT Dallas.

The Board had one action item to consider. Chair Wright presented the amendment to Regents Rule 03.400, Committees.

2022-16 UNTS Amendment to Regent Rule 03.400, Committees

Pursuant to a motion by Regent John Scott, and seconded by Regent Mary Denny, the Board approved the above action item on an 7-0 vote.

Page 200 of 221

Upon passage of the above action item, Chair Wright appointed new committee members. For the Finance Committee, Chair Wright appointed Regent Carlos Munguia to serve as Chair and Regents Melisa Denis, A.K. Mago, and Milton Lee as members. For the Audit Committee, Chair Wright appointed Regent Melisa Denis to serve as Chair and Regents Dan Feehan, Milton Lee,

and Brint Ryan as members. For the Student Success, Academic and Clinical Affairs Committee, Chair Wright appointed Regent Dan Feehan to serve as Chair and Regents Mary Denny, Carlos Munguia, and John Scott to serve as committee members. No changes were made to the committee membership for the Strategic Infrastructure Committee. The Strategic and Operational Excellence Committee was disbanded.

The Board then recessed for Committee Meetings at 10:05 a.m.

Following the Committee meetings, Chair Wright reconvened the Board at 1:31 p.m.

The Board considered the following items on the consent agenda.

- 2022-17 UNTS** **Approval of the Minutes of the February 17, 2022, Board Meeting, and April 2, 2022, Special Called Board Meeting**
- 2022-18 UNT** **Approval of Tenure for New UNT Faculty Appointee**
- 2022-19 UNTHSC** **Renaming of the “PACCAR Technology Institute” to the “PACCAR Constellation”**

Pursuant to a motion by Regent John Scott, and seconded by Regent A.K. Mago, the Board approved action items 2022-17 through 2022-19 on the Consent Agenda. The motion was approved on a 7-0 vote.

The Board then considered the following action items coming out of committees:

Finance Committee Items

- 2022-20 UNTS** **Approval of the Finance Committee Charter**
- 2022-21 UNTS** **Approval of FY24 Holiday Schedule for the UNT System Administration, UNT, UNTHSC, and UNT Dallas**

Pursuant to a motion by Regent Carlos Munguia, and seconded by Regent Dan Feehan, the Board approved Finance Committee action items above numbered 2022-20 through 2022-21. The motion was approved on an 7-0 vote.

Audit Committee Items

- 2022-22 UNTS** **Approval of the Audit Committee Charter**

Pursuant to a motion by Regent Melisa Denis, and seconded by Regent John Scott, the Board approved Audit Committee action item above numbered 2022-22. The motion was approved on an 7-0 vote.

Student Success, Academic and Clinical Affairs Committee Items

- 2022-23 UNTS** **Approval and Ratification of UNT System Institution Admission Standards for Students Admitted for Matriculation Beginning in Summer 2023**
- 2022-24 UNT** **Approval of UNT Tenure Recommendations**
- 2022-25 UNTD** **Approval of UNT Dallas Tenure Recommendations**
- 2022-26 UNTHSC** **Approval of the University of North Texas Health Science Center (HSC) Tenure Recommendations**

Pursuant to a motion by Regent Dan Feehan, and seconded by Regent John Scott, the Board approved Student Success, Academic and Clinical Affairs action items above numbered 2022-23 through 2022-26. The motion was approved on an 7-0 vote.

Strategic Infrastructure Committee Items

2022-27 UNTS Approval to Amend the UNT System FY22 Capital Improvement Plan

Pursuant to a motion by Regent A.K. Mago, and seconded by Regent John Scott, the Board approved Strategic Infrastructure Committee action item above numbered 2022-27. The motion was approved on an 7-0 vote.

Chair Wright then moved the Board into Executive Session to consider matters noted on the Executive Session agenda in accordance with Texas Government Code Sections 551.071, .072, .073 .074, .076, and .089.

The Board reconvened in open session at 4:01 p.m. with two action items coming out of Executive Session. Regent Dan Feehan was absent.

2022-28 UNTHSC Delegation of Authority to Amend the Lease Agreement between Dunaway Associates, L.P. and UNTHSC for Property Located at 550 Bailey Avenue, Fort Worth, Tarrant County, Texas

Pursuant to a motion by Regent Melisa Denis, and seconded by Regent John Scott, the Board approved the above action item. The motion was approved on an 6-0 vote.

2022-29 UNT Delegation of Authority to Amend and Extend the Employment Agreement with University of North Texas Men’s Head Basketball Coach

Pursuant to a motion by Regent Carlos Munguia, and seconded by Regent Mary Denny, the Board approved the above action item. The motion was approved on 6-0 vote.

There being no further business, the Board meeting was adjourned at 4:04 p.m.

Submitted By:

Approved By:



Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

Date: 5-25-2022

Date: _____

Board Briefing



Committee: Consent

Date Filed: July 1, 2022

Title: Thirtieth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Bonds, in One or More Series; and Approving and Authorizing Instruments and Procedures Relating Thereto

Background:

The UNT System has many current capital projects in the Capital Improvement Plan. In order to facilitate the cash needs of the projects, the System will need to issue long-term debt from time to time to either prefund certain projects or to refund interim financing. In addition, as market conditions allow, outstanding long-term bonds may be refunded to achieve debt service savings in future years.

Adoption of the attached resolution will delegate authority to the Deputy Chancellor for Finance and Operations or the Associate Vice Chancellor for Treasury to issue long-term debt within defined parameters, in one or more series, in order to achieve the desired goals stated above. Key parameters in the resolution include 1) \$500 million as the maximum total amount of debt including new money and refunding debt, 2) a maximum amount of \$360 million of new money debt, and 3) a minimum level of net present value savings for refunding long-term debt of 3%. Delegating the authority provides the Deputy Chancellor for Finance and Operations or the Associate Vice Chancellor for Treasury the flexibility to move quickly if market circumstances dictate the necessity to do so.

Financial Analysis/History:

Depending on market conditions the System may issue bonds to refund a part or all of the following debt, and new money for approved projects in the Capital Improvement Plan, during the fiscal year 2023.

Debt Type	Tax Exempt/Taxable	Amount (Millions)	Average Rate
Commercial Paper	Both	up to \$125	Variable
Series 2015A RFS Bonds	Both	\$99.720	5.00%
Series 2015B RFS Bonds	Taxable	\$41.985	4.84%
Series 2017A RFS Bonds	Both	\$39.155	5.00%
Series 2018A RFS Bonds	Both	\$54.695	5.00%

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 14:38:30 -05'00'

Vice Chancellor/General Counsel

Schedule:

This resolution shall be effective immediately upon approval.

Recommendation:

It is recommended that the Board of Regents approve the attached Thirtieth Supplemental Resolution.

Recommended By:

Maleia Torres

Associate Vice Chancellor for Treasury

Gregory R.
Anderson

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Anderson
Date: 2022.07.28 10:37:11 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R.
Williams

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Williams
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Chancellor

Attachments Filed Electronically:

- Thirtieth Supplemental Resolution to the Master Resolution



Board Order

Title: Thirtieth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Bonds, in One or More Series; and Approving and Authorizing Instruments and Procedures Relating Thereto

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the University of North Texas System wishes to proceed with selling bonds to provide long term financing for projects approved by the Board of Regents of the UNT System, and

Whereas, the University of North Texas System wishes to proceed with selling bonds to refinance outstanding commercial paper notes into long term financing, and

Whereas, the University of North Texas System wishes to consider refinancing all or a portion of the outstanding Series 2015A, and 2015B Bonds using proceeds from Bonds issued under the Revenue Financing System, and

Whereas, the resolution would authorize the Deputy Chancellor for Finance and Operations for the University of North Texas System to negotiate (whether by competitive sales, by negotiated sales, or both) the sale of the Bonds for a period ending August 31, 2023 and in an amount not to exceed \$500,000,000, which includes (i) bonds underwriter fees, (ii) capitalized interest, and (iii) other issuance costs, and

Whereas, the resolution would authorize the Deputy Chancellor for Finance and Operations for the University of North Texas System to sell the Bonds in one or more series, to enable the UNT System to maximize its opportunities to sell the Bonds in the municipal debt markets, and

Whereas the resolution would authorize that the commercial paper plus interest payment and fees would be refunded by the issuance of the bonds and other proceeds.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The attached Thirtieth Supplemental Resolution to the Master Resolution authorizing the issuance, sale, and delivery of Board of Regents of the University of North Texas System Revenue Financing System Bonds, in one or more series; and approving and authorizing instruments and procedures relating thereto.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

FOR ATTACHMENT, PLEASE SEE APPENDIX [PAGE 149](#).



Title: Approval of Texas Range Resolutions Amending Authorized UNT System Representatives

Background:

The University of North Texas System invests a portion of the System's Short Term Pool in local government investment pools. In the State of Texas, local government investment pools are created to enable eligible governmental entities to jointly invest their funds in authorized investments, which is authorized under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The University of North Texas, University of North Texas Health Science Center, and University of North Texas System participate in Texas Range as one of the local government investment pools. Texas Range requires the Board to approve the "Resolution Amending Authorized Representatives" for University of North Texas at Dallas. This action adds the University of North Texas System employees Maleia Torres, Associate Vice Chancellor for Treasury and Gulnaar Murthy, Director for Treasury, as authorized representatives for University of North Texas at Dallas.

Financial Analysis/History:

There are no financial implications to this item.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:51:11 -05'00'

Vice Chancellor/General Counsel

Schedule:

Approval would be effective immediately.

Recommendation:

It is recommended that the Board of Regents authorize and approve the following Board Order.

Recommended By:

Maleia Torres

Associate Vice Chancellor for Treasury

Gregory R. Anderson Digitally signed by Gregory R. Anderson
Date: 2022.07.28 10:45:46 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael R. Williams
Date: 2022.07.29 09:56:59 -05'00'

Chancellor

Attachments Filed Electronically:

- Texas Range Account Application for University of North Texas at Dallas



Board Order

Title: Approval of Texas Range Resolutions Amending Authorized UNT System Representatives

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, Texas Range requires Board approval of the “Resolution Amending Authorized Representatives” to designate authorized representatives, and

Whereas, is it necessary to designated authorized representatives.

Now, Therefore, The Board of Regents authorizes and approves the following:

- Texas Range Account Application for University of North Texas at Dallas

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents

**Title:** Approval of TexPool Resolutions Amending Authorized UNT Representatives

Background:

The University of North Texas System invests a portion of the System's Short Term Pool in local government investment pools. In the State of Texas, local government investment pools are created to enable eligible governmental entities to jointly invest their funds in authorized investments, which is authorized under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The University of North Texas, and University of North Texas Dallas participate in TexPool as one of the local government investment pools. TexPool requires the Board to approve the "Resolution Amending Authorized Representatives" to add/delete an authorized representative. This action adds the University of North Texas System employee Maleia Torres, Associate Vice Chancellor for Treasury, as an authorized representative.

Financial Analysis/History:

There are no financial implications to this item.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:51:42
-05'00'

Vice Chancellor/General Counsel

Schedule:

Approval would be effective immediately.

Recommendation:

It is recommended that the Board of Regents authorize and approve the following Board Order.

Recommended By:

Maleia Torres

Associate Vice Chancellor for Treasury

Gregory R.
Anderson

Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:46:32 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R.
Williams

Digitally signed by Dr. Michael R.
Williams
Date: 2022.07.29 09:57:32 -05'00'

Chancellor

Attachments Filed Electronically:

- TexPool Resolution Amending Authorized Representatives for University of North Texas
- TexPool Resolution Amending Authorized Representatives for University of North Texas at Dallas



Board Order

Title: Approval of TexPool Resolutions Amending Authorized UNT Representatives

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, TexPool requires Board approval of the “Resolution Amending Authorized Representatives” to remove or add an authorized representative, and

Whereas, is it necessary to add authorized representatives.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. TexPool Resolution Amending Authorized Representatives for University of North Texas as attached to this Order
 2. TexPool Resolution Amending Authorized Representatives for University of North Texas at Dallas as attached to this Order
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents



Title: Approval of Tenure for New UNT Faculty Appointees

Background:

In accordance with UNT Policy 06.004, IV, G, *Faculty Reappointment, Tenure, Promotion, and Reduced Appointments, Expedited Tenure*:

“On rare occasions, the university may need to expedite the tenure/promotion process for a candidate. Examples of said occasions include: (a) an incoming faculty member/administrator who holds tenure or has held tenure at a peer or aspirant university, (b) an incoming faculty member/administrator who has not held tenure at a peer or aspirant university but whose record and reputation warrant tenure, or (c) in cases of counteroffers when the faculty member has been offered tenure/promotion at a peer or aspirant university.”

And, in accordance with UNT Policy 06.004, IV, G, 10, *Expedited Tenure*,

“All recommendations are to accompany the offer letter and be forwarded to the provost who reviews the documentation and makes a recommendation to the president.”

And, in accordance with UNT Policy 06.004, IV, G, 11, *Expedited Tenure*,

“In cases of tenure, if the candidate has held tenure at a peer or aspirant university, and receives a positive recommendation from the president, the action is forwarded to the Board of Regents as a consent agenda item.”

Dr. David Hall will join UNT as an Associate Professor in the College of Music, Division of Instrumental Studies, on September 1, 2022. Dr. Hall received his DMA in Percussion Performance from UNT in 2013. His research brings a wealth of real-life experience to the percussion area, including substantial expertise in both classical and jazz idioms, providing a critical vision to the percussion program. With his familiarity of education in percussion, Dr. Hall brings valuable teaching experience to the College of Music and UNT. While at the University of Nebraska, his ensembles won the Percussive Arts Society Conference competition for the years of 2016 and 2019. Dr. Hall also brings formidable composition experience; his commissioned compositions and arrangements have been performed widely throughout the United States. He was granted tenure from the University of Nebraska, Glenn Korff School of Music, in 2019.

Dr. Sharad Sharma will join UNT as a Professor in the Department of Information Science in the College of Information. Dr. Sharma received his PhD in Computer Engineering in 2003 from Wayne State University. His research is currently focused on two fields: software engineering and virtual reality. He is currently involved in developing new data and visualization methods for course of action planning, visualization, training, and assessment. He has developed AvatarSim, a model and multi-agent system in Java that can simulate building evacuation, battlefield scenarios and airplane evacuation scenarios. Dr. Sharma is currently the Director of the Virtual Reality Laboratory at Bowie State University and is involved in the development and evaluation of virtual reality instructional (VRI) and augmented reality instructional (ARI) modules for teaching and training in several applications: including healthcare, education, manufacturing, and evacuation. He aims to build VRI/ARI training systems for complex real-world situations with populations such as active shooter events, first responders and other emergency services. Dr. Sharma has acquired more than \$4M of research grant funds from various funding agencies such

as the Department of Defense, Department of Homeland Security, Army Research Laboratory, and the National Science Foundation. In 2018, he received the University System of Maryland Board of Regents' Faculty Award for Excellence in Research and Scholarship. He was also recognized with the Outstanding Researcher of the Year Award from the College of Arts and Science at Bowie State University in 2011 and 2013. Other awards include the Outstanding Faculty of the Year Award in 2012, the Outstanding Publication Award in 2010 and the Outstanding Young Faculty Award in 2009, all from Bowie State University. He was granted tenure by Bowie State University in 2013.

Dr. Gergely Zaruba will join the UNT College of Engineering as a Professor in the Department of Computer Science and Engineering on September 1, 2022. He received his PhD from the University of Texas at Dallas in 2001. Dr. Zaruba's research focuses on pervasive computing, embedded systems, assistive technologies and computer networks. More specifically, technologies and systems for healthcare, in-home aging, and people with disabilities, wireless localization, in-home wireless networking technologies and their performance, optical networking technologies, next generation wireless networks, network simulation and test bedding. He is also heavily involved in grid computing research especially tailored towards the PanDA resource scheduler for the Large Hadron Collider's ATLAS detector. Dr. Zaruba is a member of the LEARN Laboratory, which specializes in health care technologies and robotics, and the Assist Laboratory, which specializes in aiding people with disabilities. Dr. Zaruba has a long record of research accomplishments, including 80 published journal and conference papers. Google Scholar shows that his work has 2,192 citations. He holds two US patents and has received more than \$8M in research funding. In 2015 Dr. Zaruba received the University of Texas at Arlington College of Engineering Research Excellence Award and the Lockheed Martin Excellence in Teaching Award. Along with his many years of teaching, Dr. Zaruba mentors faculty and graduate student research, and has also served as a faculty advisor with the Wichita Chapter of the National Society of Black Engineers. He has served in various roles with the Institute of Electrical and Electronics Engineers PerCom. He was granted tenure from the University of Texas at Arlington in 2008.

Financial Analysis/History:

In general, the award of tenure carries with it the assurance of continued employment and absent the showing of good cause for termination.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky
Digitally signed by Alan Stucky
Date: 2022.07.28 13:53:08 -05'00'

Vice Chancellor/General Counsel

Schedule:

Tenure will be effective upon Board approval or on the first day of employment if after the date of Board approval for the following individuals:

- Dr. David Hall
- Dr. Sharad Sharma
- Dr. Gergely Zaruba

Recommendation:

The president recommends that the Board of Regents authorize and approve the award of tenure for the above-mentioned individuals.

Recommended By:

Michael McPherson

Provost and Vice President for
Academic Affairs

Gregory R. Anderson

Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:49:01 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R.
Williams

Digitally signed by Dr. Michael R.
Williams
Date: 2022.07.29 10:00:59 -05'00'

Chancellor



Board Order

Title: Approval of Tenure for New UNT Faculty Appointees

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, in accordance with UNT Policy 06.004, IV, G, Faculty Reappointment, Tenure, Promotion and Reduced Appointments, Expedited Tenure:

“On rare occasions, the university may need to expedite the tenure/promotion process for a candidate. Examples of said occasions include: (a) an incoming faculty member/administrator who holds tenure or has held tenure at a peer or aspirant university, (b) an incoming faculty member/administrator who has not held tenure at a peer or aspirant university but whose record and reputation warrant tenure, or (c) in cases of counteroffers when the faculty member has been offered tenure/promotion at a peer or aspirant university”, and

Whereas, the new faculty appointees listed below have been granted tenure at a peer or aspirant university, and

Whereas, the new faculty appointees listed below have received a positive recommendation from the president, the action is forwarded to the Board of Regents as a consent agenda item,

Now, Therefore, The Board of Regents authorizes and approves the following:

The conferring of tenure will be effective upon Board approval or on the first day of employment if after the date of Board approval for the following individuals:

1. Dr. David Hall
 2. Dr. Sharad Sharma
 3. Dr. Gergely Zaruba
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents



Title: Delegation of Authority to the UNTHSC President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2023 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver) and the Texas Incentives for Physician and Professional Services Program

Background:

At the November 2012 quarterly meeting, the UNT System Board of Regents approved UNTHSC as a participant in the Texas Healthcare Transformation and Quality Improvement Program (“1115 Transformation Waiver”). This initiative allows the State to expand Medicaid managed care while preserving hospital and provider funding, provides incentive payments for health care delivery system improvements, and directs more funding to hospitals and providers that serve large numbers of uninsured patients.

The original authorization for the 1115 Transformation Waiver had two funding pools, one for Uncompensated Care (UC), and the other for Delivery System Reform Incentive Payments (DSRIP). In January of 2021, an extension of the 1115 Transformation Waiver was approved by the Centers for Medicare and Medicaid Services (CMS). This extension has two funding pools in which UNTHSC will participate, one for Uncompensated Care (UC), and the other for the Texas Incentives for Physician and Professional Services (TIPPS) program, a replacement program for DSRIP.

1. UC Pool Payments are designed to help offset the costs of charity care provided to patients by hospitals or other providers.
2. TIPPS Pool are value-based directed payments received by eligible physician practice groups from Medicaid Managed Care Organizations (MCOs).

Under the 1115 Transformation Waiver, certain governmental entities are authorized to make IGTs of eligible state and local funds, to then receive a federal match for payments to the IGT entity.

Financial Analysis/History:

From 2013 to 2022, the Board has authorized UNTHSC to IGT a total of \$91,667,901.67 with matching payments of \$210,397,469.09 for DSRIP, TIPPS, and UC. This authorization was most recently approved during the August 12-13, 2021 Board of Regents meeting

During FY 2023, UNTHSC expects to IGT up to \$10 million to receive matching payments totaling as much as \$12 million related to TIPPS and UC program participation. The timing and amounts of these IGTs will be directed by HHSC and could vary slightly depending on subsequent program valuation modifications by the federal Centers for Medicare and Medicaid Services and project performance by UNTHSC.

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky Digitally signed by Alan Stucky
Date: 2022.07.28 13:52:11 -05'00'

Vice Chancellor/General Counsel

Schedule:

In accordance with subsequent direction and timing from the Texas Health and Human Services Commission and the federal Centers for Medicare and Medicaid Services.

Recommendation:

It is recommended that the UNT System Board of Regents delegate authority to the UNTHSC President to approve UNTHSC to IGT the appropriate funds, not to exceed \$10 million in FY 2023, in order to receive as much as \$12 million in matching payments under the TIPPS and UC payment pools of the 1115 Transformation Waiver.

Recommended By:

Chuck Fox

Chief Fiscal Officer

Gregory R. Anderson Digitally signed by Gregory R.
Anderson
Date: 2022.07.28 10:47:23 -05'00'

Deputy Chancellor for Finance and
Operations

Dr. Michael R. Williams Digitally signed by Dr. Michael
R. Williams
Date: 2022.07.29 10:00:28
-05'00'

Chancellor



Board Order

Title: Delegation of Authority to the UNTHSC President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2023 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver) and the Texas Incentives for Physician and Professional Services Program

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 11-12, 2022, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the UNT System Board of Regents previously approved UNTHSC's participation in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver), and

Whereas, under the 1115 Transformation Waiver, certain governmental entities may make intergovernmental transfers (IGT) of eligible state and local funds related to Uncompensated Care or Delivery System Reform Incentive Payments to receive federal matching funds as described in the background section, and

Whereas, the UNT System Board of Regents previously approved the delegation of authority to the UNTHSC President for approval of UNTHSC IGTs related to the 1115 Transformation Waiver,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Delegation of authority to the UNTHSC President for approval of UNTHSC to make one or more intergovernmental transfers of eligible public funds to Texas HHSC during FY 2023 in order to receive federal matching funds.
 2. Combined IGT submissions for TIPPS and UC not to exceed \$10 million, without additional approval of the Board.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Rachel Barone, Secretary
Board of Regents

Laura Wright, Chair
Board of Regents