



# University of North Texas System

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## Board of Regents

### Schedule of Events for Board of Regents Meeting

**August 9-10, 2018**

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 9, 2018, from 8:30 am until approximately 5:00 pm and on Friday, August 10, 2018, from 9:00 am until approximately 1:00 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 UNT Health Science Center. Please contact the Office of the Board Secretary with any questions at 214.752.5545.

### **Thursday, August 9, 2018**

#### **8:30 am CONVENE FULL BOARD**

- Welcome New Regents

#### **CHANCELLOR'S REMARKS**

- Progress Since Last Quarterly Board Meeting, May 17-18, 2018

**8:40 am UNTHSC PRESIDENT’S INSTITUTIONAL UPDATE**

- Provost Appointment
- Entrepreneurism
- Colleges’ Performance

**9:00 am CAMPUS UPDATES**

- Neal Smatresk, UNT, President
  - Students
  - Research
  - Capital Projects
- Bob Mong, UNTD, President
  - Campus Update
  - College of Law Update
  - Significant Developments

**9:20 am SPOTLIGHT ON STUDENTS**

Recess Full Board to Strategic and Operational Excellence Committee.

**9:40 am STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE**

**Call to Order**

- Approval of minutes of May 17, 2018 meeting

**Briefing:**

*UNT System Strategic Plans Review – presentation materials updated on 8/7/18*

- Bob Mong, UNTD, President
- Neal Smatresk, UNT, President
- Michael Williams, UNTHSC, President
- Lesa Roe, UNTS, Chancellor

**BACKGROUND MATERIAL**

- Quarterly Operations Report

Adjourn Strategic & Operational Excellence Committee.

**11:15 am ACADEMIC AFFAIRS AND STUDENT SUCCESS COMMITTEE**

**Call to Order**

- Approval of minutes of May 17-18, 2018 meeting

**Briefings:**

*Strategies Supporting Student Success*

- Rosemary Haggett, UNTS, Vice Chancellor for Academic Affairs & Student Success
- Jennifer Cowley, UNT, Provost
- Betty Stewart, UNTD, Provost
- Charles Taylor, UNTHSC, Provost

*Update on the TCU and UNTHSC School of Medicine*

- Stuart Flynn, TCU and UNTHSC School of Medicine, Dean

**BACKGROUND MATERIAL**

- Quarterly Academic Measures Report

Recess Academic Affairs and Student Success Committee.

**12:00 pm LUNCH**

**1:00 pm FINANCE AND FACILITIES COMMITTEE**

**Call to Order**

- Approval of minutes of May 17-18, 2018 meeting

**Action Items**

- |          |   |
|----------|---|
| 20. UNTS | Approval of the FY19 UNT System Consolidated Operating Budget - <i>presentation materials updated on 8/8/18</i> |
| 21. UNTS | Approval of UNTS FY19 Capital Improvement Plan and Amending the FY18 Capital Improvement Plan                   |

**Briefings:**

*Consolidated Financial Ratios and Debt Measures*

- James Mauldin, UNTS, Associate Vice Chancellor for Treasury

*Investment Management Update*

- Gary Rahlfs, UNTS, Vice Chancellor for Finance

*Introduction and Overview of New Investment Advisors*

- Matt Rice, DiMeo Schneider & Associates, Chief Investment Officer
- Jeff Barrow, DiMeo Schneider & Associates, Regional Director

*UNT Advancement Update*

- David Wolfe, UNT, Vice President for Advancement

**BACKGROUND MATERIAL**

- Quarterly Operations Report

Recess Finance and Facilities Committee.

**3:15 pm AUDIT COMMITTEE**

**Call to Order**

- Approval of minutes of May 17, 2018

## **Briefings:**

### *Introduction to Enterprise Risk Management Framework*

- Tracy Grunig, UNT System, Chief Audit Executive

### *UNTHSC Compliance Assessment Workflow*

- Desiree Ramirez, UNTHSC, Chief Compliance Officer

### *Overview of UNT System-wide Risk Management*

- Gary Rahlfs, UNT System, Vice Chancellor for Finance

### *Report of Audit Activities*

- Tracy Grunig, UNT System, Chief Audit Executive

### *UNT System Enterprise Audit Report Inventory*

- Tracy Grunig, UNT System, Chief Audit Executive

## **BACKGROUND MATERIAL**

- UNT System Consolidated Quarterly Compliance Report, March 2018 through May 2018

Recess Audit Committee.

## **4:15 pm      CONVENE FULL BOARD AND RECESS TO EXECUTIVE SESSION (Room 300)**

### Government Code, Chapter 551, Section .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.

### 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
- Consultation with counsel regarding contemplated, ongoing and/or finalized investigations and any findings, conclusions or recommendations related to those investigations
- Consultation with counsel regarding audits and any findings, conclusions or recommendations related to those audits

### 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
- Consideration of individual personnel matters related to Agenda Items 7, 9, and 19

- Consideration of individual personnel matters related to the performance objectives, evaluations and compensation of the Chancellor and Presidents

**5:00 pm      CONVENE FULL BOARD AND RECESS**

**Friday, August 10, 2018**

**9:00 am      CONVENE FULL BOARD**

Recess for committee meetings.

**9:05 am      AUDIT COMMITTEE**

**Action Items:**

- 13. UNTS              Approval of the FY19 UNTS Internal Audit Plan
- 14. UNTS              FY19 UNT System Compliance Risk Assessment and Work Plan

Adjourn Audit Committee.

**9:35 am      ACADEMIC AFFAIRS AND STUDENT SUCCESS COMMITTEE**

**Action Items:**

- ~~15. UNT              Approval to Add the UNT Bachelor of Arts Degree Program with a Major in Latino and Mexican American Studies~~ *withdrawn by institution on 8/7/18*
- 16. UNT              Approval to Add the UNT Bachelor of Arts Degree Program with a Major in Urban Policy and Planning
- 17. UNT              Approval to Add the UNT Master of Business Administration Degree Program with a Major in Business Analytics
- 18. UNT              Approval to Add the UNT Doctor of Philosophy Degree Program with a Major in Consumer Experience Management
- 19. UNTD             Approval of UNT Dallas Faculty Development Leave for 2018-19 Academic Year

Adjourn Academic Affairs & Student Success Committee.

**10:10 am     FINANCE AND FACILITIES COMMITTEE**

**Action Items:**

- 22. UNTS             Adoption of the 2018 Campus Master Plan for the University of North Texas Health Science Center
- 23. UNTS             Amendment to Regents Rule 10.300, *Debt Management*
- 24. UNTS             Twenty-Seventh 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
- 25. UNTS             Amendment to Regents Rule 04.1000, *Retirement and Deferred Compensation Plans*
- 26. UNTS             Approval to Restructure and Renew UNT System's Existing Converged Computer Infrastructure
- 27. UNT              Extension of Eagle Post Operating Agreement

- 28. UNT Honoring Naming of the Student Exhibition Gallery in the College of Visual Arts and Design (CVAD, Room C105) as “The Paul Voertman Gallery”
- 29. UNTHSC Delegation of Authority to the University of North Texas Health Science Center President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2019 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver)
- 30. UNTD Naming of the Old Dallas City Hall (106 S. Harwood Street) as “UNT Dallas Law Center”

Adjourn Finance and Facilities Committee.

**11:00 am CONVENE THE FULL BOARD**

**CONSENT AGENDA**

- 1. UNTS Approval of the Minutes of the May 17-18, 2018 Board Meeting
- 2. UNTS Approval of Intercomponent Transfers of State Appropriations
- 3. UNTS Approval to Request to Exceed the Full-Time Equivalent Limitation for FY19
- 4. UNTS Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt
- 5. UNTS Approval of Broker/Dealer List for FY19
- 6. UNTS Approval of Amended Regulation 08.2000, Investment of System Funds
- 7. UNT Approval of Tenure for New UNT Faculty Appointees
- 8. UNT Award of Honorary Degree
- 9. UNTHSC Approval of UNTHSC Regents’ Professor Recommendations
- 10. UNTHSC Approval of Grant Agreement to Tarrant County
- 11. UNTHSC Authorization to Execute an Agreement between UNTHSC and Tarrant County to Provide Physician Services for the Tuberculosis Elimination Program of the Tarrant County Public Health Department
- 12. UNTHSC Authorization to Enter into Agreement with Tarrant County Public Health Office for Joint Providership of Continuing Medical Education

**ACTION ITEMS**

- 13. UNTS Approval of the FY19 UNTS Internal Audit Plan
- 14. UNTS FY19 UNT System Compliance Risk Assessment and Work Plan
- ~~15. UNT Approval to Add the UNT Bachelor of Arts Degree Program with a Major in Latino and Mexican American Studies *withdrawn by institution on 8/7/18*~~
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- 30. UNTD Naming of the Old Dallas City Hall (106 S. Harwood Street) as “UNT Dallas Law Center”

**11:30 am RECESS FOR EXECUTIVE SESSION (Room #300)**

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
- Consideration of individual personnel matters related to the performance objectives and performance evaluations of the Chancellor and Presidents
- Consideration of individual personnel matters related to the employment agreement with the UNT President, and possible action
- Consideration of individual personnel matters related to the performance objectives, performance evaluation, and compensation of the Chief Audit Executive, and possible action

**1:00 pm Reconvene the Board in Open Session to consider action on Executive Session items, if any**

**1:05 pm ADJOURNMENT**



## MINUTES

### BOARD OF REGENTS Strategic and Operational Excellence Committee May 17, 2018

The Strategic and Operational Excellence Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 17, 2018, in Room 712 of the Lee F. Jackson Building, 1901 Main St., Dallas, Texas, with the following members in attendance: Regents Milton Lee, A.K. Mago, and Gwyn Shea.

There being a quorum present the meeting was called to order by Committee Chairman Lee at 10:16 a.m. Pursuant to a motion by Regent A.K. Mago seconded by Regent Gwyn Shea, the Committee approved the minutes of the February 22, 2018, meeting of the Strategic and Operational Excellence Committee on a 3-0 vote.

Committee Chair Lee noted that the Committee's charter and calendar of topics is reviewed annually and noted a revised format to the Committee calendar. He asked the Committee if there were any comments, questions, or amendments to offer to the material presented to the Committee. Hearing none, the charter and schedule of topics stood as presented.

The Committee had three briefings. For the first briefing, UNT System Chancellor Lesa Roe, UNT Dallas President Bob Mong, UNT President Neal Smatresk, and UNT Health Science Center President Michael Williams provided the **UNT System Strategic Plans Review**.

The second briefing, **UNT System Administration Functional Reviews**, was presented by Chancellor Lesa Roe.

Brandi Renton, Interim Chief Human Capital Officer for the UNT System, and Chancellor Lesa Roe presented the third briefing, **Gallup: Employee Engagement 2018**.

There being no further business, the Committee meeting adjourned at 12:28 p.m.

Submitted By:

Rosemary R. Haggett

Rosemary R. Haggett  
Board Secretary

Date: May 31, 2018

Strategic & Operational Excellence Committee  
University of North Texas System  
Board of Regents Meeting  
May 17, 2018

# UNT Dallas Strategic Plan Review

# Goal: Grow Enrollment & Graduation

## Action Update: Enrollment, FTIC Retention, Degrees Awarded

- Enrollment
  - Targeted Recruitment
    - Summer 2018 headcount is 1,675 students (up 4% from Summer 2017) with SCH at 10,723 (up 10% from Summer 2017) as of 7/16/2018
    - Fall 2018 Enrollment Goal is 4,001 (14% increase from Fall 2017 which was 3,509). As of 7/16/18, we have 2,478 students registered for Fall 2018 (at the same date last year, we had 2,149 so our increase is currently 15%).
    - The COL received 997 applicants for Fall 2018, up approximately 50% from the number of Fall 2017 applications. The enrollment goal for Fall 2018 COL is 437, up from 421 during Fall 2017.
  - Key Community Partnerships
    - Recruited 2<sup>nd</sup> Cohort at Sunset & Lincoln Early College HS
    - Dallas County Promise related applications and 200 acceptances
    - UNTD at center of completing 2<sup>nd</sup> Promise cohort with 12 more H.S.
  - International program planning strategically, focus on Mexico and Central America
  - Planning for Intercollegiate Athletics
- FTIC Retention
  - Closing the gap between our rate and state average. Goal for Fall 2018 is 80%, up from 76.6% during Fall 2017.
  - UNTD has 2<sup>nd</sup> lowest debt upon graduation from all public universities in USA. UNTD is also 66<sup>th</sup>/500 in per-student scholarships.
- Degrees Awarded
  - # of May 2018 graduates = 356 total including COL (up 42% from 251 grads in May 2017)

### Long-term Targets:

→5,000 headcount by Fall 2020

→ 87% FTIC Retention

→ 1,101 Degrees Awarded

# Goal: Grow Research

## Action Update: UNTD Office of Sponsored Projects (OSP)

- Implementation set for September 1, 2018
  - Committee is active
  - Policies in process of creation
  - Faculty training in progress
- Staffing for future
  - Executive Director of Research and Development (filled)
  - Director of Grants and Reporting (filled)
  - Grant Accountants (filled)
  - Grant Writer and Prospect Researcher (filled)
  - Grant Specialist (filled)
- Grant Sponsored Projects Update
  - Upward Bound (TRiO) summer institutes ongoing – 119 participants
  - McNair Scholar program ongoing – 21 participants

**Long-term Target: TBD**

# Goal: Grow Foundation Assets

## Action Update: UNTD Foundation, Fundraising

- Started FY 2016 at \$0 as a baseline
  - \$1.6 million collected in donations during FY2018 as of 7/18/18
- UNTD Foundation Reconstruction
  - 12-member board is active
- Establishing a presence in the donor community
  - Contact list recently updated
- Annual fundraiser for scholarships
  - Flagship event scheduled for September 1, 2019 at Statler Hotel
  - UNT Dallas Tower
- Planning phase of campaign in FY 2019
- Over-delivering vs. over-promising
- Active fundraising
  - COL Municipal Building Naming

**Long-term Target (FY21): \$5,000,000 (Cumulative balance)**

# Goal: Grow Top Rated Programs

## Action Update: Priority Programs

- 6 Priority Programs Identified
  - Bilingual Education
    - Raise Your Hand (Charles Butt); Kellogg Foundation Grant; Developing partnerships with DCCCD (Mountain View and El Centro); Texas Instruments Grant; Meadows Grant renewed
  - Juris Doctorate
    - COL Dean Epps began July 1
  - Logistics
    - 18% growth from last year
  - Mental Health
    - 24% growth from last year
  - Public Health
    - Up 56 students from 7 last year
  - Biology
    - Recently identified out of program review from Provost

**Long-term Target (FY21): 10 Priority Programs Identified**

# Goal: Become Best Place to Work

## Action Update: Employee Engagement, Student Net Promoter Score (NPS)

- Employee Engagement
  - Focus on “I know what is expected of me at work” (job description review and career plans)
  - Culture Committee (strategic planning committee)
  - Employee Morale (recent staff professional development day, strategic planning days, and future increase in appreciation-type events)
  - Hire for the mission
  - Heavy investment in mid-level and high-level training (increased participation in state and national professional development opportunities)
  - 3<sup>rd</sup> Town hall will occur during Fall 2018
  - Gallup Participation was 73% from staff and 33% from faculty
- Student Net Promotor Score
  - Adding other variables

### Long-term Targets:

→64% Employee Engagement

→ Student NPS - TBD

# Goal: Achieve Efficient and Effective System

## Action Update: Project Status Updates

- Stabilize Department of Financial Aid
  - Customer service training for all staff completed
- Work to improve customer service, system relations, and our own competencies
  - Under the Hood Initiative for multi-semester registration and university calendar
  - Automation for CRM (work with vendor complete) and degree audit (plans in place for implementation to solve issues)
  - UNTS transfer of responsibilities to UNTD
- Actual and manageable reports in a timely fashion

Long-term Target: NEW - TBD



# UNT Strategic Plan Review

# Goal: Grow Enrollment & Graduation

## Action Update: Enrollment, Retention

### Strategic Plan Degree Goal:

- Current Total Degrees Awarded: 9,344 AY18 (Exceeded Goal by 3% from AY 18 Target of 9,075 Degrees)

### Enrollment:

- Refined financial aid and recruiting plan, segmenting freshman, transfer, MS and doctoral enrollment
- Freshmen, Transfer & Graduate Marketing Automations in Place in Salesforce. Work continues on “360 student view”
- Successful trips to China and India to expand UNT presence. New program specific agreements in place
- New College at Frisco program analysis completed and strategies being initiated for regional growth at new campus
- Dell Design team collaboration continues with focus on Collin College process improvement
- Toyota for Lean Process improvement has lead to a 27% increase in offering of graduate student admission
- Construction of our new residence hall, dining hall, and Eagle Visitor Center is on target

### Retention:

- Focus for the August 2018 Planning Implementation Workshop
- Opened first phase of Academic Support Center in Sage Hall to assist with retaining students
- Piloting “block scheduling” initiative to assist with student course sequencing

**Long-term Target (FY22): 9,650 Degrees Awarded**

# Goal: Grow Research

## Action Update: Research Funding, Research Space, Types of Research

- Projected FY18 total research expenditures are approximately \$32.4M
- 19 patents filed, 5 issues, and 5 licenses executed in FY18 thus far
- 324 active research projects totaling approximately \$108M in funding
- In FY18 the four Institutes of Research Excellence generated a total funding of \$12M (\$4.9M Research Expenditure)

Long-term Target (FY22): TBD

# Goal: Grow Foundation Assets

## Action Update: Gifts and Pledges, Endowments

### Gifts and Pledges

- Donors up from 8,247 to 12,502; Gifts up from 11,515 to 16,599 (year-to-date)
- Utilized technology to improve and accelerate the donor cultivation cycle
- Reestablished Corporate and Foundation Relations team
- Established aggressive key performance indicators (KPI's) for development staff
- Established annual college /unit and dean goals and metrics, including monthly reporting

### Endowment

- Increased endowed scholarships; continue to prioritize strategic proposals for endowed chairs and professorships
- Continued effort to improve endowment and impact reporting for donors

**Long-term Target (FY22): \$48M gifts and pledges**

# Goal: Grow Top Rated Programs

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## Action Update: Strategies to Increase # of Top-Ranked Programs

- 72 total academic programs ranked in the Top 100
  - 11 new graduate program and 6 new undergraduate programs on the list, including the following:
    - Master's in taxation
    - M.B.A. in management
    - Undergraduate accounting

**Long-term Target (FY20): 75 programs in top 100**

# Goal: Become Best Place to Work



## Action Update: Strategies to Become a Best Place to Work

- Leadership trainings, including performance reviews, are continuing
- The Campus Climate Survey will go live this coming fall (with a local car dealer offering a drawing to win a car for a student survey respondent)
- Process improvement teams are continuing to work across campus to help make UNT a better place to work

Long-term Targets (FY22):

→Q4 to 4.0

→ Q11 to 4.0

# Goal: Achieve Efficient and Effective System



## Action Update: Customer Service and Satisfaction, Total Cost of Services

- 2018 Planning Implementation Workshop and State of the University are addressing student retention
- Retention dashboards have been designed to disseminate information for decision making
- Insights Data Analytics dissemination has continued with extensive chair training
- Toyota has been working with us on system-wide hiring processes
- The Campus Climate team has been engaging with all campus members for the last 6 months, making survey improvements such as getting the vendor to translate the survey into Spanish

Long-term Target (FY22): TBD

# UNT Health Science Center Strategic Review

# Goal: Grow Enrollment & Graduation

## Action Update: School of Medicine THECB Approval, GME Development

- MD School Accreditation
  - THECB Committee on Academic and Workforce Success – Sept. 19
  - THECB Board Meeting – Oct. 25
  - LCME review for preliminary accreditation Oct. 9-11

**Long-term Target:** Joint MD degree approved & THECB goal met

# Goal: Grow Research

## Action Update: Total Research Expenditures, Total Research Awards per School

	2017	2018
Expenditures through May	\$33.5M	\$35.3M
Expenditures FY Total	\$44.4M	\$46.8M*
Awards through May	\$40.0M	\$41.8M
Awards FY Total	\$50.1M	\$52.6M*

\*2018 Target

- Average award amount increased by 88% over last 5 years; increase of 38.3% since 2017

**Long-term Target:** Total annual research expenditures to \$55M

# Goal: Grow Foundation Assets

## Action Update: Growth Efforts in Key Areas of Need

- \$20.4M in YTD FY18 receipts (exceeds target of \$18.5M)
  - Finalized \$2.8M endowed chair, Emergency Medicine (TCU UNTHSC School of Medicine)
  - Three new \$100,000 gifts (scholarships, Pediatric Mobile Clinic, unrestricted)
  - \$100,000+ in new research gifts (Chemo Brain; Concussion; Chemo Delivery)

**Long-term Target:** Total gifts/pledges (FY15-20) of \$100M

# Goal: Grow Top Rated Programs

## Action Update: 100% Graduates Career-Ready for Employment

- 84% of 2017 graduates surveyed agreed they were prepared for success in their first position or residency
  - Future surveys to be administered annually, 6-8 months after graduation
- Initiated emotional intelligence programs for all School of Health Professions and first and second year TCOM students
  - Program lasts entire student career at HSC
  - Plans to expand over coming years

**Long-term Target:** 100% of employers rate our graduates as well prepared “providers of the future”

# Goal: Become Best Place to Work

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## Action Update: Gallup Engagement Score, Net Promoter Score

- Gallup Focus:
  - Retrain Cabinet Members on Gallup
  - Cabinet Members hold team meetings to explain process
  - Pulse survey planned for November

**Long-term Target:** Achieve national status as *Best Place to Work* by FY20

# Goal: Achieve Efficient and Effective System (HSC)

## Action Update: Meaningful Business Processes Throughout Enterprise

- Developing organizational data-governance structure
  - Established Department of Health Informatics and Analytics
  - Hired new VP of Health Informatics and Sr. Director
  - Initiating data governance process in August, coordinated with System ITSS
- Pilot site for hiring process improvement initiative using Toyota Production System

Long-term Target: TBD

# FY2018 Strategic Scorecard

PROGRAMS	Grow Research	Grow total research expenditures >5%	Tracking to exceed goal of >\$46M. Average award increased 88% over last 5 years and 38.3% over last year.		↑
		Grow total research awards per school	Results tracking to exceed previous awards		↑
		Expenditures by \$/sq.ft allotted research space	Building database of research capacity and assignments		↓
		Productivity per research faculty member	Research productivity measures developed and being implemented		⊘
STRENGTH	Grow Foundation Assets	Focus growth efforts into key areas of need	\$20.4M in YTD FY18 Receipts (Target of \$18.5M)		↑
PROGRAMS	Grow Top Rated Programs	100% of Graduates are career ready for employment	2017 Graduates surveyed in 2018 indicated 84% agreed they are prepared for success in first position or residency. Initiated EQ programs for SHP and TCOM		↑
PEOPLE	Become Best Place to Work	Improve Gallup Engagement & NPS	Engage Team members/Communicate/Connect & Include Student Satisfaction with Gallup tool. Pulse Survey in November, 2018		↓
STRENGTH	Achieve Efficient & Effective Systems (HSC)	Develop meaningful business processes throughout the enterprise	Using AXIOM for improved budget management. Building Health Informatics & Analytics infrastructure & processes. Working with TPSS as Pilot site for HR Hiring Process improvement.		↑
EXCEEDED TARGET		↑	Positive Trend		
MEETING TARGET		⊘	No Change		
BEHIND TARGET		↓	Negative Trend		
FAILING TO MEET TARGET					

# UNTHSC 2019 STRATEGY

The future aligned

PURPOSE

Meaning

VALUES

Permission

VISION

Direction

PERFORMANCE BEHAVIOR

Style

STRATEGIES

Difference

Transform lives

Our core values

Defining & Producing Providers of Future

One University — Extraordinary Teamwork

PEOPLE  
(Drive)

PROGRAMS  
(Deliver)

STRENGTH  
(Defend)

## TOPLINE STRATEGIES

# UNT System

Become Best Place to Work

Grow Research

Grow Enrollment & Graduation Rates

Grow Top Rated Programs

Achieve Efficient & Effective System

Grow Foundation Assets

# UNTHSC

PEOPLE

PROGRAMS

STRENGTH

# PEOPLE

Focus on our Purpose

Enhance recognition

Build appreciation culture

Improve engagement

Listen

Create innovation space

Decide through values

Train and develop

# PROGRAMS

Grow research expenditures

Improve research space utilization

Partner with employers to better prepare our graduates

Achieve accreditation for MD School

Complete academic leadership team

Define & state “Academic Value Promise”

Seek efficiencies in academic service lines

# STRENGTH

Rebrand UNTHSC

Increase philanthropy

Grow HSC Foundation assets

Data analytics to manage performance

Drive higher efficiency, effectiveness, productivity

Decrease costs

Improve net financial position

# One University — Extraordinary Teamwork

Leadership

Emotional Intelligence

Communication

+

# Our Core Values

Built on Trust & Defining our True North

Serve Others First

Integrity

Respect

Collaboration

UNTHSC

Where extraordinary creates remarkable

UNT | SYSTEM™

# UNT System Administration



# Goal: Best Place to Work

## Action Update: Gallup - Engaged Employees

- Initiating System Administration work on values/culture.
- Held Town Halls with each System Administration Office.
- Each Chancellor's Cabinet Member has provided focus areas for improvement: communication; compensation; space; rewards; day of caring for external community; negative behavior; Gallup "teach in".

**Long-term Target:** Achieve national status as *Best Place to Work* by FY20

# Goal: Achieve Efficient and Effective System

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## **Action Update: Overall and Finance**

- Councils (IT, HR, Finance) are operating and reporting progress to Chancellor's Council including: operations and strategy priorities; shared ownership and accountability; customer service measures; decisions and action completion.
- Long range financial planning – tool and planning process underway this Fall.
- Cost insight and analysis across our Universities and System Administration in FY2019.
- Decision at Chancellor's Council on a cost collection approach for System Administration costs for FY2019.
- ERP Steering Committee kick-off late summer – will be evaluating current state and market options including Workday and Peoplesoft Cloud-based capabilities.

# Goal: Achieve Efficient and Effective System

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## **Action Update: Human Resources**

- Filling key positions. Chief Human Resources; Compensation; Equal Opportunity, Diversity and Inclusion Director; UNT and HSC HR Directors; HR Technologist; Project Manager.
- Streamlining hiring processes utilizing Toyota Production System (TPS) methodology- HSC is underway; UNT Dallas starts this Fall.
- Correcting HR Information System (HRIS) data through a project approach which is scheduled to complete by February 2019.
- HR policy streamlining underway.
- HR internal and external communications assessment underway.

# Goal: Achieve Efficient and Effective System

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## **Action Update: IT**

- Initiating external peer review of IT this Fall – include subject matter experts in industry, academia, government. Inclusion of centralized and campus IT. Plan to do external reviews: Facility Management (this Fall), Finance (2019).
- Gartner software review of IT services – inclusion of centralized and campus IT.
- Completed the consolidation of external call center and CRM Development and Operations at UNT.
- Consolidating HSC IT Security with System IT Security. Project plan in place and on track - will complete in FY2019.

# Goal: Achieve Efficient and Effective System

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## Action Update: IT and Communications/Marketing

- Implementing Campus Solution 9.2 technical upgrade across all campuses in Fall 2018- Spring 2019 for sustainability of software suite, mobile friendly functionality, and process streamlining.
- Brand study underway- report to Board in November 2018.

UNT | SYSTEM™

# UNT System Roll-up



# UNT System Progress Card, Pt. 1

1. Grow Enrollment and Graduation	Fall 2014 (FY15)	Fall 2015 (FY16)	Fall 2016 (FY17)
<b>1.a. Total Fall Headcount Enrollment</b>	<b>40,966</b>	<b>42,025</b>	<b>43,375</b>
1.a. UNT	36,164	37,175	37,979
1.a. UNTHSC	2,227	2,362	2,366
1.a. UNTD	2,575	2,488	3,030
	FY15	FY16	FY17
<b>1.b. Total Degrees &amp; Certificates Awarded</b>	<b>9,193</b>	<b>9,243</b>	<b>10,360</b>
1.b. UNT	8,052	8,105	8,994
1.b. UNTHSC	666	663	766
1.b. UNTD	475	475	600

Fall 2017 (FY18) Actual	Fall 2018 (FY19) Target	Fall 2019 (FY20) Target
<b>43,860</b>	<b>45,362</b>	<b>46,823</b>
<b>38,081</b>	39,128	40,110
<b>2,270</b>	2,233	2,258
<b>3,509</b>	4,001	4,455
FY18 Target	FY19 Target	FY20 Target
<b>10,553</b>	<b>10,864</b>	<b>11,177</b>
9,075	9,218	9,364
712	712	712
766	934	1,101

2. Grow Research	FY15	FY16	FY17
<b>2.a. Total Research Expenditures</b>	<b>\$68,421,831</b>	<b>\$67,417,014</b>	<b>\$75,895,230</b>
2.a. UNT	\$29,181,911	\$22,791,952	\$31,441,781
2.a. UNTHSC	\$39,235,790	\$44,578,672	\$44,420,752
2.a. UNTD	\$4,130	\$46,390	\$32,697

FY18 Target	FY19 Target	FY20 Target
<b>\$79.2M</b>	<b>\$86.1M</b>	<b>\$94.0M</b>
\$32.4M	\$37.0M	\$39.0M
\$46.8M	\$49.1M	\$55.0M
No Projections in SP	No Projections in SP	No Projections in SP

3. Grow Foundation Assets	FY15	FY16	FY17
<b>3.a. Grand Total Foundation &amp; Institutional Gifts, UNT System Consolidated</b>	<b>\$27,625,822</b>	<b>\$35,796,120</b>	<b>\$40,561,568</b>
3.a. UNT	\$22,788,702	\$25,112,372	\$29,286,920
3.a. UNTHSC	\$3,644,258	\$9,991,807	\$10,238,561
3.a. UNTD	\$1,192,862	\$691,941	\$1,036,087
<b>3.b. Total Institutional and Foundation Endowments</b>	<b>\$188,023,604</b>	<b>\$195,829,199</b>	<b>\$221,884,671</b>
3.b. UNT	\$136,376,591	\$142,774,041	\$165,476,757
3.b. UNTHSC	\$50,583,854	\$51,777,750	\$54,860,040
3.b. UNTD	\$1,063,159	\$1,277,408	\$1,547,874

FY18 Target	FY19 Target	FY20 Target
<b>\$52.4M</b>	<b>\$62.6M</b>	<b>\$70.8M</b>
\$33.0M	\$36.5M	\$40.0M
\$18.5M	\$25.0M	\$29.6M
\$0.9M	\$1.1M	\$1.2M
<b>\$239.7M</b>	<b>\$249.8M</b>	<b>\$259.7M</b>
\$173.8M	\$182.7M	\$191.6M
\$62.7M	\$63.4M	\$64.0M
\$3.2M	\$3.7M	\$4.1M

# UNT System Progress Card, Pt. 2

4. Grow Top Rated Programs	FY15	FY16	FY17
4.a. <i>UNT</i> : Number of Programs in the Top 100	-	-	68
4.b. <i>UNTHSC</i> : Graduates Rating Themselves as Well-Prepared "Providers of the Future"	-	-	-
4.c. <i>UNTD</i> : Number of Priority Programs Identified	-	-	5

FY18 Target	FY19 Target	FY20 Target
70	72	75
84%	TBD*	100%
6	7	9

5. Become Best Place to Work	FY15	FY16	FY17
<b>5.a. Employee Engagement Grand Mean<sup>1</sup> (System-wide)</b>	NA	NA	<b>3.80</b>
5.a. UNT	NA	NA	3.73
5.a. UNTHSC	NA	NA	3.93
5.a. UNTD	NA	NA	3.80
5.a. UNTS Administration	NA	NA	3.81
<b>5.b. % Engaged Employees (System-wide)</b>	NA	NA	<b>37.6%</b>
5.b. UNT	NA	NA	35%
5.b. UNTHSC	NA	NA	43%
5.b. UNTD	NA	NA	44%
5.b. UNTS Administration	NA	NA	35%

FY18 Actual	FY19 Target	Long-term Target
<b>3.83</b>	<b>3.90</b>	<b>4.40</b>
<b>3.79</b>	3.85	4.40
<b>3.92</b>	4.01	4.40
<b>3.83</b>	3.90	4.40
<b>3.90</b>	3.94	4.40
<b>41.0%</b>	<b>46.0%</b>	<b>Best Place to Work</b>
<b>38%</b>	42%	Best Place to Work
<b>46%</b>	55%	Best Place to Work
<b>44%</b>	50%	Best Place to Work
<b>47%</b>	52%	Best Place to Work

6. Achieve Efficient and Effective System	FY15	FY16	FY17
6.a. Administrative Cost	10.60%	12.56%	12.20%

FY18 Target	FY19 Target	FY20 Target
TBD*	TBD*	TBD*

# UNT System Progress Card Change

## Research Expenditures by:

- **Texas Higher Education Coordinating Board (THECB) Survey:** Total amount of research expenditures as reported in the Consolidate Annual Financial Report (CAFR) by funding source and fiscal year.
- **National Science Foundation (NSF-HERD) Survey:** Total amount of research expenditures as reported in the NSF Higher Education Research and Development Survey (HERD) by funding source and fiscal year. (Allows inclusion of unreimbursed Facilities and Administration costs and cost share, thus usually much higher.)
- *Note: The NSF survey allows institutions to calculate their unreimbursed indirect costs and cost share. THECB's survey allows only tracked and indirect costs as reported in the institutions consolidated annual financial report. Institutions using the NSF calculation will have a considerably higher total in the Institution source of funding in NSF reports by comparison with the THECB reports. Also note the NSF-HERD lags in reporting by a year.*



**MINUTES  
BOARD OF REGENTS  
Academic Affairs and Student Success Committee  
May 17-18, 2018**

**Thursday, May 17, 2018**

The Academic Affairs and Student Success Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 17, 2018, in the Lee F. Jackson Building, 1901 Main St., Dallas, Texas with the following members in attendance: Regents Milton Lee, A.K. Mago, and Gwyn Shea.

There being a quorum present, the meeting was called to order by Regent Gwyn Shea, acting Committee Chairman in Regent Al Silva's absence, at 1:37 p.m. Pursuant to a motion by Regent A.K. Mago seconded by Regent Milton Lee, the Committee approved the minutes of the February 22-23, 2018, meeting of the Academic Affairs and Student Success Committee on a 3-0 vote.

Committee Chair Shea noted that that the Committee's charter and calendar of topics is reviewed annually and noted a revised format to the Committee calendar. She asked the Committee if there were any comments, questions, or amendments to offer to the material presented to the Committee. Hearing none, the charter and schedule of topics stood as presented.

The Committee had one briefing, entitled **Educating Career-Ready Graduates**, presented by UNT System Vice Chancellor for Academic Affairs and Student Success Rosemary Haggett, UNTHSC Interim Provost Claire Peel, UNT Provost Jennifer Cowley, and UNT Dallas Provost Betty Stewart.

There being no further business, the Committee meeting recessed at 2:16 p.m. until Friday, May 18, 2018, at approximately 9:05 a.m. in the same room.

**Friday, May 18, 2018**

The Academic Affairs and Student Success Committee of the Board of Regents of the University of North Texas System convened on Friday, May 18, 2018, in the Lee F. Jackson Building, 1901 Main St., Dallas, Texas with the following members in attendance: Regents Milton Lee, A.K. Mago, and Gwyn Shea.

There being a quorum present, the meeting was called to order by Regent Gwyn Shea, acting Committee Chairman in Regent Al Silva's absence, at 9:03 a.m. The Committee had seven action items on the agenda to consider.

The first action item was presented by UNT System Vice Chancellor for Academic Affairs and Student Success Rosemary Haggett.

**10. UNTS      Approval and Ratification of UNT System Institution  
Admission Standards for Students Admitted for  
Matriculation Beginning in 2019**

Pursuant to a motion by Regent Milton Lee and seconded by Regent A.K. Mago, the Committee approved the above item on a 3-0 vote.

UNT Provost Jennifer Cowley presented the next action item.

**11. UNT      Approval of UNT Tenure Recommendations**

Pursuant to a motion by Regent A.K. Mago and seconded by Regent Milton Lee, the Committee approved the above item on a 3-0 vote.

The next action item was also presented by Provost Cowley.

**12. UNT      Approval of UNT Review of Tenured Faculty Policy**

Following discussion, the Committee requested changes to the proposed policy, including changing "shall" to "will" in section I.C. and III and changing the time limitation from three-year to two-year in Sections IV, IV.A and IV.B. Pursuant to a motion by Regent A.K. Mago and seconded by Regent Milton Lee, the Committee approved the above item with the specified changes on a 3-0 vote.

UNT President Neal Smatresk presented the next action item.

**13. UNT      Update of University of North Texas Mission Statement**

Pursuant to a motion by Regent Milton Lee and seconded by Regent A.K. Mago, the Committee approved the above item on a 3-0 vote.

Claire Peel, Interim Provost at UNTHSC presented the next two items.

**14. UNTHSC      Approval of UNTHSC Tenure Recommendations**

Pursuant to a motion by Regent Milton Lee and seconded by Regent A.K. Mago, the Committee approved the above item on a 3-0 vote.

UNTHSC President Michael Williams noted that the institution had withdrawn item #15 from consideration and may resubmit for consideration at the August meeting.

**15. UNTHSC Approval of UNTHSC Post Tenure Review Policy**

Interim Provost Claire Peel presented the last UNTHSC item.

**16. UNTHSC Approval to Add Master of Science in Lifestyle Health Sciences and Coaching**

Pursuant to a motion by Regent Milton Lee and seconded by Regent A.K. Mago, the Committee approved the above item on a 3-0 vote.

Provost Betty Stewart presented one UNT Dallas item for the Committee's consideration.

**17. UNTD Approval of UNT Dallas Tenure Recommendations**

Pursuant to a motion by Regent A.K. Mago and seconded by Regent Milton Lee, the Committee approved the above item on a 3-0 vote.

There being no further business, the Committee meeting adjourned at 9:22 a.m.

Submitted By:

Rosemary R. Haggett  
Rosemary R. Haggett  
Board Secretary

Date: May 31, 2018

# Strategies Supporting Student Success:

*Presented to Academic Affairs & Student Success Committee,  
August 9, 2018:*

Rosemary Haggett, UNTS, Vice Chancellor for Academic Affairs and Student Success

Jennifer Cowley, UNT, Provost

Betty Stewart, UNTD, Provost

Charles Taylor, UNTHSC, Provost

# The Current State of Student Success

- Student Success = completing the desired degree
- ↑ retention = ↑ graduation rates
- Graduation rate has grown nationally by only 1% in recent years according to NCES, to 59%\*
  - **UNT 6-yr Graduation Rate increased from 50.6% (2014) to 53.9% (2017)**
  - **UNTD 1-yr Persistence Rate increased from 51.7% (2014) to 76.7% (2017)**
- The underlying factors that influence student persistence and graduation are complex and require strategic consideration and investment

\*59% of all first-time, full-time students who entered a four-year institution in fall of 2009.

# Student Perception on Completion

- In a recent survey, roughly 25% of current college students think it will be difficult to finish their degree programs.
- Greatest perceived challenges to getting to graduation on time include:
  - Time management (36%)
  - Anxiety (35%)
  - Being overwhelmed managing responsibilities (31%)
  - Study skills (25%)
  - Working too many hours (24%)
  - Housing security (12%)
  - Food insecurity (8%)
- Students feel most confident turning to an academic advisor for help, compared to friends, family, or other college staff.

Source: Survey by Civitas Learning and Center for Generational Kinetics , reported in Inside Higher Ed, July 13, 2018

# Some Best Practices to Increase Student Persistence & Success

- Identify level of **student readiness** upon admission.
- Offer **high-quality advising** through professional advisors.
- Utilize a **robust, student-friendly degree planning model**.
- Provide guidance for **easy transition between majors** early in academic career.
- Proactively intervene, utilizing **predictive analytics and technology** tools.

# Some Best Practices to Increase Student Persistence & Success, Continued

- Develop strategies for cost-effective expansion of **tutorial resources and campus writing center**.
- Anticipate an increased demand for **counseling services**.
- Integrate **career and professional topics** into courses.
- Designate a **student success champion** to coordinate and lead student success efforts.

*Student success is a key strategic driver of each institution, requiring everyone's involvement and institutional investment.*

# UNT Student Success Strategies

*Presented by:*

Jennifer Cowley, UNT, Provost



# 1. STUDENT READINESS

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## STEM Summer Bridge Program



# 2. ADVISING

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Transfer Advising  
Team



Urban  
Planning



Business



Learning  
Technology

# 3. STUDENT FRIENDLY DEGREE PLANS

Seamless Degrees

Select High School Rank

- Top 10%
- Next 15%
- 2nd Quarter
- 3rd Quarter
- Low Quarter
- No Rank

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Select SAT Score

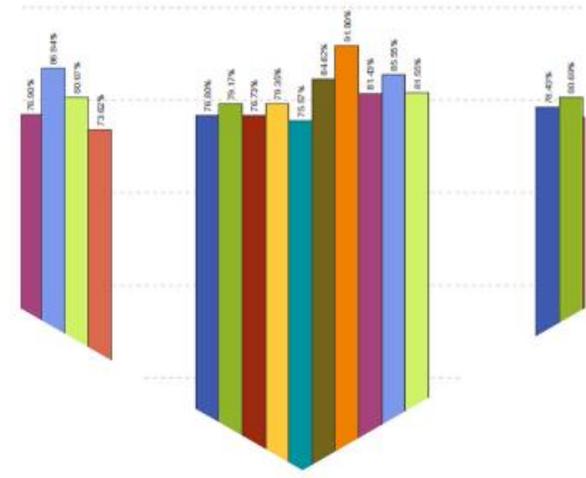
- 1600-1500
- 1499-1400
- 1399-1300
- 1200



# 4. PREDICTIVE ANALYTICS

## Insights Dashboards

Fall to Fall Retention Rate By College





# 5. TUTORIAL & CAMPUS WRITING



New Academic  
Success Center



# 6. COUNSELING

Expansion of  
Counseling Services



# 7. CAREER TOPICS

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Career Connect

# 8. STUDENT SUCCESS CHAMPION

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Planning  
Implementation  
Workshop



**407,000 Alumni  
and Growing**

# UNT Dallas Student Success Strategies

*Presented by:*

Betty Stewart, UNTD, Provost

# Student Success: Re-Imagining the First Year

- Re-Imagining the first year (RFY) is a project aimed at ensuring success for all students, particularly those who have historically been underserved by higher education.
- RFY is supported with funds from Bill and Melinda Gates Foundation and Strada Education Network through AASCU.

# Re-Imagining the First Year (RFY)

- AASCU has created a coalition of 44 institutions that are working together for 3 calendar years to develop comprehensive, institutional transformation that redesigns the first year of college and creates sustainable change for student success.
- Goals of RFY:
  - To dramatically improve the quality of learning and student experience in the first year,
  - To increase retention rates, and
  - To improve student success

# Re-Imagining the First Year

## RFY Initiatives at UNT Dallas:

- Developed a first year seminar course (UGST 1100) staffed by some of the university's best professors and lecturers
- Monthly meetings between UGST 1100 faculty and faculty in students' traditional courses
- Block scheduling of classes for freshman cohorts according to their meta-majors increased fall-to-fall retention

# Student Success Strategies

- Increased number of professional advisors through advising fee
- Use of “Early Alerts” by faculty for students having trouble early on in a course
- Reporting Mid-Term grades, especially for the first two years in college

# Student Success Strategies

- Robust tutoring program, using Peer Tutors, and some Supplemental Instruction
- Guided pathways to help students transition seamlessly between H.S./Community College/UNT Dallas
- Multi-semester registration to help students plan their academic progress

# Student Success Strategies

- Disability Support Services-to assist students with learning or other physical disabilities
- MHR Counseling- to address the whole person through case management
- Career Counseling/CRED- to allow students to explore possible careers beginning in their first year and culminating in experiential learning and internship opportunities in their third and fourth years

# An analysis that compared institutions by peer group and by region highlight top improvement among Universities: Grad Rates

Institution	Improvement – Percent Point Change	Grad Rate Measure Change 2015-2017
Stephen F. Austin University	+ 6.78	Four year graduation rate
	+ 6.26	Five year graduation rate
The University of Texas at Austin	+ 8.74	Four year graduation rate
	+ 4.3	Five year graduation rate
	+ 4.27	Six year graduation rate
University of North Texas at Dallas	+ 13.78	Four year graduation rate
University of Houston – Downtown	+ 6.27	Five year graduation rate
	+ 6.6	Graduates per full-time-equivalent student
	+ 34.85	Male completions
	+ 28.67	Economically-Disadvantaged Completions

# UNTHSC Student Success Strategies

*Presented by:*

Charles Taylor, UNTHSC, Provost & Executive Vice President for Academic Affairs

# Class of 2018

- **90.4%** of students graduated on time with their cohort
- 35 students were “decelerated” into a following cohort (**4.9%**)
- 34 students left the university (**4.7%**)
  
- Why were students unable to complete their selected program?
  - Failure to meet academic standards (**55.9%; n=19**)
  - Health or medical reasons (**8.8%; n=3**)
  - Personal reasons (**23.5%; n=8**)
  - Voluntary withdrawal (**11.8%; n=4**)

# Current Student Success Strategies

- Rapid intervention of students who are experiencing difficulty
- Individualized program to enhance professional development
- “Advisory Colleges” that provide student support
- Non-academic resources
  - Emergency loans / relief funds
  - Wellness services
  - Student food pantry
  - Professional attire closet

# HSC Student Success: **The Future**

- Advance **Student Experience**
  - Student “navigators” to link students to available services
  - Communication between faculty, staff and students regarding course schedules, exams and assignments
  - Engagement of students using Dean/Chair Town Hall meetings
- Support to assure success on licensure/certification exams
- Innovative ways to prepare students for **career readiness**



## MINUTES

### BOARD OF REGENTS Finance and Facilities Committee May 17-18, 2018

#### **Thursday, May 17, 2018**

The Finance and Facilities Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 17, 2018, in Room 712 of the Lee F. Jackson Building, 1901 Main St., Dallas, Texas, with the following members in attendance: Regents Rusty Reid, Don Potts, Glen Whitley, and Laura Wright.

There being a quorum present, the meeting was called to order by Committee Chairman Reid at 2:50 p.m. The minutes of the February 22-23, 2018, Finance and Facilities Committee meeting were approved on a 4-0 vote following a motion by Regent Laura Wright, seconded by Regent Glen Whitley. The **Committee Charter and Calendar** were reviewed, and no changes were made.

The Committee's first briefing was a **UNTHSC Master Plan Update**, which was given by Associate Vice Chancellor for Facilities Planning and Development James Davis.

Vice Chancellor James Maguire, Associate Vice Chancellor James Davis, and Vice President Bob Brown briefed the Committee on **UNT Electric Utility Planning**.

Vice Chancellor for Finance, Gary Rahlfs, presented an **Update on Five Year Pro-Forma**.

Committee Chairman Reid noted that the Quarterly Operations Report was provided to the Committee members as background materials. There were no questions.

There being no further business, the Committee meeting recessed at 3:29 p.m. until Friday, May 18, 2018, at approximately 9:45 a.m. in the same room.

#### **Friday, May 18, 2018**

The Finance and Facilities Committee of the University of North Texas System Board of Regents convened on Friday, May 18, 2018, in Room 712 of the Lee F. Jackson Building, 1901 Main St., Dallas, Texas, with the following members in attendance: Regents Rusty Reid, Don Potts, Glen Whitley, and Laura Wright.

There being a quorum present, the meeting was called to order by Committee Chairman Reid at 9:22 a.m. The Committee had six action items to consider. The first four action items were presented by UNT System Associate Vice Chancellor for Treasury James Mauldin.

**18. UNTS                      Amendment to the Twenty-Sixth Supplemental 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**

Pursuant to a motion by Regent Glen Whitley and seconded by Regent Don Potts, the Committee approved the above item on a 4-0 vote.

**19. UNTS                      Resolution Limiting the Issuance of University of North Texas System Revenue Financing System Commercial Paper Notes, Series A**

Pursuant to a motion by Regent Glen Whitley and seconded by Regent Laura Wright, the Committee approved the above item on a 4-0 vote.

**20. UNTS                      Amendment to Regents Rule 10.300, *Debt Management***

Pursuant to a motion by Regent Laura Wright and seconded by Regent Glen Whitley, the Committee approved the above item on a 4-0 vote.

**21. UNTS                      Selection of Depository Institution and Delegation of Authority to Enter into a Bank Depository Agreement**

Associate Vice Chancellor Mauldin presented options and a recommendation for a banking institution. The Committee accepted the recommendation, and pursuant to a motion by Regent Don Potts and seconded by Regent Glen Whitley, the Committee approved the above item on a 4-0 vote, with JP Morgan Chase as the selected institution to be noted in the executed board order.

Allen Clark, UNT Associate Vice President for Information Services and Accreditation, presented the next item.

**22. UNT                        Approval of Interlocal Cooperation Agreement with Denton County Transportation Authority to Renew Campus Shuttle Bus Service**

Pursuant to a motion by Regent Glen Whitley and seconded by Regent Don Potts, the Committee approved the above item on a 4-0 vote.

UNT President Neal Smatresk presented the next item.

**23. UNT                        Naming of UNT New Residence Hall for Joe Greene**

Pursuant to a motion by Regent Laura Wright and seconded by Regent Don Potts, the Committee approved the above item on a 4-0 vote.

There being no further business, the Committee meeting adjourned at 9:40 a.m.

Submitted By:

Rosemary R. Haggett

Rosemary R. Haggett  
Board Secretary

Date: May 31, 2018

# Fiscal Year 2019 Consolidated Operating Budget

Presented by:

Paige Smith, UNTS, Associate Vice Chancellor for Budget & Planning

August 9-10, 2018

# 2019 Consolidated Operating Budget

## Revenues - \$1,091.2M

- 4% Increase over FY2018 Estimated Actuals; 7% Increase over FY2018 Budget
- State appropriation revenues for UNT System-wide remain flat
- Net tuition and fees revenues budget increased \$39.5 million (10.7%)
  - *Increased enrollment/changes in enrollment mix*
  - *Tuition and fee increases*

## Expenditures & Transfers - \$1M

- 5% Increase over FY2018 Actuals; 7% Increase over FY2018 Budget
- Total Salaries & Personnel Costs increased \$24.5M; equal 58% of Current Operating Budget

# Revenues

<b>FY2018 Budgeted</b>	<b>FY2018 Est Actuals</b>	<b>FY2019 Budgeted</b>	<b>*Change \$</b>	<b>*Change %</b>
<b>\$ 1,014.8</b>	<b>\$ 1,046.7</b>	<b>\$ 1,091.2</b>	<b>\$ 44.5</b>	<b>4.3%</b>

In millions.

## Current Funds Revenues by UNTS Component

	<b>Educational &amp; General</b>	<b>Designated Operating</b>	<b>Auxiliary</b>	<b>Restricted Expendable</b>	<b>Total Current Funds</b>
<b>University of North Texas</b>	\$ 253,664,693	\$ 305,595,159	\$ 91,748,944	\$ 91,811,505	\$ 742,820,301
<b>UNT Health Science Center</b>	\$ 132,841,004	\$ 87,928,203	\$ 631,145	\$ 45,374,862	\$ 266,775,214
<b>UNT Dallas</b>	\$ 36,956,990	\$ 20,969,676	\$ 1,482,240	\$ 11,672,531	\$ 71,081,437
<b>UNT System Administration</b>	\$ 7,969,916	\$ 316,818	\$ 2,200,000	\$ -	\$ 10,486,734
					<b>\$ 1,091,163,686</b>

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

# Expenditures & Transfers

FY2018 Budgeted	FY2018 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 1,004.2	\$ 1,024.2	\$ 1,077.8	\$ 53.6	5.2%

In millions.

## Current Funds Expenses by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ 220,069,509	\$ 247,751,494	\$ 68,428,109	\$ 91,811,505	\$ 628,060,617
UNT Health Science Center	\$ 106,803,550	\$ 80,334,949	\$ 361,386	\$ 39,160,115	\$ 226,660,000
UNT Dallas	\$ 29,028,782	\$ 15,678,088	\$ 893,028	\$ 9,672,531	\$ 55,272,429
UNT System Administration	\$ 8,609,112	\$ 49,830,233	\$ 1,624,314	\$ -	\$ 60,063,659
					\$ 970,056,705

## Current Funds Transfers by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ (33,595,184)	\$ (55,245,132)	\$ (20,181,800)	\$ -	\$ (109,022,116)
UNT Health Science Center	\$ (23,327,485)	\$ (2,507,369)	\$ -	\$ (5,821,938)	\$ (31,656,792)
UNT Dallas	\$ (7,928,208)	\$ (5,664,574)	\$ (589,213)	\$ (2,000,000)	\$ (16,181,995)
UNT System Administration	\$ 639,197	\$ 49,513,415	\$ (878,923)	\$ -	\$ 49,273,689
					\$ (107,587,214)

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

# Reserves

	FY2017 Ending Reserves	FY2018 Proj Ending Reserves	FY2019 Est Ending Reserves	*Change \$ - FY2018 v. FY2019	*Change % - FY2018 v. FY2019	In millions.
	\$ 324.9	\$ 324.9	\$ 335.6	\$ 10.7	3.3%	

## Current Funds Expenses by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ -	\$ 2,598,534	\$ 3,139,034	\$ -	\$ 5,737,568
UNT Health Science Center	\$ 2,709,969	\$ 5,085,885	\$ 269,759	\$ 392,809	\$ 8,458,422
UNT Dallas	\$ -	\$ (372,986)	\$ -	\$ -	\$ (372,986)
UNT System Administration	\$ -	\$ -	\$ (303,237)	\$ -	\$ (303,237)
					\$ 13,519,767

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

# Fiscal Year 2019 Operating Budget

Presented by:

Neal Smatresk, UNT, President

Bob Brown, UNT, Senior Vice President for Finance and Administration

August 9-10, 2018

# Introduction from the President

- Expanding recruiting efforts for new students due to increased graduation rates in 2017-2018
- Increasing emphasis on retaining current students by expanding student support services
- Expanding in Frisco
- Implementing a new Distance Education Technology model
- Providing funds for new research equipment
- Hiring new faculty
- Providing resources to facilities for the addition of 285,600 square feet
- Reserving 1.5% merit pool in recognition of outstanding faculty and staff members

# Revenues

FY2018 Budgeted	FY2018 Est YE	FY2019 Budgeted	Change \$	*Change %
\$ 705.0	\$ 715.4	\$ 742.8	\$ 27.4	3.8%

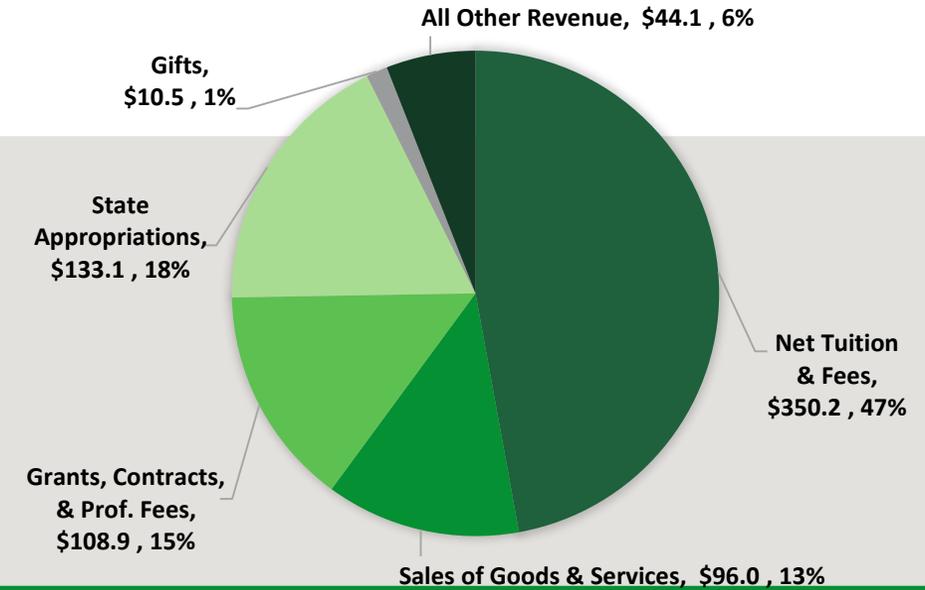
## Key Drivers, Trends, & Initiatives

**Net Tuition & Fees** – Budgeted 2.75% growth in SCH and changes to the Intercollegiate Athletics, Library, Undergraduate Advising, and Rec Center Fees. Also, new items for FY19 (Differential Tuition and Distance Learning Fee) generate additional estimated \$6.0M for specifically allocated activities. Remaining increases in tuition and fees attributable to enrollment growth.

**Sales of Good & Services** – Reduction of estimated revenues in Auxiliary Dining (\$1.9M) and Athletics (\$0.3M) and Other Sales of Goods & Services (\$0.7M) to align with prior year’s trends.

**Grants & Contracts** – Increased revenue in both federal (\$4.0M) and state (\$1.0M) financial aid due to enrollment growth and eligibility. Estimated increase in externally funded programs of \$5.1M.

**State appropriations** –Benefit allocation estimates revised downward to align with proportionality requirements.



Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals	
				Amount	Percent
Net Tuition & Fees	\$ 318.8	\$ 322.0	\$ 350.2	\$ 28.18	8.8%
Sales of Goods & Services	\$ 98.9	\$ 98.2	\$ 96.0	\$ (2.16)	-2.2%
Grants, Contracts, & Prof. Fees	\$ 98.8	\$ 107.4	\$ 108.9	\$ 1.52	1.4%
State Appropriations	\$ 136.2	\$ 133.0	\$ 133.1	\$ 0.08	0.1%

\*Change from FY2018 Estimated Year-End to FY2019 Budgeted

Note: All dollars in tables are in millions.

# Expenses & Transfers

FY2018 Budgeted	FY2018 Est YE	FY2019 Budgeted	Change \$	*Change %
\$ 698.9	\$ 704.1	\$ 737.1	\$ 33.0	4.7%

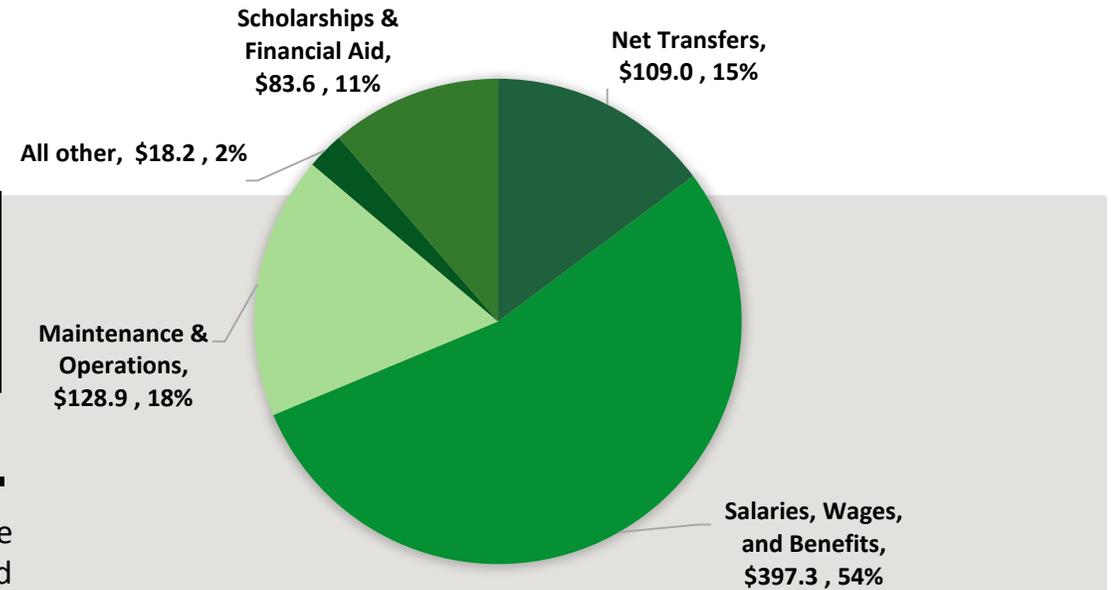
## Key Drivers, Trends, & Initiatives

**Salaries, Wages, & Payroll Related** – Enrollment growth and expansion of services drives the need for additional full-time and adjunct faculty, and student support lines. Continued investment in faculty promotion, tenure, and equity. Transfer of employees from System Administration to align with business needs.

**Maintenance & Operating** – New student recruiting efforts due to increased graduation rates (\$0.6M), Frisco expansion (\$0.7M), BioDiscovery Institute (\$1.5M), and (\$5.3M) retention initiatives around improving student support functions.

**Scholarships & Financial Aid** – Recalibration of scholarship and exemption between expense and net tuition calculations to align to prior year actual trends.

**Transfers** – Net Decrease in System Allocations of \$3.7M between Core and Shared Services. Decrease of funds transferred to plant for capital expenditures, primarily due to HEF funded initiative in Research and Innovation of \$3.5M. Funds transferred in for Hazelwood total \$1.6M.



Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals Amount	Percent
Salaries, Wages, and Benefits	\$ 376.8	\$ 363.9	\$ 397.3	\$ 33.48	9.2%
Maintenance & Operations	\$ 120.7	\$ 123.5	\$ 128.9	\$ 5.45	4.4%
Scholarships & Financial Aid	\$ 71.4	\$ 81.5	\$ 83.6	\$ 2.06	2.5%
Net Transfers	\$(117.7)	\$(120.8)	\$(109.0)	\$ 11.78	-9.7%

\*Change from FY2018 Estimated Year-End to FY2019 Budgeted

Note: All dollars in tables are in millions.

# Reserves

FY2017 AFR Ending Reserves	FY2018 Proj Ending Reserves	FY2019 Est Ending Reserves	Change \$	*Change %
\$ 208.5	\$ 219.9	\$ 225.6	\$ 5.7	2.6%

Note: All dollars in tables are in millions.

Estimated Budget Impact on Fund Balance

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# Capital Expenditures

## Previously-approved Projects Include

RFS Bonds	\$ 72.1	Frisco campus development and property acquisition, General Academic Building MEP and Interior renovation, New Residence Hall, Track and Field Stadium, New Dining Hall, Fouts Field demolition, parking, and bus transfer station, Athletic indoor practice facility
HEAF	\$ 19.7	Terrill Hall MEP and Interior renovations, Discovery Park MEP upgrade, Master plan land acquisitions, Sage Hall academic success center
Gifts/ Donations	\$ 8.5	Athletic indoor practice facility, and music building courtyard renovation
Tuition Revenue Bonds	\$ 5.0	College of Visual Arts and Design building
Auxiliary	\$ 3.7	Clark Hall lobby renovations

Note: All dollars are in millions.

RFS – Revenue Financing System  
 TRB – Tuition Revenue Bond AUX  
 – Auxiliary Reserves

## New Projects for FY2019

Auxiliary	\$ 5.8	<b>Maple dining hall and residence hall interior renovations, dining food stands, Kerr Hall Tower A common area renovations, and Clark Hall MEP renovations</b>
HEAF	\$ 1.4	<b>General Academic classrooms, class laboratory e-locking, art studio facility, and music building recital hall and MEIT renovation</b>
Commercial Paper	\$ 0.7	<b>Apogee stadium turf</b>

# Appendix

# Full-Time Equivalent Employee Data

Classification	FY2017		FY2018		FY2019
	Budget	Actuals*	Budget	Actuals*	Budget
Administrators	64.0	68.8	68.0	58.4	68.0
Faculty	1,682.0	1,397.7	1,703.0	1,324.6	1,411.0
Other Staff	3,634.0	4,104.3	3,627.0	4,352.2	4,380.0
<b>Total</b>	<b>5,380.0</b>	<b>5,570.8</b>	<b>5,398.0</b>	<b>5,735.2</b>	<b>5,859.0</b>

## FTE Trends

FY17 Actuals to FY18 Actuals

State mandated hiring freeze ended; staff positions previously budgeted and vacated in FY17 filled in FY18. Several searches underway in FY2018 to replace vacated administrator positions.

FY18 Actuals to FY19 Budget

Additional staff positions added are attributable to Frisco operations, academic advising, facilities personnel for new building maintenance and custodial work, and personnel moved from UNTS to UNT (Call Center/ITSS). Additional faculty lines include 17 new faculty and increased part-time faculty for Frisco offerings. Several administrator positions have been hired for FY2019 to fill vacancies in FY2018.

\*Source: For FY17 & FY18 – Average of Q1 – Q3 FTE data submitted to State Auditor’s Office.

# Fiscal Year 2019 Operating Budget

Presented by:

Michael Williams, UNTHSC, President

Geoffrey Scarpelli, UNTHSC, Vice President for Finance and Planning

August 9-10, 2018

# Introduction

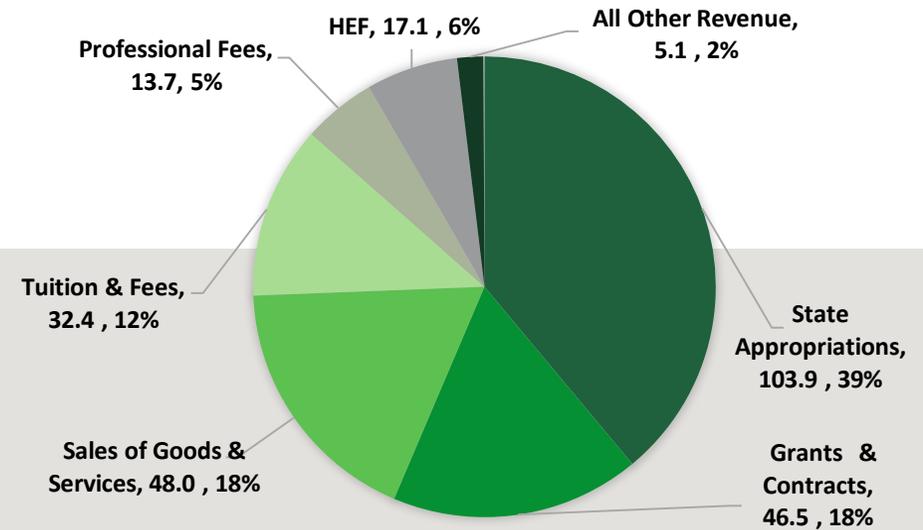
The budget process was based on our vision of ***One University, built on values, defining and producing the providers of the future***. The institution's priorities for FY 2019 demonstrate our commitment to this vision, which include:

- Funding key positions, including chairs and faculty, to maintain the accreditation standards for the growing UNT System College of Pharmacy
- Creating new support positions for the new Interdisciplinary Research and Education Building, home to the College of Pharmacy, the North Texas Eye Research Institute, and the TCU and UNTHSC School of Medicine
- Supporting additions and renovations to the BioSkills Laboratory, housed within the Center for Anatomical Sciences, which are integral to the medical education of UNTHSC students and the continuing education of health care practitioners across Texas
- Creating additional residency positions through partnerships with regional health care systems
- Preparing for the expected 2019 opening of the new School of Medicine
- Launching a research study that could possibly diagnose Alzheimer's Disease via a simple blood test
- Being a Fort Worth leader in entrepreneurship through enhanced commercialization efforts, via funding research projects, developing new startup companies, as well as growing collaborative partnerships with other higher education institutions and private companies

By focusing on the vision, the budget process has allowed the institution to strategically align resources with key initiatives while conserving funds for the future.

# Revenues

FY2018 Budgeted	FY2018 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 245.2	\$ 258.8	\$ 266.8	\$ 8.0	3.3%



## Key Drivers, Trends, & Initiatives

**Key drivers:** Correctional Medicine continues to provide medical services for the federal prison population, while the amount and number of awarded grants have risen

**Trends:** Estimated enrollment is expected to be stable over the next couple of years, research awards have steadily increased, and the 1115 Waiver program has been extended

**Initiatives:** An overall goal of \$22.0M in philanthropy through UNTHSC's foundation, of which \$5.0M is projected for the TCU and UNTHSC School of Medicine

Note: All dollars are in millions.

Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals Amount	FY 2019 to FY 2018 Est Actuals Percent
Net Tuition & Fees	\$ 31.8	\$ 31.2	\$ 32.4	\$ 1.2	3.8%
Sales of Goods & Services	\$ 39.2	\$ 48.2	\$ 48.0	\$ (0.2)	-0.5%
Grants, Contracts, & Prof. Fees	\$ 35.9	\$ 38.0	\$ 46.5	\$ 8.5	22.4%
State Appropriations	\$ 103.6	\$ 103.0	\$ 103.9	\$ 0.9	0.9%
HEF	\$ 17.1	\$ 17.1	\$ 17.1	\$ -	0.0%
Professional Fees	\$ 13.7	\$ 16.0	\$ 13.7	\$ (2.3)	-14.1%

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

# Expenditures & Transfers

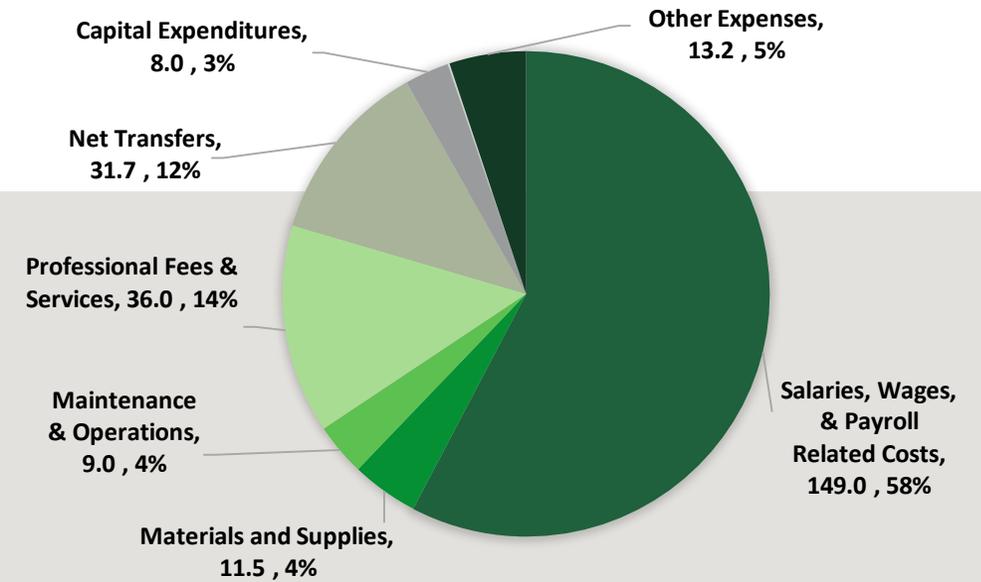
FY2018 Budgeted	FY18 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 238.4	\$ 246.5	\$ 258.3	\$ 11.8	4.8%

## Key Drivers, Trends, & Initiatives

**Key drivers:** Increased costs due to the continuation of providing medical services to the federal prison population, and increases in research activities

**Trends:** Repositioning UNT Health to enhance the training opportunities across all schools, in addition to opening the TCU and UNTHSC School of Medicine in July 2019, will strengthen the educational experience for all students

**Initiatives:** Additional hiring of key faculty members within the UNT System of College of Pharmacy is necessary to meet and maintain accreditation standards, and the creation of new staff positions is needed to support the operations of the soon-to-be-completed Interdisciplinary Research & Education Building



Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals	
				Amount	Percent
Salaries, Wages, and Payroll Related Costs	\$ 147.3	\$ 137.5	\$ 149.0	\$ 11.5	8.4%
Professional Fees & Services	\$ 30.5	\$ 35.5	\$ 36.0	\$ 0.5	1.4%
Materials and Supplies	\$ 9.0	\$ 13.0	\$ 11.5	\$ (1.5)	-11.5%
Net Transfers	\$ (27.8)	\$ (27.6)	\$ (31.7)	\$ (4.1)	14.9%

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

Note: All dollars are in millions.

# Capital Expenditures

## New Projects Include

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\$2.5 – RFS | East Parking Garage Renovation (\$6.0M total projected cost)

RFS – Revenue Financing System  
TRB – Tuition Revenue Bond AUX  
– Auxiliary Reserves

## Previously-approved Projects Include

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\$16.47 – RFS  
\$1.23 – Gift | Interdisciplinary Research and Education Building (\$118.5M total projected cost)

Note: All dollars are in millions.

# Reserves

FY2017 Ending Reserves	FY2018 Est Ending Reserves	FY2019 Est Ending Reserves	Change \$ - FY2018 v. FY2019	Change % - FY2018 v. FY2019
\$ 107.70	\$ 114.50	\$ 123.00	\$ 8.5	7.4%

## Estimated Budget Impact on Fund Balance

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\$2.7	Education and General – addition to Reserves
\$5.1	Designated Operating – addition to Reserves
\$0.7	Auxiliary & Restricted – addition to Reserves

Note: All dollars are in millions.

# Appendix

# Full-Time Equivalent Employee Data

Classification	FY2017		FY2018		FY2019
	Budget	Actuals*	Budget	Actuals*	Budget
Administrators	27.7	26.2	26.6	27.3	29.0
Faculty	454.5	311.8	308.0	293.0	329.0
Other Staff	1,017.2	1,000.8	974.4	965.0	1,034.0
<b>Total</b>	<b>1,499.4</b>	<b>1,338.8</b>	<b>1,309.0</b>	<b>1,285.3</b>	<b>1,392.0</b>

## FTE Trends

FY17 to FY18

FY18 FTE actuals is lower than FY17 FTE actuals due to the continued evolution of UNT Health, coupled with a significant shift in the measured activities within the 1115 Waiver program, which necessitated a reduction to staffing

FY18 to FY19

FY19 FTE budget is higher than FY18 FTE actuals due to accreditation staffing requirements, increased operational needs, and the return of selected shared service functions back to HSC

\*Source: For FY17 & FY18 – Average of Q1 – Q3 FTE data submitted to State Auditor’s Office.

# Fiscal Year 2019 Operating Budget

Presented by:

Bob Mong, UNTD, President

Jim Main, UNTD, Executive Vice President of Administration and CFO

August 9-10, 2018

# Introduction from the President

- University Budget Advisory Committee (UBAC) deliberations began in March and concluded in June.
- 12% growth in SCH projected for FY19.
- Ramping up services paid for by the student fees passed.
- UNTD grants on track to be managed completely in house by 9/1/18.
- Student Learning and Success Center is on target; \$13m to be spent in FY19.
- Gift Income projecting more than \$2m above last year.
- Closed deficit by:
  - Reviewing and revising Tuition and Fee estimates to better reflect new tuition rates and FOCUS cohorts.
  - Eliminating some positions from FY19 budget and delaying others.
  - 5% across-the-board reduction in departmental discretionary M&O budgets.

# Revenues

*FY2018 Budgeted	FY2018 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 58.4	\$ 60.3	\$ 71.1	\$ 10.8	17.9%

## Key Drivers, Trends, & Initiatives

**State appropriations** – State appropriations and benefit allocations remain flat to FY18.

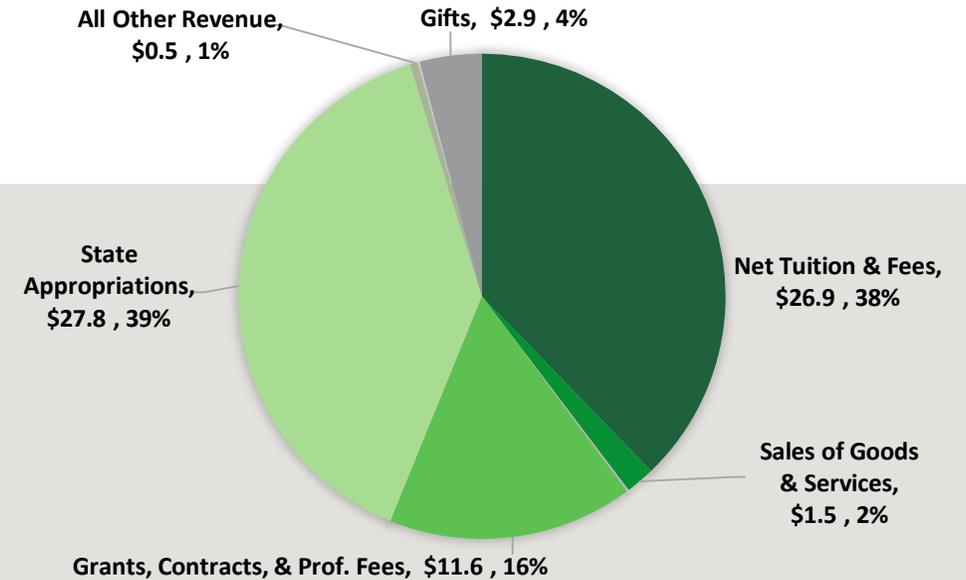
**Net Tuition & Fees** – Budgeted 12% grown in SCH and increases to both FOCUS and traditional tuition plans (\$5.1m est. increase). Also, new fees for FY19 generate additional revenue (est. \$2m) for specifically allocated activities. COL budgeting 1.3% decrease in SCH due to students not retained but increase in revenue due to a nominal tuition increase (est. increase of \$400k).

**Grants & Contracts** – Increased revenue in both PELL and TEXAS grants due to enrollment growth and eligibility. New awards estimated at \$400k. Continuing projects including two Upward Bound (TRIO) programs estimated at \$1.5m.

**Gifts** – Growth in philanthropy results in \$400k more gifts budgeted for FY19 for scholarships & operating activity; Expected \$2m gift for SLSC Tower will be transferred to plant funds awaiting future funding for the project.

Note: All dollars are in millions.

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.



Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals	
				Amount	Percent
Net Tuition & Fees	\$ 19.4	\$ 20.5	\$ 26.9	\$ 6.36	31.0%
Grants, Contracts, & Prof. Fees	\$ 9.7	\$ 9.7	\$ 11.6	\$ 1.92	19.8%
State Appropriations	\$ 27.8	\$ 27.8	\$ 27.8	\$ (0.06)	-0.2%
Gifts	\$ 0.5	\$ 0.8	\$ 2.9	\$ 2.10	254.8%

# Expenses & Transfers

FY2018 Budgeted	FY2018 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 61.4	\$ 61.2	\$ 71.5	\$ 10.3	16.8%

## Key Drivers, Trends, & Initiatives

**Salaries, Wages, & Payroll Related** – enrollment growth and additional program offerings drives the need for additional FT & adjunct faculty and student support lines supported by implemented fees. University added staff lines in Police Dept. and custodians to accommodate the opening of the SLSC. All other additional staff lines are being funded from Grant awards. Vacancies are being managed closely, including delays and eliminations, to capture efficiency and salary and benefit savings.

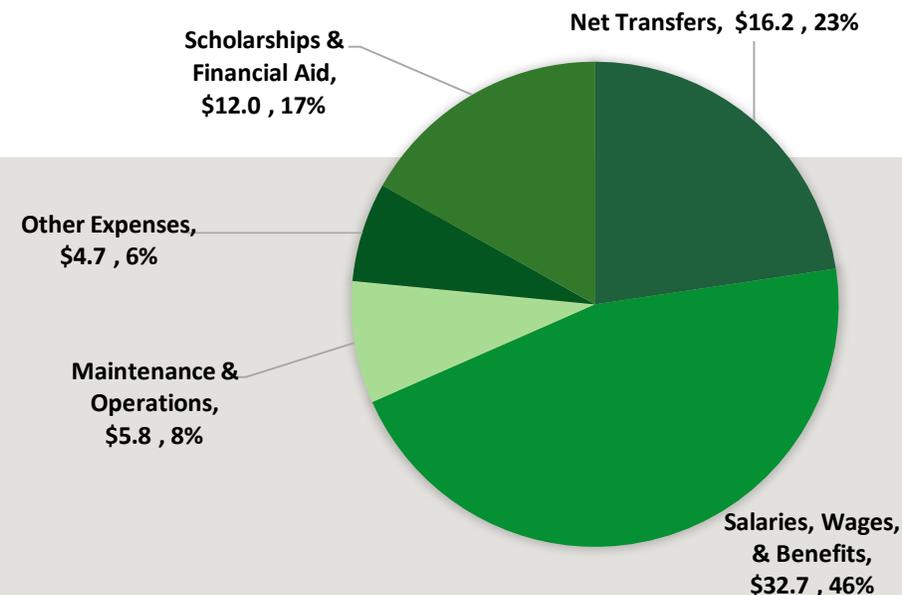
**Scholarships & Financial Aid** - increased PELL and TEXAS grant awards and internal scholarship offerings.

**Transfers** – increase is related to transfer to Non-current Funds for SLSC Tower gift.

**Maintenance & Operating** – across-the-board 5% reduction to departmental operating to capture savings. Re-allocation of M&O between individual lines to better align with where transactions will fall during the year. Increases in M&O expenses due to new fee and grant related activity.

Note: All dollars are in millions.

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.



Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals	
				Amount	Percent
Salaries, Wages, and Benefits	\$ 29.8	\$ 29.5	\$ 32.7	\$ 3.2	10.8%
Maintenance & Operations	\$ 5.0	\$ 4.9	\$ 6.1	\$ 1.2	25.5%
Scholarships & Financial Aid	\$ 0.8	\$ 0.9	\$ 0.2	\$ (0.7)	-76.9%
Net Transfers	\$ (14.1)	\$ (12.6)	\$ (16.2)	\$ (3.5)	27.9%

# Reserves

FY2017 AFR Ending Reserves	FY2018 Proj Ending Reserves	FY2019 Est Ending Reserves	Change \$ - FY2018 v. FY2019	Change % - FY2018 v. FY2019
\$ 16.50	\$ 15.00	\$ 14.50	\$ (0.5)	-3.3%

Note: All dollars in tables are in millions.

## Estimated Budget Impact on Fund Balance

\$45k	Designated – Use of student service fee reserves accumulated during FY18.
\$38K	Designated – Use of undergraduate advising fee reserve accumulated during FY18.
\$264k	Designated – Use of reserves for operations for Main Campus and College of Law to prepare and maintain standards for accreditation.

Note: All dollars are in millions.

# Capital Expenditures

## Previously-approved Projects Include

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\$13.6M– TRB

Student Learning and Success Center

RFS – Revenue Financing System  
TRB – Tuition Revenue Bond AUX  
– Auxiliary Reserves

Note: All dollars are in millions.

# Appendix

# Full-Time Equivalent Employee Data

Classification	FY2016		FY2017		FY2018	FY2019
	Budget	Actuals*	Budget	Actuals*	Budgeted	Budgeted
Administrators	26.0	21.3	24.0	23.8	25.0	25.0
Faculty	126.0	113.3	140.0	142.3	153.0	160.0
Other Staff	126.0	135.1	173.0	151.9	212.0	218.0
<b>Total</b>	<b>278.0</b>	<b>269.7</b>	<b>337.0</b>	<b>318.0</b>	<b>390.0</b>	<b>403.0</b>

## FTE Trends

FY18 to FY19

Six positions added for faculty as part of UBAC deliberations. Seven new staff positions added a result of student fees collected in student service areas.

FY17 to FY18

Added one Administrator line in the Office of Student Access & Success. Added two new full time faculty lines and increased funding for adjunct faculty. Other Staff increase is driven by a larger federal work study program, new student service positions, and new lines that are grant and/or private foundation funded. Nine new positions were added in Information Technology as a transfer from UNTS.

\*Source: For FY16 & FY17 – Average of Q1 – Q3 FTE data submitted to State Auditor’s Office.

# UNT System Administration Fiscal Year 2019 Operating Budget

Presented by:

Gary Rahlfs, UNTS, Vice Chancellor for Finance

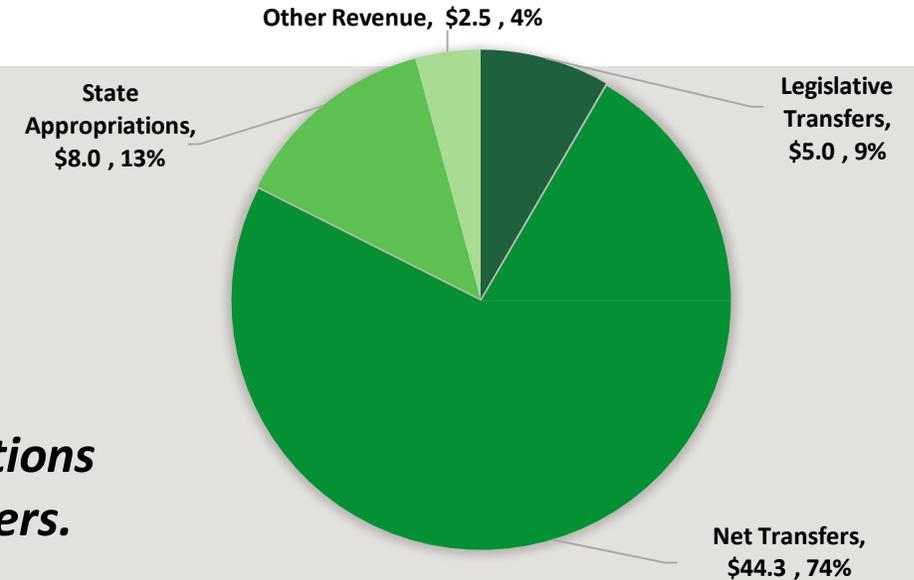
August 9-10, 2018

# Introduction

- The FY2019 budget is a measured request, built in conjunction with the on-going System-wide administrative cost reviews, and in collaboration with member institution leadership.
- This process resulted in a budget that sets forth a structure for continuous improvement that will bring further opportunities including:
  - Cost savings
  - Operational efficiencies
  - Innovation
  - Quality evaluation/Customer satisfaction
  - Collaboration/Communication

# Revenues and Transfers

FY2018 Budgeted	FY2018 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 63.9	\$ 62.9	\$ 59.8	\$ 3.2	5.1%



## Key Drivers, Trends, & Initiatives

*Overall, System Administration revenues decreased due to reductions of costs allocated to members, and transfers of services to members.*

### State Appropriations:

Net change of \$3.9M due to categorization of Tuition Revenue Bond reimbursements, and reduction in state benefits appropriations due to different funding mix of transfers from members.

### Legislative Transfers:

Variance of \$6.5M due to categorization of Tuition Revenue Bond reimbursements, and changes in funding mix of transfers from members.

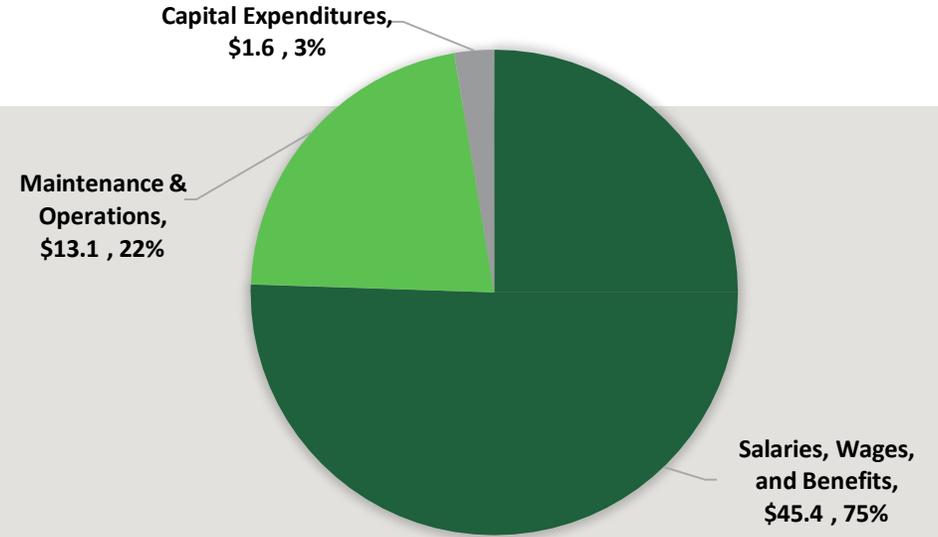
Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals	
				Amount	Percent
Legislative Transfers	\$ 11.6	\$ 71.2	\$ 5.0	\$ (2.1)	4.1%
State Appropriations	\$ 120.7	\$ 123.5	\$ 128.9	\$ 5.4	4.4%

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

Note: All dollars are in millions.

# Expenses

FY2018 Budgeted	FY2018 Est Actuals	FY2019 Budgeted	*Change \$	*Change %
\$ 63.2	\$ 61.8	\$ 60.1	\$ (1.7)	-2.8%



## Key Drivers, Trends, & Initiatives

*Overall, System Administration expenses decreased due to reductions of costs and transfers of services to members.*

### Salaries, Wages, & Payroll Related

Decrease attributable to

- System Administration reorganization and realignment
- Transfers of services back to members

Note: All dollars are in millions.

Highlighted Categories	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	FY 2019 to FY 2018 Est Actuals	
				Amount	Percent
Salaries, Wages, and Benefits	\$ 47.8	\$ 46.0	\$ 45.4	\$ (0.62)	-1.4%
Maintenance & Operations	\$ 12.8	\$ 13.3	\$ 13.1	\$ (0.16)	-1.2%
Capital Expenditures	\$ 2.6	\$ 2.6	\$ 1.6	\$ (1.00)	-38.6%

\* Change \$ & Change % calculated using FY2018 Est. Actuals vs FY2019 budgeted.

# Reconciliation of Savings to Budget

<b>Total Reductions in System Administration Budget</b>		<b>\$ 5.4</b>
FY2018 Partial Year Capture of Reductions		\$ (1.3)
Items Not Included in Current Funds Budget		\$ (2.4)
FY2019 Budget v FY2018 Est Actuals (Slide 4)		\$ 1.7

# Capital Expenditures

## Previously-approved Projects Include

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\$56M – TRB

Renovation of the Municipal Building supporting the UNT College of Law

- FY17 amount: \$12.54M
- FY18 amount: \$25.2M
- FY19 amount: \$18.26M

RFS – Revenue Financing System

TRB – Tuition Revenue Bond

AUX – Auxiliary Reserves

Note: All dollars in tables are in millions.

# Reserves

<b>FY2017 AFR Ending Reserves</b>	<b>FY2018 Proj Ending Reserves</b>	<b>FY2019 Est Ending Reserves</b>	<b>Change \$ - FY2018 v. FY2019</b>	<b>Change % - FY2018 v. FY2019</b>
<b>\$ 10.10</b>	<b>\$ 11.24</b>	<b>\$ 10.94</b>	<b>\$ (0.3)</b>	<b>-2.7%</b>

## Estimated Budget Impact on Fund Balance

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**\$(300K) | Aux – Potential use of reserves for Lofts Deficit**

Note: All dollars in tables are in millions.

# Appendix

# Full-Time Equivalent Employee Data

Classification	FY2016		FY2017		FY2018	FY2019
	Budget	Actuals*	Budget	Actuals*	Budgeted	Budgeted
Administrators	16.0	18.4	17.0	17.7	18.0	18.0
Faculty	-	-	-	-	-	-
Other Staff	513.0	495.7	542.3	524.8	530.3	466.0
<b>Total</b>	<b>529.0</b>	<b>514.1</b>	<b>559.3</b>	<b>542.5</b>	<b>548.3</b>	<b>484.0</b>

## FTE Trends

- FY17 to FY18: FY18 FTE reduction vs FY17 reflects the scaling back of positions after FY17 ramp up for the Financial Transformation.
- FY18 to FY19: FY19 FTE reduction vs FY18 reflects System Administration reorganization that both eliminated positions and moved positions back to the campuses.

\*Source: For FY16 & FY17 – Average of Q1 – Q3 FTE data submitted to State Auditor’s Office.



**Title:** Approval of the FY19 UNT System Consolidated Budget

**Background:**

The Office of the Vice Chancellor for Finance presents to the Board of Regents the FY2019 Consolidated 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 Budget is a combination of Current Funds for Board approval and estimates of Non-current Funds to provide the expected impact of the budget on the financial health of the institution. This All Funds approach is taken to meet the expectations of the Board of Regents for greater public transparency, accountability, and integrated financial operations at the UNT System.

The proposed Consolidated UNT System Budget is composed of current funds revenue of \$1,091.2M, current funds Expenses of \$970.0M, and total current funds net transfers of (\$107.6M). This budget results in a net impact to current fund balances of \$13.5M.

**Financial Analysis/History:**

The UNT System Consolidated 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.

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=University of North Texas, ou=Finance and Administration, email=Bob.Brown@unt.edu, c=US  
Date: 2018.08.01 12:04:37 -05'00'  
UNT Chief Financial Officer

**Gregory R. Anderson**  
Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health Science Center, ou=Office of Finance and Operations, email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.08.01 11:13:09 -05'00'  
UNTHSC Chief Financial Officer

**James E. Main**  
Digitally signed by James E. Main  
Date: 2018.08.01 11:53:47 -05'00'  
UNTD Chief Financial Officer

---

**Legal Review:**

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:22:53 -05'00'

---

Vice Chancellor/General Counsel

---

**Schedule:**

Once approved by the Board of Regents, this budget will be implemented for FY 2019 beginning September 1, 2018.

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**Recommendation:**

It is recommended that the Board approve the FY2019 Consolidated Current Fund Budget for UNT, UNTHSC, UNTD and System Administration.

**Recommended By:**

Gary Rahlfs

---

Vice Chancellor for Finance

Lesa B. Roe

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of  
the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 15:56:19 -05'00'

---

Chancellor

**Attachments Filed Electronically:**

- UNT System FY2019 Consolidated Operating Budget - *Note: Located in Appendix B materials*



## Board Order

**Title:** Approval of the Fy19 UNT System Consolidated Budget

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, 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 2019 FY, and

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

### Current Funds Revenue by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ 253,664,693	\$ 305,595,159	\$ 91,748,944	\$ 91,811,505	\$ 742,820,301
UNT Health Science Center	\$ 132,841,004	\$ 87,928,203	\$ 631,145	\$ 45,374,862	\$ 266,775,214
UNT Dallas	\$ 36,956,990	\$ 20,969,676	\$ 1,482,240	\$ 11,672,531	\$ 71,081,437
UNT System Administration	\$ 7,969,916	\$ 316,818	\$ 2,200,000	\$ -	\$ 10,486,734
					<b>\$ 1,091,163,686</b>

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

### Current Funds Expense by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ 220,069,509	\$ 247,751,494	\$ 68,428,109	\$ 91,811,505	\$ 628,060,617
UNT Health Science Center	\$ 106,803,550	\$ 80,334,949	\$ 361,386	\$ 39,160,115	\$ 226,660,000
UNT Dallas	\$ 29,028,782	\$ 15,678,088	\$ 893,028	\$ 9,672,531	\$ 55,272,429
UNT System Administration	\$ 8,609,112	\$ 49,830,233	\$ 1,624,314	\$ -	\$ 60,063,659
					<b>\$ 970,056,705</b>

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	\$ (33,595,184)	\$ (55,245,132)	\$ (20,181,800)	\$ -	\$ (109,022,116)
UNT Health Science Center	\$ (23,327,485)	\$ (2,507,369)	\$ -	\$ (5,821,938)	\$ (31,656,792)
UNT Dallas	\$ (7,928,208)	\$ (5,664,574)	\$ (589,213)	\$ (2,000,000)	\$ (16,181,995)
UNT System Administration	\$ 639,197	\$ 49,513,415	\$ (878,923)	\$ -	\$ 49,273,689
					<b>\$ (107,587,214)</b>

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

1. The FY 2019 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:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

# UNT System FY2019 Capital Improvement Plan

UNT System Board of Regents

*Presented by:*

**Cassandra Nash, Interim Vice Chancellor for Facilities  
Planning and Construction**

**August 9-10, 2018**

# UNT System FY2019 Capital Improvement Plan

- Each August, the Board acts on the UNT System Capital Improvement Plan, authorizing new projects for the upcoming fiscal year.

# UNT System FY2019 Capital Improvement Plan

*The FY2019 CIP will add 8 new projects totaling \$37.05M*

- University of North Texas
  - Maple Hall Dining & Residence Hall Interior Renovation
  - Dining Food Stands
  - General Academic Classroom & Class Laboratory E-Locking
  - Kerr Hall A Tower Common Area Renovation
  - Art Studio Facility
  - Apogee Stadium Turf
  - Music Building Recital Hall and MEIT Renovation
  - Clark Hall MEP Renovation

# UNT System FY2019 Capital Improvement Plan

## *Previously approved projects*

- FY2019 CIP includes 36 previously approved projects with a total approved budget of \$621.41M

# UNT System FY2019 Capital Improvement Plan

	# of Projects	Total Project Budgets (millions)	Prior Year Budgets (millions)	Planned FY2019 Expenditures (millions)
Previously Approved	36	\$ 621.41	\$ 407.67	\$ 156.15
<b>FY2019</b>	<b>8</b>	<b>\$ 37.05</b>	<b>\$ -</b>	<b>\$ 7.84</b>
<b>Total</b>	<b>44</b>	<b>\$ 658.46</b>	<b>\$ 407.67</b>	<b>\$ 163.99</b>

- For the previously approved projects, approximately \$407.67M has been budgeted to date
- \$163.99M is planned for FY2019 expenditures
- Plan includes amendments to 5 previously approved projects for expanded scope and budget

# UNT System FY2019 Capital Improvement Plan

<b>Funding Source</b>	<b>UNT</b>	<b>UNTD</b>	<b>UNTHSC</b>	<b>UNTS</b>	<b>TOTAL (in millions)</b>
Revenue Financing System Bonds	\$ 0.73	\$ -	\$ -	\$ -	\$ 0.73
Other Funds (HEAF, Local, etc.)	\$ 36.32	\$ -	\$ -	\$ -	\$ 36.32
Tuition Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 37.05</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37.05</b>

- Project cash flow needs are closely coordinated with the Vice Chancellor of Finance and Campus Finance Officers

# Scope and Budget Modifications and Project Status Reporting

- Under Regents Rules, the Chancellor has authority to approve limited scope and budget changes to approved projects.
  - The limits for these adjustments is plus or minus 5% with appropriate confirmation of funds.
  - The excess amount is reported in an amendment to the Capital Improvement Plan at the next regularly scheduled Board Meeting.
- Changes in scope or budget greater than 5% of approved amounts require amendment of CIP and Board approval.
- Quarterly progress reporting will continue to be provided to the Board.

# UNT System FY2019 Capital Improvement Plan

UNT System Board of Regents

*Presented by:*

**Cassandra Nash, Interim Vice Chancellor for Facilities  
Planning and Construction**

**August 9-10, 2018**



### Title: Approval of UNTS FY19 Capital Improvement Plan and Amending the FY18 Capital Improvement Plan

---

#### Background:

Institutions of the University of North Texas System have each prepared a five-year capital improvement plan as part of their overall planning process. These plans have been compiled in the UNTS FY2019 Capital Improvement Plan (CIP) which is presented for the Board's action.

The CIP includes eight newly proposed projects to commence in FY2019 totalling \$37.05 million; planned FY2019 expenditures for these projects total \$7.84 million. The CIP includes a system-wide summary for these projects as well as separate summaries for each institution. In addition, for the FY2019 listed projects, the plan includes individual data sheets incorporating all pertinent data on project scope along with a project description and justification of project need; project budget; preliminary schedule; and identified funding sources.

The CIP also includes \$621.41 million of previously approved projects that are currently in the design and construction phase; planned FY2019 expenditures for these projects total \$156.15 million. This includes the following five amendments to the projects in the prior year (FY2018) CIP that requires new project approval:

- Project 16-2.82. Increase the Track and Field Stadium by \$100,000 to accommodate unforeseen soil conditions that had resulted in the necessity of soil stabilization below the track surface
- Project 17-01-0004. Increase the project budget for USB MEP Renovation by \$2.00 million to accommodate additional scope of necessary interior renovations to provide for the correction of additional mechanical issues identified in a recent study
- Project 17-01-0007. Life Science Building 4<sup>th</sup> Floor Laboratories Renovation has been removed from the CIP
- Project 17-01-0011. Hickory Hall Renovation has been removed from the CIP
- Project 17-03-0002. Medical Clinic has been removed from the CIP

In addition, the plan outlines \$249.35 million in projects planned through FY2023, and allocates \$17.50 million for future property purchases.

The Board approval of the CIP will provide authority to expend funds up to the total project cost for each project as specified. With approval of the Chancellor, additional funds may be expended in an amount up to 5% in excess of the total project cost, but the increased amount must be reported in an amendment to the CIP. Any larger changes would require action of the Board. Quarterly progress reporting to the Board will be provided by the Vice Chancellor for Facilities Planning and Construction.

---

**Financial Analysis/History:**

Funds for all the listed FY2019 projects have been allocated by the institutions and confirmed by signature on the plan document by the respective Presidents and CFOs. Funding plans have been reviewed by the Vice Chancellor for Finance.

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance &  
Administration, ou=University of North Texas,  
email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 16:01:18 -05'00'

---

UNT Chief Financial Officer

**Gregory R. Anderson**  
Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health  
Science Center, ou=Office of Finance and  
Operations,  
email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:30:21 -05'00'

---

UNTHSC Chief Financial Officer

**James E. Main**  
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DN: cn=James E. Main, o=UNT Dallas,  
ou=Finance & Administration,  
email=James.Main@untDallas.edu, c=US  
Date: 2018.07.31 11:41:59 -05'00'

---

UNTD Chief Financial Officer

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 15:11:53 -05'00'

---

Vice Chancellor for Finance

---

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:23:54 -05'00'

---

Vice Chancellor/General Counsel

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**Schedule:**

The planning, design, and/or construction of these projects are anticipated to begin in Fiscal Year 2019. A schedule specific to each project is detailed in the attached plan document.

---

**Recommendation:**

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

**Recommended By:**

James K. Davis  

---

Associate Vice Chancellor for  
Facilities Planning and Development

Cassandra  
Nash

Digitally signed by Cassandra Nash  
DN: cn=Cassandra Nash, o=UNT  
System, ou=OFPC,  
email=cassandra.nash@untsystem.  
edu, c=US  
Date: 2018.08.01 09:04:17 -05'00'

---

Interim Vice Chancellor

Lesia B. Roe

Digitally signed by Lesia B. Roe  
DN: cn=Lesia B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 15:58:53 -05'00'

---

Chancellor

Attachments Filed Electronically:

- UNTS FY2019 Capital Improvement Plan - *Note: Located in Appendix B materials*



## Board Order

---

**Title:** Approval of UNTS FY19 Capital Improvement Plan and Amending the FY18 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 9-10, 2018, 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 prior year (FY2018) Capital Improvement Plan has been updated to reflect adjusted project scopes and budgets below,

- Project 16-2.82. Increase the Track and Field Stadium by \$100,000 to accommodate unforeseen soil conditions that had resulted in the necessity of soil stabilization below the track surface
- Project 17-01-0004. Increase the project budget for USB MEP Renovation by \$2.00 million to accommodate additional scope of necessary interior renovations to provide for the correction of additional mechanical issues identified in a recent study
- Project 17-01-0007. Life Science Building 4<sup>th</sup> Floor Laboratories Renovation has been removed from the CIP
- Project 17-01-0011. Hickory Hall Renovation has been removed from the CIP
- Project 17-03-0002. Medical Clinic has been removed from the CIP, and

**Whereas**, the institutions' Capital Projects Plans have been aggregated in the UNTS FY2019 Capital Improvement Plan (UNTS CIP), and

**Whereas**, the UNTS CIP identifies project scope, justification, budget, funding, and schedule for all new projects to commence in Fiscal Year 2019, and

**Whereas**, funds for Fiscal Year 2019 projects have been identified for expenditure in FY2019 budgets and for the completion of those projects which extend into later fiscal years, and

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

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

1. Amend the UNTS FY2018 Capital Improvement Plan as indicated above.
  2. The UNTS FY2019 Capital Improvement Plan as presented.
  3. Vice Chancellor for Facilities Planning and Construction to present quarterly updates on progress of projects in the CIP with data provided by the institutions as needed.
  4. Reporting to the Texas Higher Education Coordinating Board as appropriate.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



# Consolidated Financial Ratios and Debt Measures

Presented by:

James Mauldin, UNTS, Associate Vice Chancellor for Treasury

August 9, 2018

# Notable debt changes and CIP adjustments

- November 2017
  - Added UNT Indoor Practice Facility to CIP
    - \$7.5M gifts & \$11.4M debt-funded
- February 2018
  - Multiple project budgets modified in CIP
    - Removed \$44M debt-funded project
- May 2018
  - Frisco campus approved at \$100M
  - Debt authorization increased due to market changes
- August 2018
  - FY19 CIP contains less than \$1M of new debt-funded projects

# Series 2018A&B Update

Funding 15 projects previously approved by Board of Regents

Issuing approximately \$165M bonds on Aug. 15th

- Removing interest rate risk by funding upcoming two years' projects
- Accelerated issuance considering flat yield curve
- Bond ratings on transaction

# Drivers of changes to key financial metrics

- November 2017
  - Two fees changed and differential tuition approved
- February 2018
  - Multiple tuition and fees changed
- May 2018
  - Frisco campus approved
- July 2018
  - Updates obtained from members on enrollment & budget projections

# Financial ratio impacts - RFS debt only

## FY18 CIP compared to FY19 CIP

<i>FY 2018 CIP</i>	<i>Actuals</i>				<i>Forecast</i>			<i>Aa2 Median</i>
	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>	<i>FY21</i>	
Spendable Cash & Investments to RFS Debt	1.08	1.1	1.38	1.05	0.96	1.04	1.1	1.16
RFS Debt Service to Adjusted Operating Expenses	2.64%	3.25%	3.91%	3.88%	3.96%	4.37%	5.00%	4.20%
RFS Debt Service Coverage Ratio	3.63	2.97	3.42	2.88	2.41	2.07	1.62	3.12
Spendable Cash & Investments to Operating Expenses	0.49	0.49	0.67	0.6	0.63	0.67	0.67	0.68

<i>FY 2019 CIP</i>	<i>Actuals</i>				<i>Forecast</i>				<i>Aa2 Median</i>
	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>	<i>FY21</i>	<i>FY22</i>	
Spendable Cash & Investments to RFS Debt	1.08	1.1	1.63	0.84	0.89	1.14	1.28	1.37	1.16
RFS Debt Service to Adjusted Operating Expenses	2.64%	3.25%	3.69%	3.66%	4.90%	4.79%	4.66%	4.58%	4.20%
RFS Debt Service Coverage Ratio	3.63	2.97	3.20	2.21	1.88	1.79	1.72	1.71	3.12
Spendable Cash & Investments to Operating Expenses	0.49	0.49	0.67	0.53	0.58	0.62	0.67	0.71	0.68

# Financial ratio impacts - total debt

## FY18 CIP compared to FY19 CIP

<i>FY 2018 CIP</i>	<i>Actuals</i>				<i>Forecast</i>			<i>Aa2 Median</i>
	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>	<i>FY21</i>	
Spendable Cash & Investments to Total Debt	0.82	0.84	0.79	0.67	0.67	0.74	0.80	1.16
Total Debt Service to Adjusted Operating Expenses	4.78%	5.60%	6.28%	7.73%	7.63%	7.60%	8.08%	4.20%
Total Debt Service Coverage Ratio	2.78	2.48	2.45	1.85	1.65	1.54	1.31	3.12
Spendable Cash & Investments to Operating Expenses	0.49	0.49	0.67	0.60	0.63	0.67	0.67	0.68

<i>FY 2019 CIP</i>	<i>Actuals</i>				<i>Forecast</i>				<i>Aa2 Median</i>
	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>	<i>FY21</i>	<i>FY22</i>	
Spendable Cash & Investments to Total Debt	0.82	0.84	0.70	0.65	0.63	0.69	0.82	0.92	1.16
Total Debt Service to Adjusted Operating Expenses	4.78%	5.60%	5.70%	7.34%	8.43%	7.94%	7.72%	7.55%	4.20%
Total Debt Service Coverage Ratio	2.78	2.48	2.60	1.60	1.51	1.47	1.44	1.43	3.12
Spendable Cash & Investments to Operating Expenses	0.49	0.49	0.60	0.53	0.58	0.62	0.67	0.71	0.68

# Investment Management Update



Presented by:

Gary Rahlfs, UNTS, Vice Chancellor for Finance

August 9, 2018

# History of LTP Management

- 2012 Long-Term Pool (LTP) management awarded to UNT Foundation
- 2016 Ernst & Young hired to assess Investment approach
- 2017 Ernst & Young recommends asset allocation change for LTP and creation of Intermediate-Investment Pool (IIP)
- 2018 RFP published for OCIO Services related to LTP & IIP
  - Decision based on multiple criteria, including:
    - Corporate structure and background
    - Client services philosophy and team
    - Fees
    - Services and processes
    - References

**DiMeo Schneider & Associates selected from among 27 proposals**

# Investment Overview

UNTS Consolidated Investment Portfolio (as of 2/28/18, millions)

<b>Consolidated Investments</b>	<u>Market Value</u>	<u>Manager</u>
Short-term Pool	\$ 146	Treasury
Intermediate Investment Pool	\$ 79	Treasury -> DSA
Long-term Pool	\$ 156	UNTF -> DSA
<b>Restricted Investments</b>		
Debt Proceeds	\$ 180	Treasury
UNT Endowment	\$ 53	UNTF (LCG)
UNTD Endowment	\$ 1	UNTF (LCG)
HSC Endowment	\$ 5	HSCF (JPM)
HSC TEF Fund	\$ 29	HSCF (JPM)
HSC Malpractice Fund	\$ 11	HSCF (JPM)
Total UNTS Investments	\$ 660	

<b>Foundations</b>	<u>Market Value</u>	<u>Manager</u>
UNT Foundation	\$ 132	UNTF (LCG)
HSC Foundation	\$ 19	HSCF (JPM)
Total (not UNTS assets)	\$ 151	

# Transition Update

## June

- RFP awarded to DiMeo Schneider & Associates (DSA)
- Introductory talks between DSA and UNT Foundation (UNTF)

## July

- Custodial account set-up with Schwab
- Asset allocation & investment policy discussion (on-going)

## August

- Final preparations for transition of assets

## September

- Transfer of available assets to DSA
- Illiquid assets redeem and transfer through at least 2019

# Next Steps

- Complete IIP/LTP transition
- Review and revise Investment Policy Statement
  - November BOR
- Re-allocate investments to optimize portfolio (within & across investment pools (TBD))
- Update Investment Advisory Committee (TBD)

# Investment Advisory Update

Presented by: Gary Rahlfs, Vice Chancellor for Finance

Date: August 9, 2018

*Helping Clients Prosper.*



DiMEO SCHNEIDER  
& ASSOCIATES, L.L.C.

UNT | SYSTEM™

AUGUST 2018

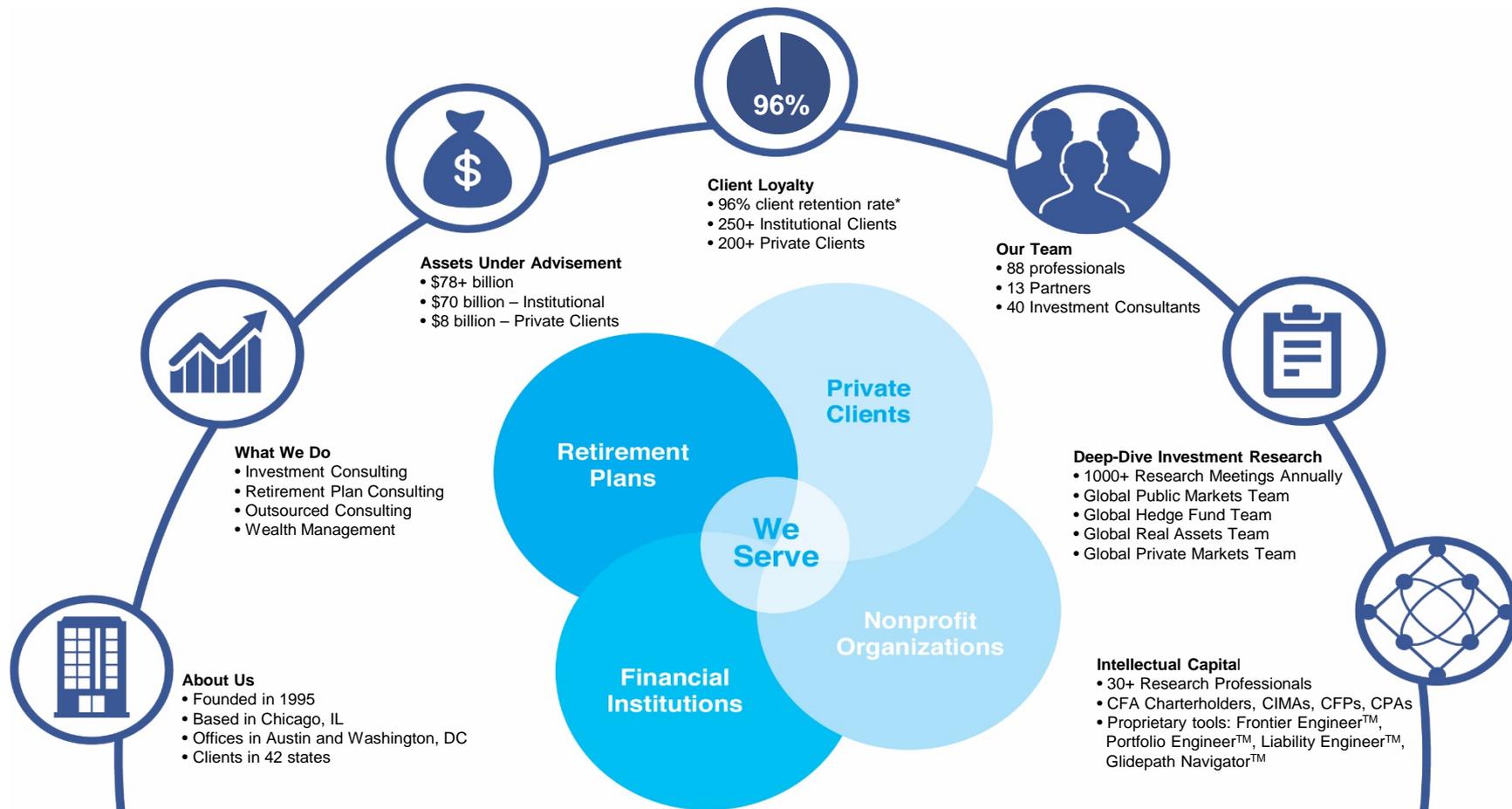
## Exceeding Your Expectations

*This report is intended for the exclusive use of clients or prospective clients of DiMeo Schneider & Associates, L.L.C. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent median expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance.*

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# STRUCTURED FOR YOUR SUCCESS



Firm information as of 12/31/17

\*Since 2012 including: mergers, acquisitions, bankruptcies, plan terminations, etc.

# WE DELIVER MORE

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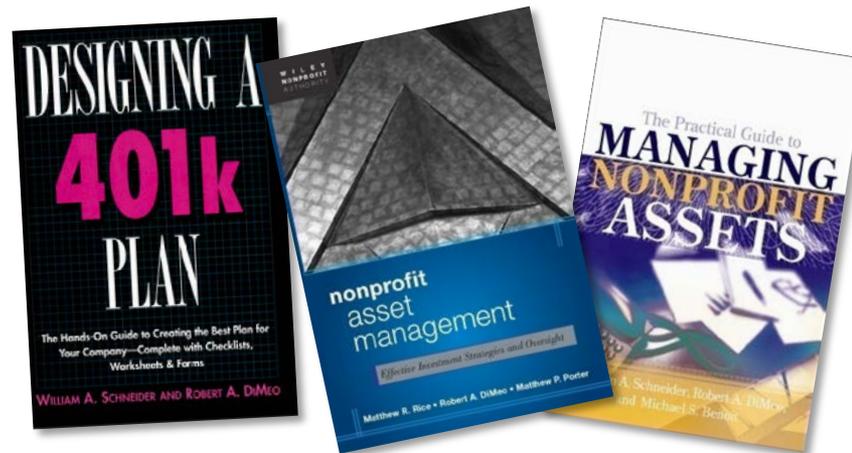
# RECOGNIZED FOR OUR EXPERTISE



TOP 20 RIA FINANCIAL ADVISOR  
– *Financial Advisor Magazine\**



WORLDWIDE CONSULTANTS  
– *Pensions & Investments Special Report\*\**



\*RIA Survey & Ranking 2017 based on year-end 2016 total assets

\*\*Top 40 Consultants ranked by worldwide, institutional tax-exempt advisory assets under advisement as of June 2017

*Helping Clients Prosper.*



DIMEO SCHNEIDER  
& ASSOCIATES, L.L.C.

CIOUTSOURCE™  
CHIEF INVESTMENT OUTSOURCING  
SOLUTION

# CIOUTSOURCE™ STRUCTURE



Investment Committee



Investment  
Managers



Custodian or  
Recordkeeper



Other Vendors

# BENEFITS OF CIOUTSOURCE™



- We assume investment related paperwork
- Alternative investment documentation support
- Staff commitment alleviated to address other responsibilities



- Timely Decisions
- Adherence to Policy
- Improved Risk Controls
- Robust performance reporting



- Manager search and selection process
- Committee eliminates burden of “second guessing” decisions
- Thoughtful and systematic rebalancing



- Let Committee focus on oversight versus implementation
- Eliminates need for Committee to be investment experts
- Reduced burden on Committee and Staff



# WHY DIMEO SCHNEIDER & ASSOCIATES, L.L.C.?



## DEDICATED SENIOR PROFESSIONALS

- Firm Principal and Senior Consultant commitment
- Experienced operations staff
- Deep research resources



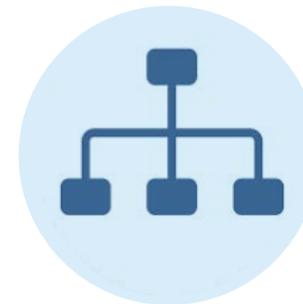
## ALIGNED INTERESTS

- No proprietary funds or trading
- Every decision made in your best interest
- Open platform for traditional and alternative investments



## COMPLETELY CUSTOMIZED SOLUTION

- Asset allocation designed around your unique objectives
- Manager and fund selection specific to each client
- Socially responsible investing screens tailored to your criteria



## OUR STRUCTURE WORKS

- Size, scale and experience
- Simplified board-level reporting
- Measurable results

*Helping Clients Prosper.*



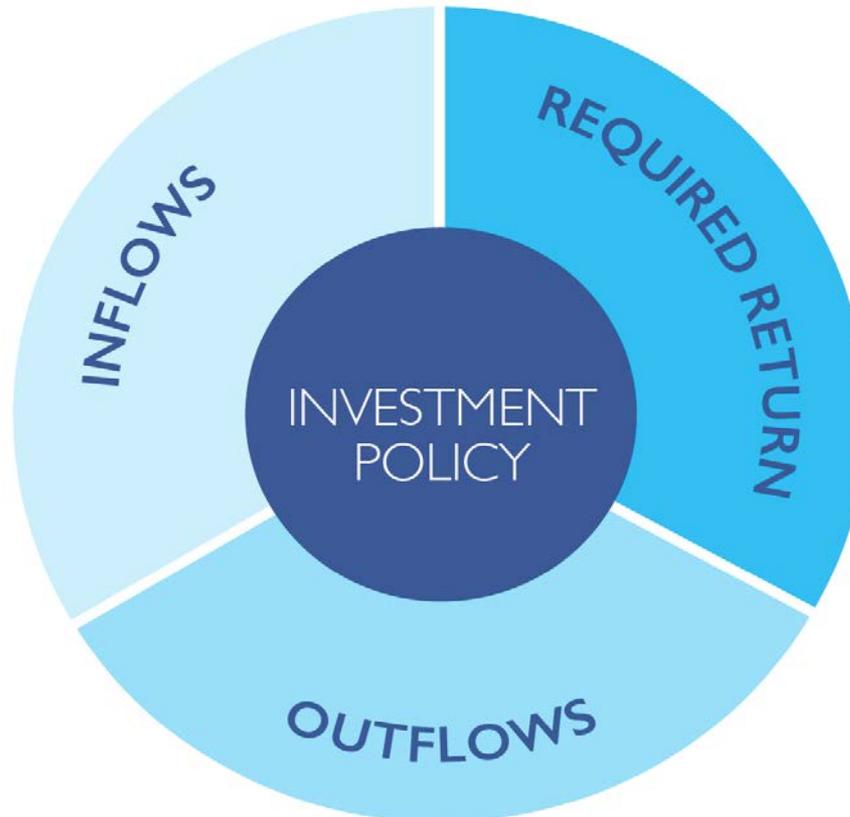
DiMEO SCHNEIDER  
& ASSOCIATES, L.L.C.

# ASSET ALLOCATION

# AN ESSENTIAL EXERCISE

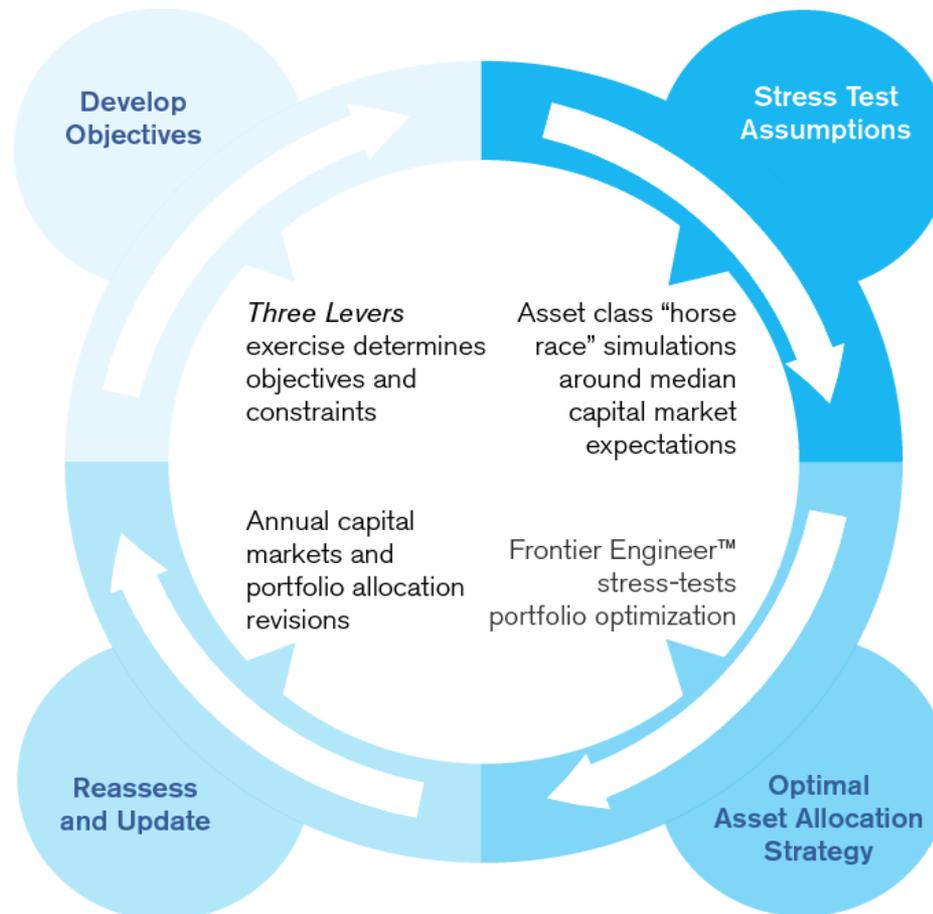
## *THE THREE LEVERS*

Successful investors understand and appreciate the impact of each *Lever* and how it influences their organization.



# IMPLEMENT YOUR OPTIMAL STRATEGY

## THE FRONTIER ENGINEER™ PROCESS



*Helping Clients Prosper.*

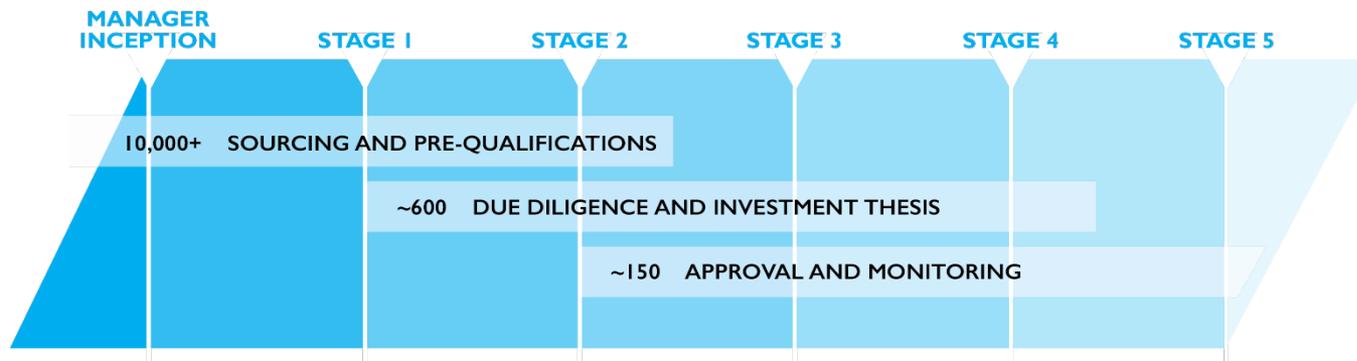


DIMEO SCHNEIDER  
& ASSOCIATES, L.L.C.

# MANAGER RESEARCH & SELECTION



# CORE INVESTMENT STRATEGY RESEARCH



Sourcing and Pre-Qualifications	<p><b>SCREEN</b></p> <ul style="list-style-type: none"> <li>Proprietary multi-factor screen</li> <li>Style analysis</li> </ul>	<p><b>DIMEO SCHNEIDER NETWORK</b></p> <ul style="list-style-type: none"> <li>Over 1,000 yearly meetings</li> <li>Annual asset class searches</li> <li>They come to us</li> </ul>	<p><b>QUALITATIVE</b></p> <ul style="list-style-type: none"> <li>Expense analysis</li> <li>Asset level</li> <li>Portfolio construction</li> </ul>
Due Diligence and Investment Thesis	<p><b>DATA COLLECTION</b></p> <ul style="list-style-type: none"> <li>Custom Request For Information</li> <li>Third party data of returns and holdings collected</li> <li>Examples: Morningstar Direct, Zephyr Associates, Bloomberg, eVestment Alliance</li> </ul>	<p><b>DEEP DIVE</b></p> <ul style="list-style-type: none"> <li>Onsite Investment Due Diligence (Four Pillars) Organization – Team – Process – Portfolio Construction</li> <li>Operational Due Diligence Compliance – Trading – Legal and Regulatory – Operations</li> <li>Formal investment thesis and written report created</li> </ul>	
Approval and Monitoring	<p><b>COMMITTEE DEBATE</b></p> <ul style="list-style-type: none"> <li>All recommendations assessed by two Committees, Core Investment Strategy Group and Investment Committee</li> <li>Fact-based rigorous debate</li> <li>Majority vote required for approval</li> </ul>	<p><b>MONITOR AND REVIEW</b></p> <ul style="list-style-type: none"> <li>Formal annual review or more frequently as needed</li> <li>Monthly qualitative and performance evaluation</li> <li>Immediate assessment of material changes</li> </ul>	

# ROBUST MANAGER RESEARCH

## ALTERNATIVES\*

- Experienced 15-person alternative investments research team
- \$4.0 billion in alternative investment assets under advisement

Initial Screening	Investment Process – Quantitative Review	Investment Process – Qualitative Review	Operational Due Diligence	Comprehensive Report and Approval
<p>Candidates sourced in a variety of manners and screened to determine if further diligence is warranted:</p> <ul style="list-style-type: none"> <li>- Strategy</li> <li>- AUM</li> <li>- Terms</li> <li>- Pedigree</li> <li>- Performance</li> <li>- Attribution</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage</li> <li>• Long/short attribution</li> <li>• Drawdown analysis</li> <li>• Correlation and Beta analysis</li> <li>• Volatility</li> <li>• Ratio analysis – Sharpe, Information and Sortino</li> <li>• Exposure – long/short, geographic, sector, instrument</li> </ul>	<ul style="list-style-type: none"> <li>• Investment team</li> <li>• Investment strategy</li> <li>• Research process</li> <li>• Portfolio construction</li> <li>• Risk management</li> <li>• <b>Edge:</b> Determine whether manager has a unique and quantifiable exceptional attribute that warrants further consideration</li> </ul>	<p>Review and test internal controls surrounding key processes</p> <ul style="list-style-type: none"> <li>• Trading and settlements</li> <li>• Reconciliations</li> <li>• Pricing and NAV calculations</li> <li>• Cash management</li> <li>• Compliance</li> <li>• Disaster recovery</li> <li>• Review and confirm external relationships               <ul style="list-style-type: none"> <li>A) Prime broker(s)</li> <li>B) Administrator</li> <li>C) Auditor</li> <li>D) Regulator</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Create comprehensive report incorporating all due diligence findings</li> <li>• Pursue inquiries to any research gaps</li> <li>• Majority approval required to include/retain manager on approved list</li> <li>• 30-40 approved direct hedge fund managers</li> <li>• 5-7 approved fund of hedge funds</li> <li>• 3-10 approved funds per sub-strategy within Private Equity and Real Estate</li> </ul>

\* As of 12/31/17

# DISCLOSURES

The performance information presented in charts, tables, or graphs represent simulated historical performance, which has been derived by retroactively applying The Frontier Engineer™ process in its most recently developed form with its most recently derived ten-year (forward-looking) capital market assumptions. Such historical return simulations (or back testing) was performed by simulating the combination of actual index returns for the historical period with a buy and hold strategy effective January 1, 1988 through the most recently available month-end date with simulated rebalancing occurring every month-end (with the reinvestment of dividends and capital gains from each index).

Back tested performance is hypothetical and does not reflect actual trades or actual performance. As with all models, there are inherent limitations which are derived from the retroactive application developed with the possible benefit of hindsight, including the risk that certain factors such as material economic and market conditions could have contributed to materially different (either higher or lower) performance results than those depicted, or that certain material factors may have been included or excluded from consideration. As such, actual results during the applicable back tested period would have been different than those depicted.

The Frontier Engineer™ process was initially developed in 2002, and was not offered by DSA as a strategy prior to that time. The output of a forward-looking model (or process) is a representation of allocation percentages among specific asset classes. Clients cannot invest directly in a target allocation, but rather, in underlying securities within designated asset classes. DSA may change its models from time to time, and may update its model as additional capital market assumption information becomes available or to increase or decrease relative weightings or emphasis on certain factors. Consequently, the Firm may choose to deviate from a stated model over time as the model itself is revised, which could have a materially positive or negative impact on performance.

During the period represented, DSA made numerous modelling changes including the periodic changes in (ten-year) forward-looking expected returns, expected volatilities, expected non-normal return distribution assumptions, as well as tracking-error assumptions and risk budgets. Furthermore, such assumptions can be modified client-by-client depending on certain preferences, priorities, constraints or unique considerations applicable to each client.

Other economic and market factors may have impacted DSA's decision-making when using the model to manage client funds, including the list of approved asset classes by a client or client type as well as any client-directed or DSA investment committee investment constraints.

All investments bear the risk of loss, including the loss of principal. Past performance, actual or hypothetical, is no guarantee of future results.

# UNT Advancement Update

## Major Gifts: A Pathway to Success

Board of Regents Meeting – August 2018

David Wolf ('04 Ph.D.)

Vice President for University Advancement



# State of Philanthropy in U.S.

- **Top 1% of Donors**
  - Drive fundraising success
  - Account for 79% of campaign funds
- **95/5 Rule**
- **Campaign Goals on the Rise and Duration is Longer**
- **Fundraising Teams are Expanding**
- **Higher Ed Philanthropy**
  - Now seeing a leveling or minimal increases
- **National Trend**
  - Alumni giving has dropped 8.5%
  - Non-Alumni giving has dropped 6%

CASE 2015 Campaign Report (BWF Client Advisory - July 2017) and EAB reports



# University Advancement–Strategic Vision

University Advancement builds relationships with alumni, friends and donors through an *intentional process* of networking and philanthropy with our engaged communities.

Our goals are centered on strategically increasing giving and connectivity for our university through *alumni engagement, major gifts, annual giving and corporate and foundation partnerships* to build a groundswell of support.

*\*Established in 2017*



# Advancement Highlights

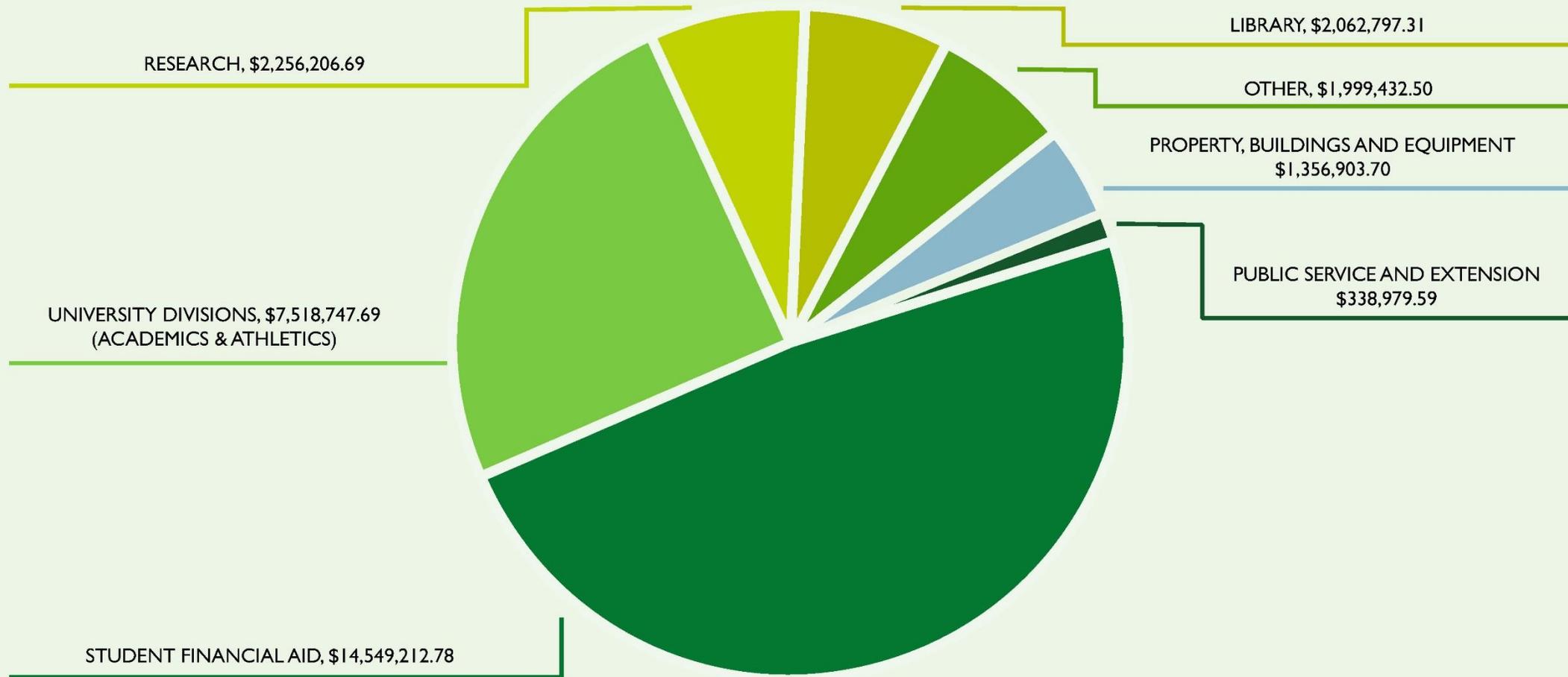
- Raised more than \$30M in commitments
- Made 248 major gift solicitations
- Secured 176 gifts of greater than \$25k
- Hosted more than 100 events
- Acquired a record 14,035 alumni association members
- Managed more than 400,000 constituent records
- Created nearly 900 individual endowment reports
- Processed 15,000 gifts





# DONOR IMPACT

Every gift received makes an impact on UNT. The chart below shows how every dollar of the record-breaking \$30.1M raised in FY 2017 is designated.



# Future of UNT Advancement - Top 5 by 2025

1. Build a meaningful comprehensive campaign
2. Become a \$50M/year program
3. Engage more alumni in professional and social networking
4. Increase UNT brand awareness and pride
5. Establish business & corporate relationships that result in ROI



# SWOT Analysis

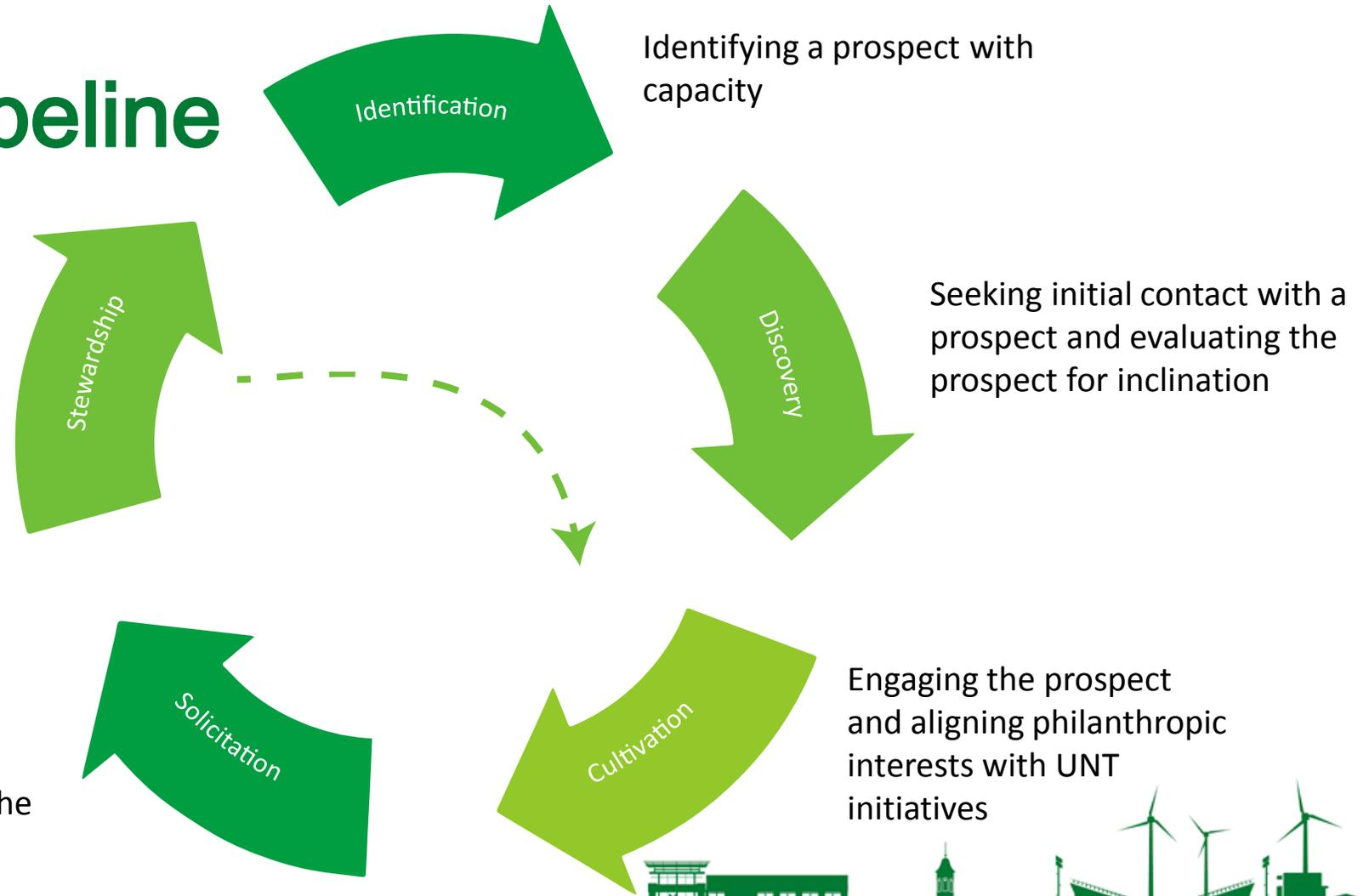
## THREATS

- Tax reform changes
- Recruiting highly-talented staff in a competitive market
- Increased competition for philanthropic support from other organizations
- Ever-changing technology/compliance and security factors
- New ways in which donors give
- Increased cost of doing business (increased # of donors and gifts)

# Building a Major Gift Pipeline

Acknowledging, recognizing and creating a proactive plan for the next ask

Making an ask at the right time, for the right amount, from the right person, for the right initiative



Solicitor Name: Joe Fundraiser

# Key Performance Indicators (KPI)

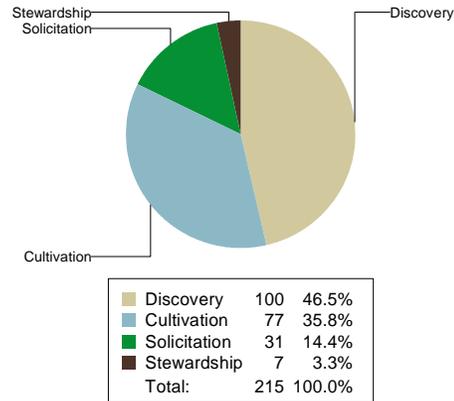
## Key Performance Indicators

Opportunities Funded <i>Total Number Commitments</i>					Amount Closed <i>Total Amount Commitments</i>				
	Actual #	Pace to Goal	Goal	% to Goal		Actual \$	Pace to Goal	Goal	% to Goal
# < \$25,000	3	6.0	12	25.0%	\$ < \$25,000	\$70,000	\$50,000	\$100,000	70.0%
# Major	7	10.0	20	35.0%	\$ Major	\$200,000	\$75,000	\$150,000	133.3%
<b>Total</b>	<b>10</b>	<b>11.0</b>	<b>22</b>	<b>45.5%</b>	<b>Total</b>	<b>\$270,000</b>	<b>\$125,000</b>	<b>\$250,000</b>	<b>108.0%</b>
<i>Includes a count of funded proposals only.</i>					<i>Includes amounts of funded proposals only, with gift types of cash, matching gift pay-cash, recurring gift pay-cash, stock/property, other, pledge, gift-in-kind or planned gift.</i>				
Meetings <i>Total Number Visits</i>					Opportunities Asked <i>Total Number Proposals</i>				
	Actual #	Pace to Goal	Goal	% to Goal		Actual #	Pace to Goal	Goal	% to Goal
# Personal Visits	94	50.0	100	94.0%	# < \$25,000	5	5.0	10	50.0%
# Discovery Visits	28	25.0	50	56%	# Major	12	20.0	40	30.0%
<b>Total</b>	<b>122.00</b>	<b>75.0</b>	<b>150</b>	<b>81%</b>	<b>Total</b>	<b>17</b>	<b>25.0</b>	<b>50</b>	<b>34.0%</b>
<i>Personal Visits include meetings with prospects that are not coded as "Move-Discovery". Discovery Visits include meetings with prospects that are coded as "Move-Discovery."</i>					<i>Includes a count of proposals submitted this fiscal year with the statuses "Committed Not Funded," "Funded," "Rejected" and "Submitted." Does not include proposals with a status "Cancelled," "In-Draft," or "Planned."</i>				

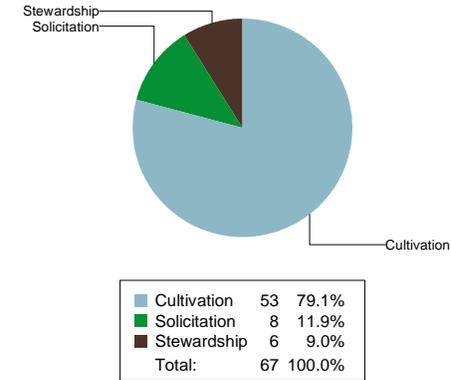
Pace = Year-to-date goal needed to meet overall total goal

- = Within 95% or Above Pace
- = Within 70% to 94% of Pace
- = Below 70% of Pace

**Portfolio Prospects by Status**



**PM Assigned Prospects by Status**



**Velocity Rating Key**

<u>Score</u>	<u>Likelihood</u>
Rising Star	Most recent year giving is higher than average
Slow and Steady	Last 3 years gift level has not changed, or only 1 gift in 3 years
At Risk	Most recent year giving is lower than average
N/A	Nongiver, or lapsed more than 3 years

**Major/Planned Gift Likelihood Key**

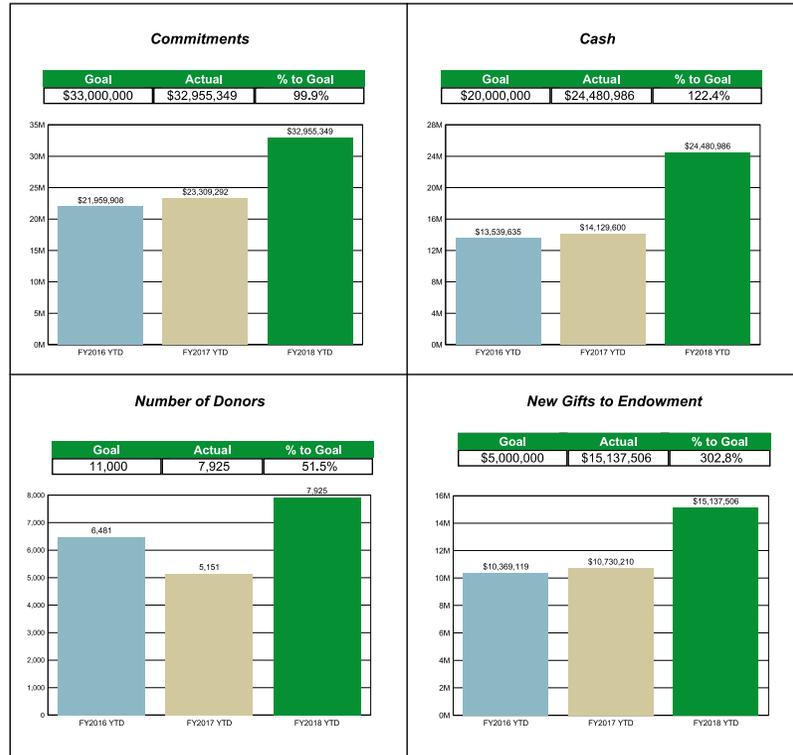
<u>Score</u>	<u>Likelihood</u>
500 or less	Low
501-700	Average
701-800	Good
801-900	Very Good
901-1000	Excellent

Portfolio Details	RE ID	Age	Assigned to Discovery	Strategy	PM/TM	Last Contact Date	Proposal Submitted this FY*	Major & Planned Gift Likelihood	Velocity Rating	Major Giving Capacity
<b>Discovery</b>										
Andrea Vance	254375	72	3/30/2016	Y		03/26/2018		764	Rising Star	\$1,000,001.00 and up
Emma Mathis	163193	76	3/30/2016	Y		03/26/2018		622	NA	\$1,000,001.00 and up
Jane Paterson	324087	47	2/15/2018			03/14/2018		604 458	NA	\$50,001.00 - \$100,000.00
Rachel Wallace	174786		2/15/2018			03/14/2018		920 846	NA	\$50,001.00 - \$100,000.00
Leah Kerr	201330	68	3/9/2018			03/09/2018		857	At Risk	\$100,001.00 - \$250,000.00
<b>Cultivation</b>										
Jake Bell	221730	64			PM	09/13/2017		733 478	NA	\$25,001.00 - \$50,000.00
Christopher Churchill	13222	43			PM	03/21/2018		476 457	At Risk	\$25,001.00 - \$50,000.00
Stewart Parsons	23053	45			TM	06/30/2017	02/08/2018	441 664	NA	\$10,001.00 - \$25,000.00
Victoria Short	135442	62			PM	02/16/2018	08/31/2017	969 779	At Risk	\$10,001.00 - \$25,000.00
Dylan James	179470	69			PM	03/21/2018		904 612	At Risk	\$100,001.00 - \$250,000.00
<b>Solicitation</b>										
Harry Nolan	330040	37			PM	12/19/2017	01/20/2017	488 507	NA	\$250,001.00 - \$500,000.00
The Wolf Company	1679				PM/Top Prospect	01/10/2012				
Luke Randall	23956	55		Y	PM/Top Prospect	03/05/2018		585 375	NA	\$50,001.00 - \$100,000.00
Sonia Scott	224675	69		Y	PM/Top Prospect	04/25/2018	06/22/2017	888 525		\$500,001.00 - \$1,000,000.00
Giving Incorporated	303			Y	TM	01/10/2018	11/20/2017			
<b>Stewardship</b>										
Michael Oliver	103793	55			PM	12/05/2017		894 766	Rising Star	\$25,001.00 - \$50,000.00
David Dyer	228333	71			PM	01/24/2018		966 814	At Risk	\$10,001.00 - \$25,000.00
Audrey Dowd	14359	69			PM	10/23/2017		880 735	At Risk	\$5,001.00 - \$10,000.00
Education and Research	335926				PM	03/17/2017				
Jack Carr	89051	53			PM	03/29/2018	04/04/2017	800 390	NA	\$250,001.00 - \$500,000.00

# Weekly/Monthly Summary



## Advancement Monthly Executive Report as of March 31, 2018

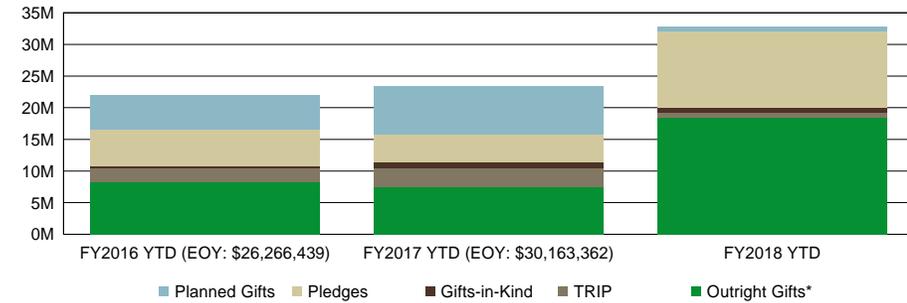


- **Commitments** includes cash, recurring gift payments, matching gifts, stock/property, pledges, gifts-in-kind, TRIP match and planned gifts.
- **Cash** includes cash, recurring gift payments, matching gifts, stock/property, pledge payments, and TRIP match.
- **Number of Donors** represents the total number of donors with new commitments.
- **Gifts to Endowment** includes gifts to endowed funds held by both UNT and the UNT Foundation.

## Advancement Weekly Summary

as of March 31, 2018

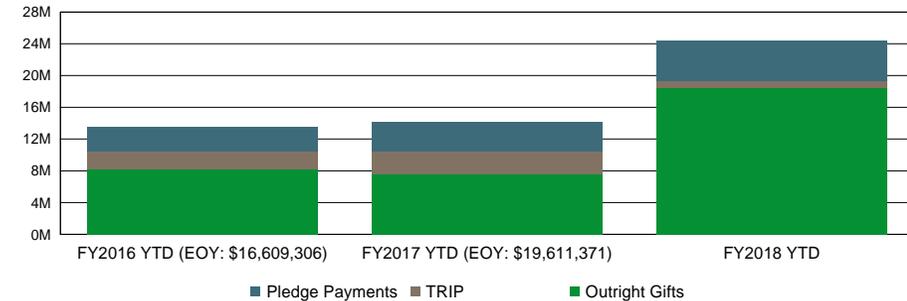
### Fiscal Year To Date Comparisons (Commitments)



	FY2016 YTD (EOY: \$26,266,439)			FY2017 YTD (EOY: \$30,163,362)			FY2018 YTD		
	\$ Amount	Donors	Gifts	\$ Amount	Donors	Gifts	\$ Amount	Donors	Gifts
Outright Gifts*	\$8,182,977	5,871	7,426	\$7,574,005	4,533	6,319	\$18,430,516	5,686	7,751
TRIP	\$2,308,055	1	1	\$2,865,250	1	1	\$884,082	1	1
Gifts-in-Kind	\$272,724	111	171	\$944,793	131	157	\$684,535	136	159
Pledges	\$5,732,086	577	598	\$4,371,762	583	601	\$12,104,134	2,175	2,191
Planned Gifts	\$5,464,065	14	14	\$7,553,482	18	21	\$760,000	4	4
<b>Total</b>	<b>\$21,959,908</b>	<b>6,481</b>	<b>8,207</b>	<b>\$23,309,292</b>	<b>5,151</b>	<b>7,096</b>	<b>\$32,863,267</b>	<b>7,850</b>	<b>10,105</b>

\* Outright Gifts do not include pledge payments

### Total Fiscal Year Comparisons (Cash)



	FY2016 YTD (EOY: \$16,609,306)			FY2017 YTD (EOY: \$19,611,371)			FY2018 YTD		
	\$ Amount	Donors	Gifts	\$ Amount	Donors	Gifts	\$ Amount	Donors	Gifts
Outright Gifts	\$8,182,977	5,871	7,426	\$7,574,005	4,533	6,319	\$18,425,516	5,686	7,751
TRIP	\$2,308,055	1	1	\$2,865,250	1	1	\$884,082	1	1
Pledge Payments	\$3,048,603	774	2,329	\$3,690,344	759	2,110	\$5,070,763	932	2,922
<b>Total</b>	<b>\$13,539,635</b>	<b>6,480</b>	<b>9,755</b>	<b>\$14,129,600</b>	<b>5,135</b>	<b>8,429</b>	<b>\$24,380,362</b>	<b>6,459</b>	<b>10,673</b>

# Thank You



.....  
**ANNUAL REPORT**  
**2016 - 2017**

DIVISION OF  
ADVANCEMENT  
**UNT**  
EST. 1890



## MINUTES

### BOARD OF REGENTS Audit Committee May 17, 2018

The Audit Committee of the Board of Regents of the University of North Texas System convened on Thursday, May 17, 2018, in Room 712 of the Lee F. Jackson Building, 1901 Main St., Dallas, Texas, with the following members in attendance: Regents Glen Whitley, Don Potts, Rusty Reid, and Laura Wright.

There being a quorum present, the meeting was called to order by Committee Chairman Whitley at 2:16 p.m. The minutes of the February 22, 2018, Audit Committee meeting were approved on a 4-0 vote following a motion by Regent Don Potts seconded by Regent Laura Wright. The **Committee Charter and Annual Schedule** were reviewed, as there was discussion about changing the Charter at the February meeting.

Following discussion, the Committee considered one action item, presented by Tracy Grunig.

#### 9. UNTS                      **Approval of Revisions to the Audit Committee Charter**

Pursuant to a motion by Regent Laura Wright seconded by Regent Rusty Reid, the Committee approved the above action item 4-0.

The Committee received two briefings from the UNT System Chief Audit Executive, Tracy Grunig. The first was a **Report of Audit Activities**. The second was an update on the **UNT System Enterprise Audit Report Inventory**.

Committee Chairman Whitley noted there was one background report. There were no questions.

There being no further business, the Committee meeting adjourned at 2:50 p.m.

Submitted By:

Rosemary R. Haggett

Rosemary R. Haggett  
Board Secretary

Date: May 31, 2018

Audit Committee  
University of North Texas System  
Board of Regents Meeting  
May 17, 2018

# UNTHSC Compliance Program Assessment, Risk and Effectiveness

Presented by:

Desiree K. Ramirez, CCEP, CHC  
Compliance and Integrity Officer, UNTHSC

August 9, 2018

# UNTHSC

## Compliance Program Assessment, Risk and Effectiveness

1. Self-Assessment Questionnaire- annual evaluation the effectiveness of the UNTHSC Compliance Program
2. Risk Assessment- An assessment of the full spectrum of compliance risks, inherent and residual, in each part of the organization.
3. Work Plan- A compliance work plan serves as a list of planned actions that will be conducted in response to identified risk areas and. A review of program assessment and Compliance Risk Assessment determines what areas the institution will focus throughout the fiscal year and allocate resources.
4. Risk Assessment Action Plan- response and activities associated with mitigating identified risk areas including education and training, review of policies and procedures and/or auditing and monitoring
5. Effectiveness Scorecard- Utilizing The Compliance Program Resource Guide prepared by the Department of Health and Human Services Office of Inspector General (OIG) and the Health Care Compliance Association (HCCA), define the metrics for the Compliance Program for annual evaluation, assessment/re-assessment and accountability.

CONFIDENTIAL

University of North Texas Health Science Center (UNTHSC)  
Compliance Program Self Assessment Questionnaire - FY19

Section	Question	Response
1. STANDARDS, POLICIES AND PROCEDURES	1.1. Does the compliance program have a clear, well-defined mission statement?	COMPLIANT
	1.2. Does the compliance program have sufficient resources (staff/budget), training, authority and authority to carry out its mission?	COMPLIANT
	1.3. Is there an active compliance committee, comprised of representatives of each relevant functional department or unit as well as senior management?	COMPLIANT
	1.4. Are all key groups or task forces assigned to carry out special projects, such as conducting an investigation or completing a program enhancement to the compliance program?	COMPLIANT
	1.5. Does the compliance officer have direct access to the governing body, the President, CEO, or senior management and legal counsel?	COMPLIANT
	1.6. Does the compliance officer have a good working relationship with other key operational areas?	COMPLIANT
	1.7. Does the compliance officer make regular reports to the governing body and other management concerning the results of the compliance program?	COMPLIANT
	1.8. Does the compliance officer have a good working relationship with other key operational areas?	COMPLIANT
	1.9. Does the compliance officer make regular reports to the governing body and other management concerning the results of the compliance program?	COMPLIANT
	1.10. Does the compliance officer have a good working relationship with other key operational areas?	COMPLIANT

Assessment Completed by: Debrae Baxton, CEO, CHC  
Office of Institutional Compliance and Integrity

Compliance Program Self Assessment

CONFIDENTIAL

COMPLIANCE RISK ASSESSMENT - UNTHSC

Area	Risk Area	Severity of Risk (1-5)	Control Assessment	Control Status	Residual Risk (1-5)
Compliance	Standards, Policies and Procedures	4	High	High	4
Compliance	Compliance Program Administration	4	High	High	4
Compliance	Screening and Evaluation of Employees, Physicians, Vendors and other agents	4	High	High	4
Compliance	Communication, Education and Training on Compliance Issues	4	High	High	4
Compliance	Monitoring, Auditing and Internal Reporting Systems	4	High	High	4
Compliance	Discipline for Non-Compliance	4	High	High	4
Compliance	Investigations and Remedial Measures	4	High	High	4

Office of Institutional Compliance and Integrity

Compliance Risk Assessment

Compile all compliance risk assessments to Determine hierarchy of risk

Have combined meeting With risk area leaders to review report (Compliance Advisory Council)

FY19 UNTHSC COMPLIANCE WORK PLAN

Month	Activity	Responsible	Status
SEP	Finalize FY19 Work Plan	Office of Institutional Compliance and Integrity	Completed
OCT	Review Compliance Risk Assessment	Compliance Advisory Council	In Progress
NOV	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress
DEC	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress
JAN	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress
FEB	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress
MAR	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress
APR	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress
MAY	Finalize Compliance Risk Assessment	Compliance Advisory Council	In Progress

Compliance Work Plan

Review of Compliance Risk Assessment by Institutional Executive Committee

Review Self Assessment And Finalize Compliance Risk Areas and Compliance Work plan with President

Review of Compliance Work Plan by System Executive Compliance Committee

Obtain Audit Committee Approval of Compliance Risk Assessment and Work plan

UNTHSC Compliance Risk Assessment Action Plan - FY2019

Month	Area	Control	Status
SEP	Standards, Policies and Procedures	High	High
SEP	Compliance Program Administration	High	High
SEP	Screening and Evaluation of Employees, Physicians, Vendors and other agents	High	High
SEP	Communication, Education and Training on Compliance Issues	High	High
SEP	Monitoring, Auditing and Internal Reporting Systems	High	High
SEP	Discipline for Non-Compliance	High	High
SEP	Investigations and Remedial Measures	High	High

Compliance Risk Assessment Action Plan



Compliance Effectiveness - FY2019

Section	Scoring
1. Standards, Policies and Procedures	0%
2. Compliance Program Administration	0%
3. Screening and Evaluation of Employees, Physicians, Vendors and other agents	0%
4. Communication, Education and Training on Compliance Issues	0%
5. Monitoring, Auditing and Internal Reporting Systems	0%
6. Discipline for Non-Compliance	0%
7. Investigations and Remedial measures	0%
TOTAL	0%

Compliance Program Effectiveness

Review of Metrics and outcomes

# Program Self Assessment

- Assesses the current state of the compliance program activities
- Determine baseline for progress toward effectiveness
- Identify opportunities for accountability and best practice

University of North Texas Health Science Center (UNTHSC)  
Compliance Program Self Assessment Questionnaire- FY19

FACTORS	YES	NO	N/A	COMMENTS
<b>COMPLIANCE OFFICER AND COMMITTEES</b>				
Does the compliance program have a clear, well-crafted mission?				<b>EXAMPLE:</b> Mission is identified on Compliance Webpage and accessible to all
Does the compliance program have sufficient resources (staff/budget), training, authority and autonomy to carry out its mission?				<b>EXAMPLE:</b> 6FTE in compliance department
Is there an active compliance committee, comprised of trained representatives of each relevant function department as well as senior management?				
Are ad hoc groups or task forces assigned to carry out special missions, such as conducting an investigation or evaluating a proposed enhancement to the compliance program?				
Does the compliance officer have direct access to the governing body, the President/CEO, all senior management, and legal counsel?				
Does the compliance officer have a good working relationship with other key operational areas?				
Does the compliance officer make regular reports to the governing body and other management concerning different aspects of the compliance program?				
<b>POLICIES &amp; PROCEDURES (P&amp;P)/ CODE OF CONDUCT</b>				
Do compliance related policies and procedures exist for relevant topics and risk areas?				
Are P&Ps clearly written , relevant to day-to-day responsibilities, readily available to those who need them, and re-evaluated on a regular basis?				
Are the compliance related policies comprehensive?				
Are compliance related policies understandable and capable of being fully applied?				
Is there documentation to prove that P&Ps and the code of conduct were distributed to all covered individuals?				
Have the requirements of P&Ps been communicated to employees and students?				
Does the organization monitor staff compliance with internal P&Ps?				

Assessment Completed by:  
Desiree Ramirez, CCEP, CHC

Office of Institutional Compliance and Integrity

1

# Risk Assessment- Inherent and Residual Risk

- Inherent risk assesses the current risk that exist
- Residual risk are the risk level that remain with controls.

## Compliance Risk Assessment template instructions

<b>RISKS: Risk scenarios:</b> Enter the main risk scenarios in the 'Risk Scenarios' column
<b>INHERENT RISK: Consequence:</b> Consequence table (see 'Descriptions' tab), broadly assess the realistic and reasonable worst-case scenario across the range of consequence categories, using the drop-down box to select the level. Note: this is the consequence ignoring any controls that are in place.
<b>INHERENT RISK: Likelihood:</b> Using the Likelihood table (see 'Descriptions' tab), broadly assess the realistic and reasonable likelihood/frequency of the consequence being realized ('coming true'), using the drop-down box to select the level. Note: this is the likelihood ignoring any controls that are in place.
<b>INHERENT RISK: Inherent Risk Rating:</b> This cell will be automatically calculated. For context, refer to the Risk Acceptance Criteria table (see 'Descriptions' tab).
<b>CONTROLS ASSESSMENT: Existing Controls:</b> Summarize what controls already exist at the relation to the risk (do not note <i>expected</i> improvements or new controls here).
<b>CONTROLS ASSESSMENT: Controls Rating:</b> Using the Controls assessment table (see 'Descriptions' tab), assess the efficiency of the current controls.
<b>RESIDUAL RISK: Likelihood:</b> Given the <u>controls</u> listed in the 'Existing Controls' column, what is the realistic and reasonable likelihood/frequency of the consequence being realized (using the drop-down box to select the level).
<b>RESIDUAL RISK: Residual Risk Rating:</b> This cell will be automatically calculated. For context, see the Risk Acceptance Criteria table (see 'Descriptions' tab). Note that there is no consequence selection here as generally the controls put in place will not change the consequences of the risk but will reduce the likelihood of it occurring.
<b>RESIDUAL RISK: Further action?:</b> Given the Residual Risk Rating, further action may be necessary or beneficial for operational risk assessments. When these further actions are completed, they may be moved to the 'Existing Controls' column, which may result in a lower likelihood and possible lower Residual Risk Rating.

## Example:

RISKS Risk Scenarios	INHERENT RISK			CONTROLS ASSESSMENT		RESIDUAL RISK		
	Consequence	Likelihood	Inherent Risk Rating	Existing Controls	Controls Rating	Likelihood	Residual Risk Rating	Further Action? (action, responsible person, expected date)
EXAMPLE ONLY: Violation of Birthday Cake Policy- cupcakes are provided at department events; policy states cake.	2. Minor	3. Possible	medium	Baked goods are ordered from one bakery in Fort Worth	Excellent	1. Rare	low	Request document is currently in place with Event Planners

# Risk Tables and Descriptions

- Risk reference tables that help to define:
  - Likelihood
  - Consequence
  - Risk Acceptance
  - Control Assessment
- Assist the stakeholder in assessing inherent and residual risk

Likelihood descriptions					
Level	1. Rare	2. Unlikely	3. Possible	4. Likely	5. Almost Certain
<b>LIKELIHOOD</b>	The event may occur only in exceptional circumstances.	Not expected but the event may occur at some time.	The event could occur at some time.	The event will probably occur in most circumstances.	The event is expected to occur or has occurred and is expected to continue to impact.
<b>FREQUENCY</b>	Less than once in 10 years.	At least once between 5 and 10 years.	At least once between 1 and 5 years.	Once per year.	More than once per year.

Consequence levels and descriptions					
Rating	Description	Public Perception	Financial Impact	Cost	Potential Legal Implication
Insignificant	Minor issue, little concern	External reputation not affected	No effort or expense to recover	<\$1M	Threat of Litigation; may require small compensation
Minor	Isolated case, small to no interruption to operations	External reputation minimally affected	Little effort or expense required to recover	\$1M - \$2.5M	Single minor litigation
Moderate	Requires attention, inconvenience	External reputation damaged	Some effort or expense required to recover	\$2.5M - \$5M	Single moderate litigation; several minor litigations
Major	Requires urgent attention, medium-high impact	External reputation severely damaged	Considerable effort or expense required to recover	\$5M - \$10M	Single major litigation; several moderate litigations
Critical	Widespread, potential damage, very high-extremely high impact	External reputation irrevocably destroyed, damaged	Cannot recover	>\$10.0M	Numerous major litigations

Risk acceptance criteria					
Risk Rating	Risk Acceptance Criteria and Review	Control Rating Requirement	Management	Treatment	Review
Extreme	Out of Appetite	Excellent	Urgent Attention	Action plan developed and immediate action	At least every 3 months
High	Tolerable or Out of Appetite	Excellent	Preliminary Assessment	Develop action plan; action within 12 months	At least every 6 months
Medium	Acceptable	Adequate	Monitor Risk	Action plan within 12-24 months	Every 12 months
Low	Acceptable	Adequate	Monitor Risk	Not Applicable	Every 12 months

Controls Assessment		
Descriptor	Foreseeable	Detail
Inadequate	Less than what a reasonable person would be expected to do in the circumstances.	Little to no action being taken. No protection systems exist or they have not been reviewed for some time. No formalized procedures.
Adequate	Only what a reasonable person would be expected to do in the circumstances.	Being addressed reasonably. Protection systems are in place and procedures exist for common or typical circumstances. Periodic review.
Excellent	More than what a reasonable person would be expected to do in the circumstances.	Controls fully in place and require only ongoing maintenance and monitoring. Protection systems are being continuously reviewed and procedures are regularly tested.

Categories of Risk			
Categories	Definition	Factors	Outcome
Strategic	External risk that may effect the organization such as changes in environment that we operate. Strategic ambitions	(1)-Macroeconomic changes (2) Changes in industry/Market (3) Growth in emerging markets (4) Joint Ventures (5) Acquisitions (6) Intellectual Property Rights	Relational; Ability to measure; ability to achieve.
Operational	Risk that arise from the services you deliver or activities you carry out. Adverse unexpected developments resulting from internal processes, people and systems or external events that are linked to the actual running of the business. Risk associated with the employment of staff	(1)Transformation (2) Innovation Process (3) Supply Chain (4) Information Technology (5) People (6) Product Quality and Liability (7)Reputation/Public Relations	Continuity of activities; safety and security; IT operations; Physical Infrastructure; Processes
Compliance	The legislative framework within which your organization operates and risk associated with the management of the organization. Unanticipated failures to implement or comply with appropriate laws, regulations, policies and procedures	(1)General business principles (2) Internal controls (3) Industry/Market Practices (4) Data Privacy/Security	Regulations; contractual; accreditation; legal; policies
	Risk facing the organization in terms of internal systems, planning, funding, etc.	(1) Tax (2) Pensions (3) Accounting and Reporting	Resources; Financial structure; ability to meet future needs; financial reporting

Date of revision:

# Risk Assessment Tool

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## COMPLIANCE RISK ASSESSMENT: UNTHSC

Risk Category	Dept./Div.		INHERENT RISK (i.e. no controls present or controls fail)			CONTROLS ASSESSMENT			RESIDUAL RISK (i.e. after controls)		
			Consequence	Likelihood	Inherent Risk Rating	Existing Controls	Controls Rating	Likelihood	Residual Risk Rating	Further Action? (action, responsible person, expected date)	
Compliance	Student Affairs	Title IX Compliance	4. Major	3. Possible	high	Annual Training of all student employees; training for all new student upon matriculation; Title IX coordinator identified and receives annual training	Adequate	3. Possible	high	Current external harassment/misconduct environment makes university susceptible to reporting of Title IX complaints	
Compliance	Student Affairs	Loss of Federal Aid Funding/Financial Aid Compliance	5. Critical	2. Unlikely	high	Internal Monitoring of funding and internal audits completed quarterly.	Adequate	3. Possible	high	Audit from DOE is within realm of possibility	
Compliance	Student Affairs	Accuracy of State and Federal Reports	5. Critical	2. Unlikely	high	Internal Monitoring of Reports	Adequate	3. Possible	high		
Operational	Clinical Compliance	Immunizations (State vs. other carriers)	4. Major	3. Possible	high	EMR has option to identify patient insurer. Not consistently correct	Adequate	3. Possible	high	Loss of Revenue; Incorrect Payment	
Operational	Clinical Compliance	Medical Necessity	4. Major	3. Possible	high	Routine Physician Documentation Audits. Understanding the elements needed for each level of Evaluation and Management CPT service.	Adequate	3. Possible	high	Loss of Revenue; Incorrect Payment	
Operational	Clinical Compliance	Bundling/Unbundling (overuse of Mod -25)	4. Major	4. Likely	high	Routine Physician Documentation Audits. Understanding the elements needed for each level of Evaluation and Management CPT service.	Adequate	3. Possible	high	Loss of Revenue; Incorrect Payment	
Operational	OIG Work plan	Documentation and Billing of Drugs	4. Major	3. Possible	high	Selection of correct billing code for drugs; Recall Procedure and Reporting	Adequate	3. Possible	high		
Operational	OIG Work plan	New Services (Transitional Care, Care Plan Oversight, Advance Care, Prolonged Services; Chronic Care Management)	4. Major	4. Likely	high	Chronic Care Management Team contacted Compliance for training of new codes	Inadequate	4. Likely	high	Incident- to was just discussed in detail and will be implemented shortly. Potential refund if not billed accurately	
Operational	Facilities	Key access	4. Major	3. Possible	high	Currently when an employee is leaves the campus they are supposed to turn there keys into the Police department. Proper actions are not always taken by the exiting employee causes unaccounted grand master keys	Inadequate	4. Likely	high	Pricing has been gathered to change out locks on campus in order to make the current Grand master key obsolete. work HR to develop new criteria to identify assignment.	
Operational	Equity, Diversity and Inclusion	Veteran's preference during hiring and REFT	4. Major	4. Likely	high	Veteran's preference is documented during the onboarding process; however, there are no verification mechanisms in place (DD-214).	Inadequate	4. Likely	high		
Operational	Equity, Diversity and Inclusion	ADA accommodations tracking system	4. Major	4. Likely	high	All manual, information collected by HR Generalists	Inadequate	4. Likely	high		
Compliance	Sponsored Research	Institutional Base Salary Definitions (2 CFR 200.430)	4. Major	4. Likely	high	Currently the definition of IBS across schools is in process of revision. The VPR and Provost are managing risk associated with noncompliant IBS models by including key representatives from the Research Division in conversations about adjusting the definition of IBS	Adequate	3. Possible	high		

Office of Institutional Compliance and Integrity

- Utilized by the departments to identify risk areas using Risk Tables Descriptions.
- Allows the stakeholder to self identify risk and determine risk comfort with each issues
- Comprehensive list of all risk areas throughout the campus

# Work Plan

- Using Compliance Self Assessment and Compliance Risk Assessment to determine focus areas for review and improvement for the year.
- Activities are listed as Strategic, Operational, Compliance or Financial

FY19 UNTHSC COMPLIANCE WORK PLAN				
	Strategic	Operational	Compliance	Financial
SEP		Off Boarding and Key Access	Accuracy of State and Federal Reports	
		Immunizations	Compliance Interactive and Compliance Education	
		NEO-Compliance Awareness Reception Space		
		Documentation and Billing of Drugs	Compliance Advisory Council ReLaunch	
OCT		Physician Documentation Audits	Institutional Base Salary Definitions (2 CFR 200.430)	
		Policy Writing Effectiveness Workshop	Policy Writing Effectiveness Workshop	
NOV		Institutional Conflict of Interest (Compliance DeskTop)	Title IX Compliance	
		Unauthorized access to protected and regulated information	ADA Accommodations	
			Notice of Privacy Practices	
DEC		Immunizations		
		Documentation and Billing of Drugs		
JAN			Code of Conduct Redesign and Attestation	
FEB			Veteran's preference during hiring and RIFT	
MAR		New Services (Transitional Care; Care Plan Oversight; Advance Care; Prolonged Services; Chronic Care Management)		
APR				
MAY	Compliance Effectiveness Survey			

# Risk Assessment Action Plan

- Documents actions taken to assess and mitigate the identified risk
- Assist identifying gaps in policy, education and/or monitoring
- Used for re-evaluation of risk for following year

UNTHSC Compliance Risk Assessment Action Plan- FY2019

Effective Date: Sep-18  
 Review Date: Aug-19  
 Revision Date:

Identified Risk	Inherent Risk	Residual Risk	Existing Controls	Control Activities		
				P&Ps	Training	Monitoring & Auditing
Title IX Compliance	high	high	Annual Training of all student employees; training for all new student upon matriculation; Title IX coordinator identified and receives annual training			
Loss of Federal Aid Funding/Financial Aid Compliance	high	high	Internal Monitoring of funding and internal audits completed quarterly.			
Accuracy of State and Federal Reports	high	high	Internal Monitoring of Reports			
Immunizations (State vs. other carriers)	high	high	EMR has option to identify patient insurer. Not consistently correct			
Medical Necessity	high	high	Routine Physician Documentation Audits. Understanding the elements needed for each level of Evaluation and Management CPT service.			
Bundling/Unbundling (overuse of Mod -25)	high	high	Routine Physician Documentation Audits. Understanding the elements needed for each level of Evaluation and Management CPT service.			
Documentation and Billing of Drugs	high	high	Selection of correct billing code for drugs; Recall Procedure and Reporting			
New Services (Transitional Care; Care Plan Oversight; Advance Care; Prolonged Services; Chronic Care Management)	high	high	Chronic Care Management Team contacted Compliance for training of new codes			
Key access	high	high	Currently when an employee leaves the campus they are supposed to turn their keys into the Police department. Proper actions are not always taken by the exiting employee causes unaccounted grand master keys			
Veteran's preference during hiring and RIFT	high	high	Veteran's preference is documented during the onboarding process; however, there are no verification mechanisms in place (DD-214).			
ADA accommodations tracking system	high	high	All manual, information collected by HR Generalists.			

# Compliance Effectiveness= *(Structure) x (Process) x (Outcome)*

- Measurements of Accountability for program effectiveness
- Helps identifies area of success or for improvement
- Scoring utilizes identified metrics from the Office of Inspector General (OIG) and the Department of Justice (DOJ) for compliance effectiveness



Compliance Effectiveness - FY2019

Section	Scoring
1. Standards, Policies and Procedures	0%
2. Compliance Program Administration	0%
3. Screening and Evaluation of Employees, Physicians, Vendors and other agents	0%
4. Communication, Education and Training on Compliance Issues	0%
5. Monitoring, Auditing and Internal Reporting Systems	0%
6. Discipline for Non Compliance	0%
7. Investigations and Remedial measures	0%
TOTAL	0%

# Compliance Effectiveness

- A score for each Compliance element to demonstrate effectiveness
- 100 possible points for each element (Total=700)
- Equates to an annual effectiveness score

Element 1- Standards Policies and Procedures	SCORE		0%
	Max	Actual	
Conduct periodic review of policies, procedures and controls	10		
Consult with legal resources	10		
Integrate mission, vision, values and ethical principles with Code of Conduct	10		
Maintain compliance plan and program	10		
Assure that non retaliation policy exist	10		
Maintain policies and procedures for compliance audits	10		
Maintenance of: Conflict of Interest policy, Confidentiality policies; Privacy policies	10		
Maintenance of standards of accountability	10		
Maintain record retention policy	10		
Assure governance policies related to compliance are appropriately maintained	10		
	100	0	

Element 2: Compliance Program Administration	Max	Actual	0%
Report Compliance Program activity to the Audit and Compliance Committee of the Board	20		
Oversee compliance education program	20		
Evaluate effectiveness of the compliance program on a periodic basis	20		
Compliance risk assessment conducted periodically	20		
Develop annual compliance work plan	20		
	100	0	

Element 3: Screening and Evaluation of Employees, Physicians, Vendors and other Agents	Max	Actual	0%
Assure organization has processes in place to identify and disclose conflicts of interest	20		
Assure inclusion of compliance accountabilities as an element of performance evaluations	20		
Verify background/sanction checks are conducted	20		
Monitor government sanctions list for excluded individuals/entities	20		
Assure compliance-sensitive exit interviews occur	20		
	100	0	

Element 4: Communication, Education and Training	Max	Actual	0%
Promote culture of compliance throughout organization	20		
Participation in ongoing education/training programs is tracked	20		
Assure compliance education and training is conducted for all employees and students	20		
Assure employees and students are educated on policies	20		
Communicate compliance information throughout the organization	20		
	100	0	

Element 5: Monitoring Auditing and Internal Reporting Systems	Max	Actual	0%
Publicize reporting system to all workforce members, vendors and agents	20		
Maintain reporting system to enable employees and students to report non compliance, misconduct, fraud, waste and abuse (FWA) (I.e. Trust Line)	20		
Conduct compliance audits	20		
Monitor that retaliation for reporting compliance concerns has not occurred	20		
Assure a timely response is made to reported compliance concerns	20		
	100	0	

Element 6: Discipline for Non Compliance	Max	Actual
Promote discipline consistent with policies and procedures	25	

University of North Texas Health Science Center (UNTHSC)  
Compliance Program Self Assessment Questionnaire - FY19

Section	Question	Response
1. Compliance Program Administration	1.1. Does the compliance program have a clear, well-defined mission statement?	COMPLIANT
	1.2. Does the compliance program have sufficient resources (staff, budget, training, authority and authority) to carry out its mission?	COMPLIANT
	1.3. Is there an active compliance committee, comprised of representatives of each relevant functional department or unit as well as senior management?	COMPLIANT
	1.4. Are all key groups or tasks assigned to carry out special projects, such as conducting an investigation or completing a program enhancement to the compliance program?	COMPLIANT
	1.5. Does the compliance officer have direct access to the governing body, the President, CEO, or senior management and legal counsel?	COMPLIANT
	1.6. Does the compliance officer have a good working relationship with other key operational areas?	COMPLIANT
	1.7. Does the compliance officer make regular reports to the governing body and other management concerning the results of the compliance program?	COMPLIANT
	1.8. Does the compliance officer have a good working relationship with other key operational areas?	COMPLIANT
	1.9. Does the compliance officer make regular reports to the governing body and other management concerning the results of the compliance program?	COMPLIANT
	1.10. Does the compliance officer have a good working relationship with other key operational areas?	COMPLIANT

Compliance Program Self Assessment

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COMPLIANCE RISK ASSESSMENT - UNTHSC

Area	Risk Area	Severity of Risk	Control Assessment	Overall Risk
Compliance	1.1.1. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.2. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.3. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.4. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.5. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.6. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.7. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.8. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.9. Compliance Program Administration	High	Compliant	Low
Compliance	1.1.10. Compliance Program Administration	High	Compliant	Low

Compliance Risk Assessment

Compile all compliance risk assessments to Determine hierarchy of risk

Have combined meeting With risk area leaders to review report (Compliance Advisory Council)

FY19 UNTHSC COMPLIANCE WORK PLAN

Month	Activity	Responsible	Status
SEP	Review and update the Compliance Work Plan	Compliance Officer	In Progress
OCT	Review and update the Compliance Work Plan	Compliance Officer	In Progress
NOV	Review and update the Compliance Work Plan	Compliance Officer	In Progress
DEC	Review and update the Compliance Work Plan	Compliance Officer	In Progress
JAN	Review and update the Compliance Work Plan	Compliance Officer	In Progress
FEB	Review and update the Compliance Work Plan	Compliance Officer	In Progress
MAR	Review and update the Compliance Work Plan	Compliance Officer	In Progress
APR	Review and update the Compliance Work Plan	Compliance Officer	In Progress
MAY	Review and update the Compliance Work Plan	Compliance Officer	In Progress

Compliance Work Plan

Review of Compliance Risk Assessment by Institutional Executive Committee

Review Self Assessment And Finalize Compliance Risk Areas and Compliance Work plan with President

Review of Compliance Work Plan by System Executive Compliance Committee

Obtain Audit Committee Approval of Compliance Risk Assessment and Work plan

UNTHSC Compliance Risk Assessment Action Plan - FY2019

Month	Area	Control	Severity	Overall Risk
SEP	1.1.1. Compliance Program Administration	Compliant	High	Low
SEP	1.1.2. Compliance Program Administration	Compliant	High	Low
SEP	1.1.3. Compliance Program Administration	Compliant	High	Low
SEP	1.1.4. Compliance Program Administration	Compliant	High	Low
SEP	1.1.5. Compliance Program Administration	Compliant	High	Low
SEP	1.1.6. Compliance Program Administration	Compliant	High	Low
SEP	1.1.7. Compliance Program Administration	Compliant	High	Low
SEP	1.1.8. Compliance Program Administration	Compliant	High	Low
SEP	1.1.9. Compliance Program Administration	Compliant	High	Low
SEP	1.1.10. Compliance Program Administration	Compliant	High	Low

Compliance Risk Assessment Action Plan



Compliance Effectiveness - FY2019

Section	Scoring
1. Standards, Policies and Procedures	0%
2. Compliance Program Administration	0%
3. Screening and Evaluation of Employees, Physicians, Vendors and other agents	0%
4. Communication, Education and Training on Compliance Issues	0%
5. Monitoring, Auditing and Internal Reporting Systems	0%
6. Discipline for Non Compliance	0%
7. Investigations and Remedial measures	0%
TOTAL	0%

Compliance Program Effectiveness

Review of Metrics and outcomes

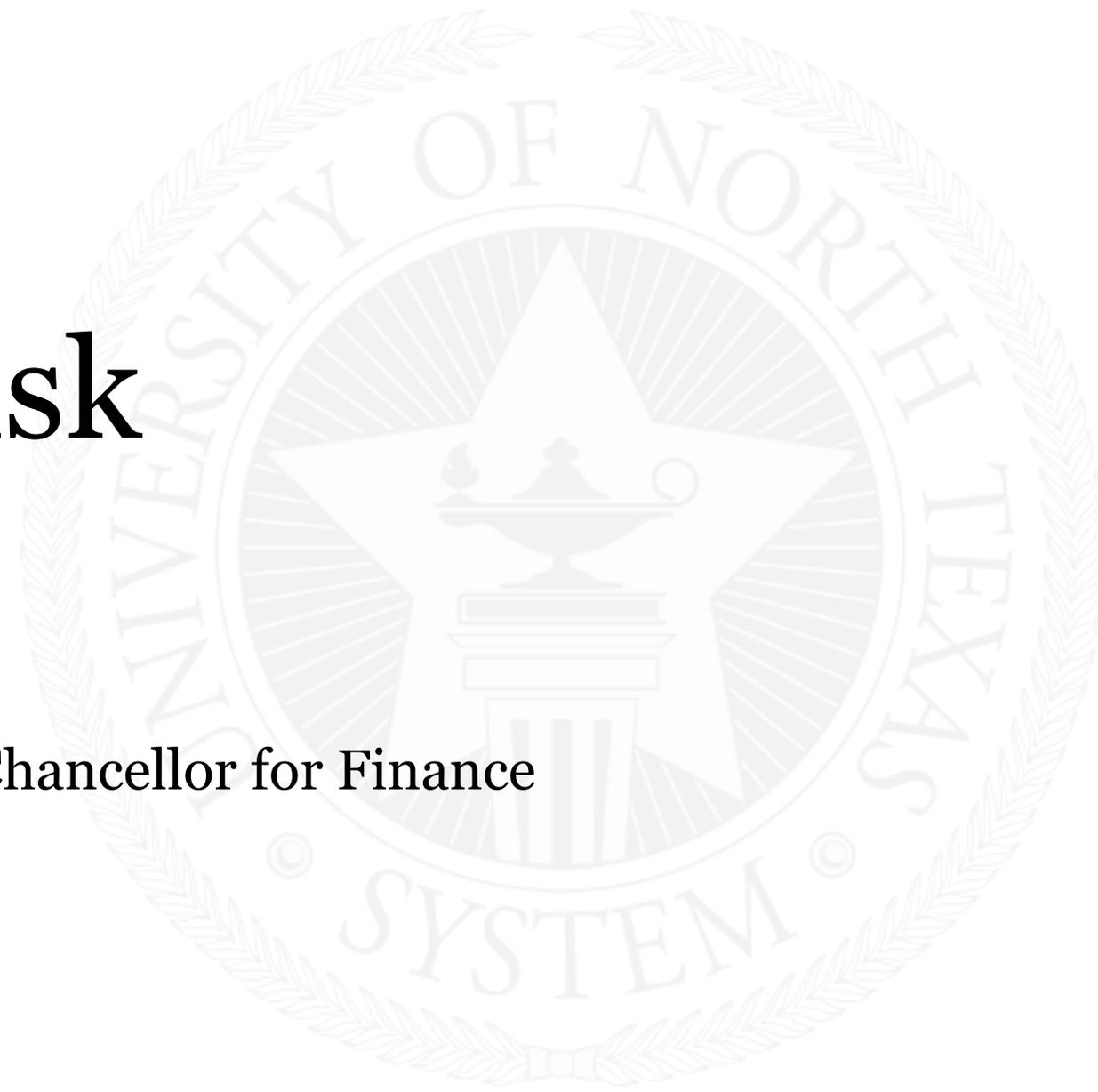
**QUESTIONS?**



# Enterprise Risk Management

Presented by: Gary Rahlfs, Vice Chancellor for Finance

August 9, 2018



# Risk Management...What is it?

Compliance 

Audit 

Something that  
gets in the way of  
doing your job 

So what is Risk Management?  
(and WIIFM?!)

## ***Vision...***

*Enterprise risk management embedded in the culture and viewed as a strategic and business priority providing a sustainable competitive advantage*

## ***Mission...***

*To identify and proactively manage all areas of major risk to our business to an acceptable level, both existing and emerging and across the entire organization, to aid the institutions in the achievement of their short and long term goals, and to inform and improve senior management's allocation of resources and decision making*

# Risk Profile

Risk can be understood as any adverse influence to the organization achieving its goals.

Taxonomy:

<b><u>Risk</u></b>	<i>that adversely influences</i>	<b><u>Outcomes</u></b>
Regulatory/ Compliance		Liability
Financial		Financial Sustainability
Strategic	<i>Example</i>	Strategic Objectives
Operational		Business Functions
IT & Systems		Technology



# Higher Ed implementation

- Internal Audit researched peer institutions, risk frameworks and published materials to identify best practices and standards
- Insights gained from different approaches to:
  - Identification (stratify risks, use risk registers from peers)
  - Criteria for impact/likelihood (multiple dimensions)
  - Risk ranking (scales and definitions)
  - Tools, techniques, and programs used (U of California-RA Toolbox)
- Key insight is to not let the process overwhelm the action!

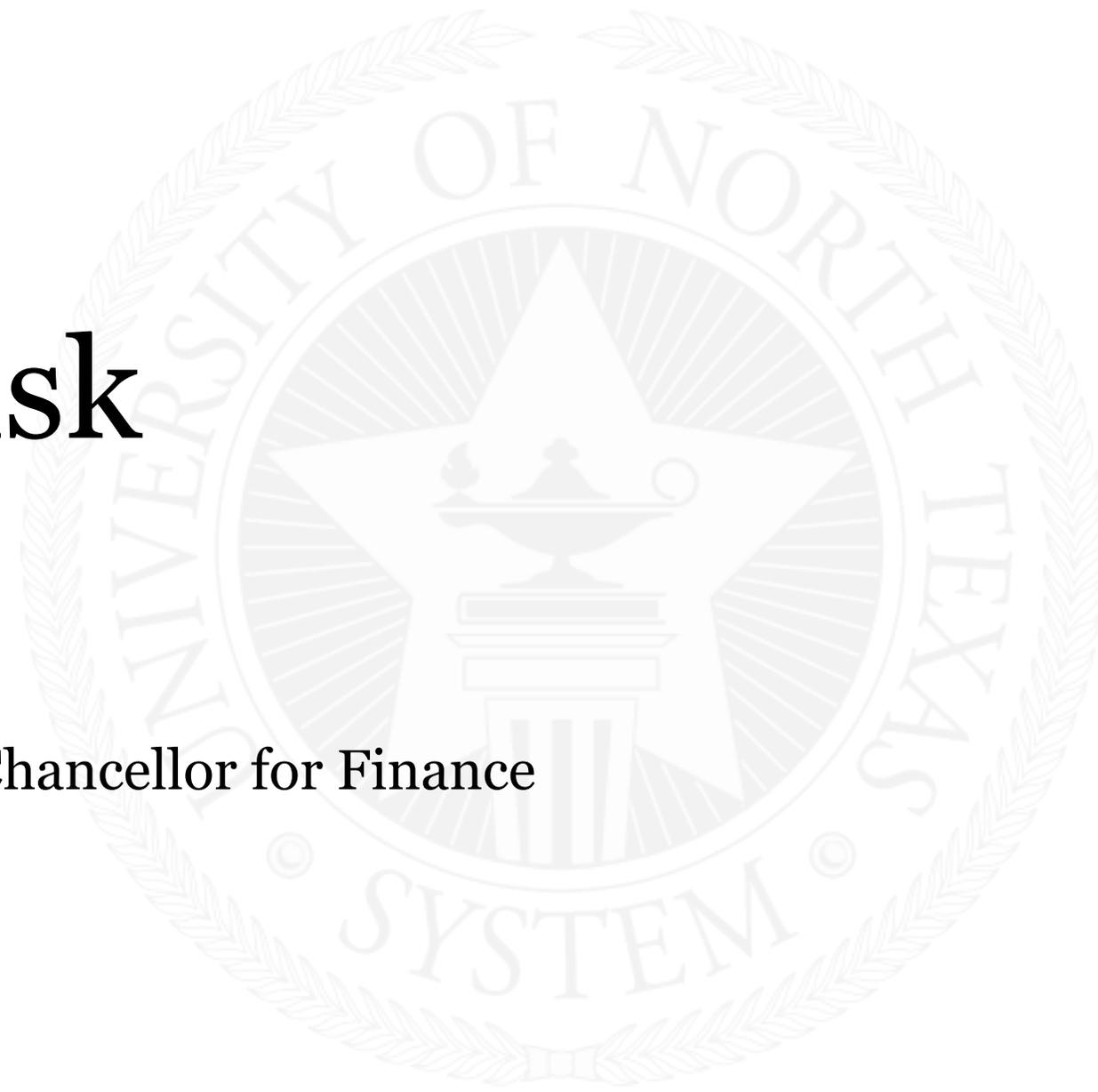
# Where do we go from here?

- Opportunity to expand and standardize this approach across the system
  - Process (HSC lead)
  - People – Risk Committee functioning
  - Framework – Common language and understanding
- Input into Strategic Planning Process and Annual Budgeting

# Enterprise Risk Management

Presented by: Gary Rahlfs, Vice Chancellor for Finance

Date: August 9, 2018



# Quarterly Report of Audit Activities

Presented by Tracy Grunig  
August 9-10, 2018

Activities reflected within are as of June 30, 2018



# Summary Statements

- Completing FY18 Annual Audit Plan
- Realigning FY19 Annual Audit Plan to Reflect New Emphasis on Process Functional Reviews, Assisting with External Audit, and Financial Audits
- Co-Sponsoring Enterprise Risk Management Process in Partnership with System Finance
- Conducting Special Projects and Investigation Projects Requiring Ad-Hoc Team and Quick Turnaround

# Audit Reports This Quarter

Senate Bill 20 Mandated Internal Audit

Benefits Proportionality – outsourced

UNT Student-Managed Investment Fund (SMIF)

UNT Out-of-State Teaching Fee Research Project

UNTHSC Cancer Prevention and Research Institute of Texas (CPRIT) – outsourced

UNTHSC College of Pharmacy Financial Review

UNT Dallas Student Awareness and Training - Lab Safety

Investigation (1) formal case report

- UNT System Building

# Audit and Management Advisory Services Reports Issued Matrix

Audit Name	Component Institutions				Original Objectives	Issues Identified
	UNTS	UNT	UNTHSC	UNT Dallas		
Senate Bill 20 Mandated Internal Audit		X	X	X	To review evolving policy and procedure improvements adopted to adhere to SB 20 regulation requirements. The following were assessed: <ul style="list-style-type: none"> <li>• UNTS Regents Rules,</li> <li>• UNTS Regulations, Policies and Procedures,</li> <li>• UNT Policies and Procedures, and</li> <li>• UNTHSC Policies and Procedures.</li> </ul>	No issues identified
Benefits Proportionality		X	X	X	Assess compliance with Benefit Proportionality provisions, as defined within Article IX, Section 6.08, Benefits Paid Proportional by Fund of the General Appropriations Act for UNT, UNTHSC and UNT Dallas	<ul style="list-style-type: none"> <li>• Additional procedure needed to reconcile APS 11 Actual Benefits Paid amounts to PeopleSoft Payroll source data</li> </ul>
UNT Student-Managed Investment Fund (SMIF)		X			Evaluate compliance with donor agreement between the University of North Texas and Colonel Guy M. Cloud, Jr..	No issues identified
UNT Out-of-State Teaching Fee Research Project		X			To determine the appropriateness for the University to pay 100% of salaries and benefits from state appropriated funds to instructors who teach courses that generate OSTF.	No issues identified

# Audit and Management Advisory Services Reports Issued Matrix

Audit Name	Component Institutions				Original Objectives	Issues Identified
	UNTS	UNT	UNTHSC	UNT Dallas		
UNTHSC Cancer Prevention and Research Institute of Texas (CPRIT) – outsourced			X		Determine compliance with the CPRIT grant contract, CPRIT administrative rules and applicable statutory requirements, grant budget, terms and conditions of the awards, CPRIT Policies and Procedures Guide and internal policies and procedures.	No issues identified
UNTHSC College of Pharmacy Financial Review			X		<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> <li>To assess administration of cash for accuracy, completeness, and timeliness as well as compliance with state regulations and University policies.</li> <li>To assess the administration of course fees, applications fees and other revenue generating activities; including establishment, approval, rates, and use for compliance with state regulations and University policies.</li> <li>To assess the administration of time and compensable leave for accuracy, completeness, and timeliness as well as compliance with state regulations and University policies.</li> <li>To assess effectiveness of control procedures over controlled substances and other drug inventory to ensure tracking and security of controlled substances are in compliance with federal regulations and University policies.</li> </ul>	<ul style="list-style-type: none"> <li>Instances identified where controlled substances were not promptly returned for disposal as required under the U.S. Drug Enforcement Administration requirements.</li> <li>Instances of inaccurate, incomplete, or unsupported leave of absence reporting prior to eLeave implementation.</li> </ul>

# Audit and Management Advisory Services Reports Issued Matrix

Audit Name	Component Institutions				Original Objectives	Issues Identified
	UNTS	UNT	UNTHSC	UNT Dallas		
UNT Dallas Student Awareness and Training - Lab Safety				X	Perform a high-level review of the safety of students participating in instructional and research labs.	<ul style="list-style-type: none"> <li>The ventilation system in the four laboratories was inadequate to control lab emissions.</li> <li>There was no Chemical Hygiene Officer at UNT Dallas.</li> </ul>
Investigation (1) formal case report UNT System Building	X				Investigate a complaint from a former UNT System employee with concerns regarding conditions in the UNT System Office building in Dallas.	<ul style="list-style-type: none"> <li>Issues with building operations were identified in the areas of preventive maintenance, facilities upkeep and safety, and personnel training.</li> </ul>

# Summary of Follow-up Activity

	<b>Beginning Balance Open Recommendations (Past Due and Not Yet Due)</b>	<b>New Recommendations During this Quarter</b>	<b>Total Closed Recommendations During this Quarter</b>	<b>Total Current Open Recommendations</b>	<b>Open Recommendations – Not Yet Due</b>	<b>Open Recommendations – Past Due</b>
<b>UNT System</b>	13	3	(2)	14	14	0
<b>UNT</b>	43	72	(83)	32	24	8
<b>UNTHSC</b>	24	27	(12)	39	39	0
<b>UNT Dallas</b>	41	8	(1)	48	48	0
<b>Total</b>	121	110	(98)	133	125	8

Questions?

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> High</p> <p><b>Report Name:</b> Student Data Access Audit</p> <p><b>Report Number:</b> 16-108 SYS</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> Student Data Access</p> <p><b>Brief Description of Audit:</b> Securing student safety in all aspects is a very important responsibility of the University. With this as the basis, Internal Audit initiated an audit directed toward the security of student cell phone information and what could be done to limit the risk exposure.</p>	<p>75 unauthorized users had access to personal student data including cell phone numbers on February 3, 2017.</p> <p>Recommendations for UNT Senior Director, Registrar:</p> <p>1.1.e. Annually review access lists based on documented risk management decisions.</p>	<p>We agree. The Registrar’s Office will annual review access lists based on documented risk management decisions.</p> <p><b>Party responsible for implementation:</b> Lynn McCreary, Registrar, UNT</p> <p><b>Expected Implementation Date:</b> December 15, 2017</p> <p><b>Revised Implementation Date:</b> August 31, 2018</p>	<p>8 months past due</p> <p>The Registrar’s Office has prepared and provided an access list to department leads and requested verification and a response be given to Financial Aid by July 31, 2018. Once all forms are returned, access will be adjusted accordingly.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> PwC (Co-Sourced)</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> Moderate</p> <p><b>Report Name:</b> UNT Endowments Internal Audit</p> <p><b>Report Number:</b> 16-303 UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> UNT Endowments</p> <p><b>Brief Description of Audit:</b> The primary objective of this audit was to assess the effectiveness of processes in place to expend endowment distributions in compliance with donor agreements and institutional guidance. The review also included an evaluation of the processes related to gift planning/acceptance, management, and reporting.</p>	<p>There are communication and information gaps between the UNT Foundation, Advancement, SFAS, and the Colleges/Departments; and there is not a clear delineation of responsibilities and authority for the management of university disbursement accounts.</p> <p>1.1.a. UNT should create a formal process for managing remaining balances in disbursement accounts and consider implementing a plan to cease distributions based on aging performed for each disbursement account's remaining balance. Additionally, UNT management should monitor the balances through the distribution of a university disbursement accounts report, addressed to the President of UNT, showing all disbursement account balances on a periodic basis.</p>	<p>I. Utilizing the new chart of accounts, UNT shall create a comprehensive report of all endowment/scholarship funds that shows the distribution of university disbursement account balances. Financial Aid and Scholarships will work in collaboration with Budget and Analytics, and Advancement, to develop the report. This report shall be generated monthly and distributed to the President, Divisional VP's, Deans and the Steering Committee. Each division and college shall designate a responsible party to review and reconcile the account balances. The Steering Committee (newly formed) shall monitor this activity, work to resolve issues, and escalate to division VP's and Deans as appropriate.</p> <p><b>Party responsible for implementation:</b> Collaboration between Mike Mlinac, UNT Foundation President &amp; CEO; Jennifer Cowley, Provost and Vice President for Academic Affairs; David Wolf, Vice President for Advancement; Shannon Goodman, Vice President for Enrollment; and Bob Brown, Vice President for Finance and Administration</p> <p><b>Expected Implementation Date:</b> December 22, 2017</p> <p><b>Revised Implementation Date:</b> November 1, 2018</p>	<p>7 months past due</p> <p>Advancement has met with the Budget Office and it was determined an existing Budget Overview Report in COGNOS needs to be revised prior to proceeding. After the revision is completed, Advancement and the Budget Office will work collaboratively with UNT Foundation and SFAS staff to determine the appropriate endowment funds and distribution funds to query. Once the criteria is identified, all parties will be able to utilize the query for endowment distribution account monitoring and compliance. Advancement will implement a process for review of distribution funds quarterly by the assistant director of donor relations for endowment stewardship and compliance.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> High</p> <p><b>Report Name:</b> Residence Hall – Student Safety Practices</p> <p><b>Report Number:</b> 17-021 UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> Residence Halls</p> <p><b>Brief Description of Audit:</b> Internal Audit performed an audit of the safety of students residing in University residence housing. Additionally, Internal Audit evaluated current evacuation plans and other safety measures. This audit is part of the approved audit plan for fiscal year 2017. The scope of this audit pertained to the current safety practices in place during fiscal year 2017.</p>	<p>Fire egress signage was either missing or not updated.</p> <p>Fourteen of the fifteen residence halls were either missing or did not have updated fire egress signage. This was also noted previously on the State Fire Marshal’s Report dated November 1, 2016.</p> <p>Recommendation for Gina Vanacore, Director of Housing and Residence Life:</p> <p>4.1.a. Continue work to ensure fire egress signage is updated.</p>	<p>1a. Housing and residence life has secured procurement for the appropriate signage through Facilities. A production and implementation set back was experienced with Facilities delaying the installation. Director Vanacore will follow up with Facilities staff weekly until installation is completed.</p> <p><b>Party responsible for implementation:</b> Gina M. Vanacore, Director of Housing and Residence Life</p> <p><b>Expected Implementation Date:</b> January 31, 2018</p> <p><b>Revised Implementation Date:</b> July 31, 2018</p>	<p>6 months past due</p> <p>Housing and residence life has secured procurement for the appropriate signage. A production and implementation set back was experienced in Facilities delaying the installation. Housing Director will follow-up with Facilities staff weekly until installation is complete.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> Moderate</p> <p><b>Report Name:</b> UNT-I Sponsored Students Process Review</p> <p><b>Report Number:</b> 17-409 UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> UNT International (UNT-I)</p> <p><b>Brief Description of Audit:</b> Internal Audit conducted a process review of the UNT International (UNT-I) sponsored students program operated by the UNT-I Sponsored Students and Special Programs Center. The UNT-I Sponsored Students and Special Programs Center provides multiple services to over 500 international sponsored students and over 10 international sponsors each semester.</p>	<p>UNT cash handling policy 10.006 Cash Handling Controls and best practices were not consistently followed in the UNT International (UNT-I) Main Office. Specifically, the following were noted:</p> <ul style="list-style-type: none"> <li>• Student workers were handling cash without receiving appropriate training and without necessary documentation completed;</li> <li>• UNT-I's Main Office Cash Handling Procedure Manual was not up-to-date with current University policies;</li> <li>• Cash was not being logged upon receipt; and</li> <li>• Deposits taken to Student Accounting and University Cashiering Services (SAUCS) by employees were not concealed in transit.</li> </ul> <p>Recommendation for Vice Provost for International Affairs and Director of Financial Services, Student Finance:</p> <p>7.1.a. Coordinate to ensure all UNT International cash handling functions are transferred to Student Accounting and University Cashiering Services.</p>	<p>1a. Management agrees. Following notification, UNT-I addressed cash handling training and documentation issues and updated the Main Office Cash Handling Procedure Manual to reflect current university policy. UNT-I implemented a check log (initial check logged on 1/3/2017) and began concealing the locked bank bag inside a generic bag when transporting deposits to SAUCS. UNT-I will coordinate with the Director of Financial Services, Student Finance, to explore the feasibility of transferring cash handling functions to Student Accounting and University Cashiering Services. In order to transfer this function, it will be necessary to address the ability of Sponsored Students to see complete and accurate accounts receivable reports per Observation 2. If this function can be transferred, the Sponsored Students will immediately instruct all new sponsors to direct deposits to Student Accounting and University Cashiering Services. They will work with existing sponsors to follow the same procedure with the expectation that there may be some delay in effectively communicating this. If check payment are still directed to UNT-I, staff will follow university policy on cash handling.</p> <p><b>Party responsible for implementation:</b> Pia Wood, Vice Provost for International Affairs, and Jeane Olson, Director of Financial Services, Student Finance</p> <p><b>Expected Implementation Date:</b> June 30, 2018</p> <p><b>Revised Implementation Date:</b> May 31, 2019</p>	<p>1 month past due</p> <p>UNT-I and Student Financial Services are coordinating the transfer of cash handling to Student Financial Services. The current strategy includes identifying and training the appropriate personnel to take on this duty. Additional time is required to separate the billing and collection functions while ensuring a high level of service to our international sponsors. Corrective actions will be partially implemented by January 31, 2019 and fully implemented by May 31.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> Moderate</p> <p><b>Report Name:</b> UNT College of Music Transition Audit</p> <p><b>Report Number:</b> 17-412 UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> College of Music</p> <p><b>Brief Description of Audit:</b> Internal Audit completed a transition audit in the College of Music. This audit was performed at the request of the new Dean, who joined the UNT College of Music in August 2016. The audit objective was to review and determine if processes, procedures and controls for expending M&amp;O funds, receiving revenue, and awarding scholarships were in compliance with UNT policies.</p>	<p>The current process for tracking instrument repair and rental activity is ineffective.</p> <p>Internal Audit observed numerous issues related to the processing, recording, and tracking of instrument repair and rental transactions, including:</p> <ul style="list-style-type: none"> <li>-Website registration was not available for external instrument repair customers.</li> <li>-Dates of payment received were not consistently documented.</li> <li>-The system was not able to automatically generate invoices.</li> <li>-Invoices are manually created.</li> <li>-There was no effective method of tracking accounts receivable.</li> <li>-There was no effective method of tracking transactions from internal customers versus external customers.</li> </ul> <p>Musical instrument repairs and rentals are performed in the Music Repair Shop located in the Music Annex. The primary source of tracking instrument repairs consists of a paper repair tag.</p> <p>Recommendation for John Richmond, Dean of the College of Music:</p> <p>9.1.a. Evaluate upgrading the functionality of the Music Repair Shop website or acquiring a recordkeeping software program that is compatible with PeopleSoft.</p>	<p>1a. The College has invested in the development of a new instrument-repair-shop database. The new database addresses the majority of the concerns but requires more testing and the addition of other features that will enhance functionality.</p> <p><b>Party responsible for implementation:</b> Jon Nelson, Associate Dean for Operations (until Assistant Dean for Business and Finance has been hired)</p> <p><b>Expected Implementation Date:</b> January 31, 2018</p> <p><b>Revised Implementation Date:</b> September 1, 2018</p>	<p>6 months past due</p> <p>The College of Music is in the process of procuring software for the Music Repair Shop. They have partially completed training, but more training will be necessary once the system is implemented.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> High</p> <p><b>Report Name:</b> Classroom Support Services</p> <p><b>Report Number:</b> 17-414 UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> Classroom Support Services</p> <p><b>Brief Description of Audit:</b> The purpose of the audit was to determine if controls are in place to determine if websites containing/hosting improper content (i.e. child porn) are being visited via classroom computers when classrooms are left unoccupied; if equipment in classrooms support faculty needs; and if equipment is physically secured.</p>	<p>Unique authentication is not required to use classroom computers.</p> <p>A user is not required to log in or authenticate to use classroom computers. Just hitting a key on the keyboard or jostling the mouse will activate the computer, and the user then has unlimited access to the internet via several browsers. Even if a logon was required, a generic user id and password is available and published on the CSS website.</p> <p>Recommendation for Classroom Support Services Director:</p> <p>2.1.a. Based on conclusions determined by the Senior level committee (from Observation #1), CSS should implement the necessary security measures to comply with the direction provided by the committee.</p>	<p>1a. We agree. The information from the committee will help to establish boundaries of information security to be considered by CSS. CSS will ensure that it's security protocol is aligned with the Computer Use Policy.</p> <p><b>Party responsible for implementation:</b> Dr. Allen Clark, Associate Vice President for Information Services and Transportation, UNT</p> <p><b>Expected Implementation Date:</b> March 1, 2018</p> <p><b>Revised Implementation Date:</b> December 31, 2018</p>	<p>5 months past due</p> <p>This issue is directly tied to Observation 1, so modifications to UNT Policy 14.003 need to be finalized in order for CSS to comply with necessary security measures. Revised implementation date coincides with the date the committee will complete their work.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> High</p> <p><b>Report Name:</b> IT Business Continuity Plan (BCP) – College of Information</p> <p><b>Report Number:</b> 18-018  UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> College of Information</p> <p><b>Brief Description of Audit:</b> As part of a project to evaluate the Business Continuity Plans (BCP) addressing disruption of IT services at all UNT colleges, Internal Audit (IA) conducted a review of the IT BCP for the College of Information (COI). The objective of the audit was to provide Senior Leadership with an evaluation of the college’s business continuity preparedness in the event of an IT service disruption. The review focused on the college’s IT business continuity plan and applicable policies, standards, guidelines, procedures, and regulations that address maintaining continuous business services.</p>	<p><b>A Business Continuity Plan has not been created and tested.</b></p> <p>The College of Information (COI) does not have a Business Continuity Plan (BCP) in place. Gary Mathews is creating a BCP and has started contacting the departments and areas within the College of Information to get their feedback on what applications and resources are important to them.</p> <p>Recommendation for Dean of the College of Information:</p> <p>1.1.a. COI should develop a BCP for critical IT services in the event of a disruption to IT services.</p>	<p>1a. COI will create and test a new BCP.</p> <p><b>Party responsible for implementation:</b> Kinshuk, Dean, College of Information</p> <p><b>Expected Implementation Date:</b> June 30, 2018</p> <p><b>Revised Implementation Date:</b> October 20, 2018</p>	<p>1 month past due</p> <p>COI’s IT Manager position is currently vacant but interviews are ongoing. Once the position is filled they will complete work on the BCP.</p>

# UNT-Detail for Follow-up Activity

Audit Information	Finding and Recommendation(s)	Management Response(s)	Status
<p><b>Auditor:</b> Internal</p> <p><b>Reporting Agency:</b> UNT System Internal Audit</p> <p><b>Risk Category:</b> Government and Regulatory Compliance</p> <p><b>Risk Level:</b> High</p> <p><b>Report Name:</b> IT Business Continuity Plan (BCP) – College of Information</p> <p><b>Report Number:</b> 18-018  UNT</p> <p><b>Component Institution:</b> UNT</p> <p><b>Department:</b> College of Information</p> <p><b>Brief Description of Audit:</b> As part of a project to evaluate the Business Continuity Plans (BCP) addressing disruption of IT services at all UNT colleges, Internal Audit (IA) conducted a review of the IT BCP for the College of Information (COI). The objective of the audit was to provide Senior Leadership with an evaluation of the college’s business continuity preparedness in the event of an IT service disruption. The review focused on the college’s IT business continuity plan and applicable policies, standards, guidelines, procedures, and regulations that address maintaining continuous business services.</p>	<p><b>A Business Continuity Plan has not been created and tested.</b></p> <p>The College of Information (COI) does not have a Business Continuity Plan (BCP) in place. Gary Mathews is creating a BCP and has started contacting the departments and areas within the College of Information to get their feedback on what applications and resources are important to them.</p> <p>Recommendation for Dean of the College of Information:</p> <p>1.1.b. COI should test their BCP once it has been developed.</p>	<p>1a. COI will create and test a new BCP.</p> <p><b>Party responsible for implementation:</b> Kinshuk, Dean, College of Information</p> <p><b>Expected Implementation Date:</b> June 30, 2018</p> <p><b>Revised Implementation Date:</b> October 20, 2018</p>	<p>1 month past due</p> <p>COI’s IT Manager position is currently vacant but interviews are ongoing. Once the position is filled they will complete work on the BCP.</p>

# UNTS Enterprise Audit Report Inventory

Presented by Tracy Grunig

August 9-10, 2018



# Summary of UNTS Enterprise Audit Inventory

	Fiscal Year 2018				Fiscal Year 2017				Fiscal Year 2016			
	# of Audits	Recommendations			# of Audits	Recommendations			# of Audits	Recommendations		
		Total	Open	Closed		Total	Open	Closed		Total	Open	Closed
UNTS	2	13	2	11	7	54	12	42	5	31	0	31
UNT	19	92	18	74	13	144	14	130	9	63	0	63
UNTHSC	7	53	36	17	7	72	3	69	4	47	0	47
UNTD	6	13	8	5	4	50	40	10	2	41	0	41
<b>Total Internal Audit Activity</b>	<b>34</b>	<b>171</b>	<b>64</b>	<b>107</b>	<b>31</b>	<b>320</b>	<b>69</b>	<b>251</b>	<b>20</b>	<b>182</b>	<b>0</b>	<b>182</b>

	Fiscal Year 2018				Fiscal Year 2017				Fiscal Year 2016			
	# of Audits	Recommendations			# of Audits	Recommendations			# of Audits	Recommendations		
		Total	Open	Closed		Total	Open	Closed		Total	Open	Closed
Conducted by UNTS Component Institutions	0	0	0	0	0	0	0	0	1	1	0	1
Audits of Sponsored Research Activity	0	0	0	0	3	7	0	7	4	9	0	9
State Auditor's Office	2	6	0	6	1	5	0	5	3	7	0	7
Other External Agencies	1	1	0	1	19	314	38 <sup>2</sup>	276	20	278	6 <sup>1</sup>	272
<b>Total Other Audit Agencies</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>23</b>	<b>326</b>	<b>38</b>	<b>288</b>	<b>28</b>	<b>295</b>	<b>6</b>	<b>289</b>

<sup>1</sup> Comprised of the following: 5 State Office of Risk Management recommendations; 1 State Fire Marshal's Office recommendation.

<sup>2</sup> Comprised of the following: 1 State Office of Risk Management recommendation; 25 State Fire Marshal's Office recommendations; 12 Ventilation Assessment recommendations

Questions?



**Title:** Approval of FY19 UNTS Internal Audit Plan

**Background:**

In accordance with the UNT System (UNTS) Internal Audit Charter adopted February 20, 2015, 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 FY19, resulting from this Annual Risk Assessment, is attached for the Board of Regents review and approval.

**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 the staff resources currently assigned to the Internal Audit function along with some outsourcing.

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:51:03 -05'00'

**Gary Rahlfs**  
Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:11:12 -05'00'

**Nancy S. Footer**  
Vice Chancellor/General Counsel

**Schedule:**

The FY19 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 FY19 UNTS Internal Audit Plan.

**Recommended By:**

**Tracy Grunig**  
Chief Audit Executive

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office  
of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:56:12 -05'00'

**Lesa B. Roe**  
Chancellor

Attachments Filed Electronically:

- FY19 UNTS Internal Audit Plan



## Board Order

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**Title:** Approval of FY19 UNT System Internal Audit Plan

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, Chapter 2102 of the Texas Government Code and Regent Rule 4.501.4.b requires the Board of Regents to review and approve the FY18 Annual Risk Assessment and Internal Audit Plan, and

**Whereas**, the Internal Audit department conducted the Annual Risk Assessment within professional standards and in concert with management and the Compliance Offices, and

**Whereas**, the Board of Regents has reviewed the Internal Audit Plan,

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

1. FY19 UNTS Internal Audit Plan
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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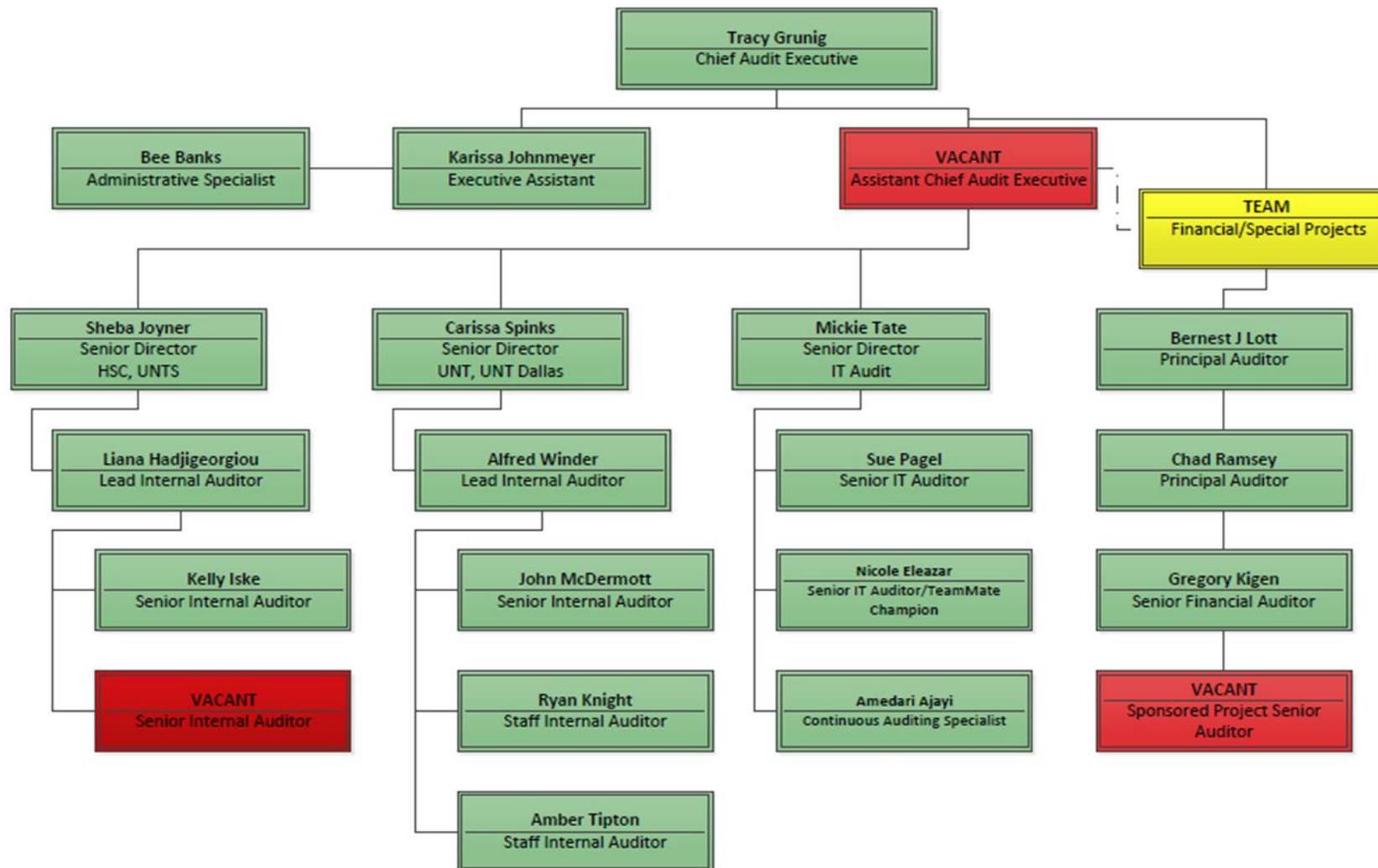
Brint Ryan, Chairman  
Board of Regents

# UNT System Internal Audit FY19 Annual Internal Audit Plan

Presented by Tracy Grunig  
August 9-10, 2018



# UNTS IA Organizational Chart



# Recap of FY18 IA Activity

Functional Area	Title of Audit	Status	Component Institution				Significant Findings
			UNT System	UNT	UNTHSC	UNT Dallas	
COMPLIANCE	Senate Bill 20 Mandated Internal Audit	Final Draft Report		X	X	X	No issues identified.
COMPLIANCE	Benefits Proportionality (outsourced - PwC)	Final Draft Report		X	X	X	Additional procedure needed to reconcile APS 11 Actual Benefits Paid amounts to PeopleSoft Payroll source data.
COMPLIANCE	Student-Managed Investment Fund (SMIF)	Final Draft Report		X			No issues identified.
COMPLIANCE	U Out-of-State Teaching Fee Research Project	Final Draft Report		X			No issues identified.
COMPLIANCE	Cancer Prevention and Research Institute of Texas (CPRIT) (outsourced-BKD)	Final Draft Report			X		No issues identified.
FINANCIAL	College of Pharmacy Financial Review	Final Draft Report			X		Controlled substances were not promptly returned for disposal. Inaccurate, incomplete, or unsupported leave of absence reporting.
STUDENTS	UNT Dallas Student Awareness and Training- Lab Safety	Final Draft Report				X	Inadequate ventilation to control lab emissions. Absence of Chemical Hygiene Officer at UNT Dallas.
RESEARCH	Grants and Contracts Compliance	In Process		X	X		
RESEARCH	Effort Reporting Process	In Process		X	X		
FINANCIAL	U Deloitte Financial Remediation	In Process	X				
INFORMATION TECHNOLOGY	U Role Based Access	In Process	X				
FINANCIAL	U Biological Sciences Audit	In Process		X			
FINANCIAL	U Advancement Audit	In Process		X			
RESEARCH	U HIPPA Grant/Fraud Project	In Process		X			
COMPLIANCE	U Financial Aid Investigation	In Process		X			
FINANCIAL	U Kristin Farmer Autism Center (KFAC) Audit	In Process		X			
INFORMATION TECHNOLOGY	U Telecom Transition Audit	In Process			X		
COMPLIANCE	SACS (outsourced - Weaver)	In Process			X		

# Recap of FY18 IA Activity

Functional Area	Title of Audit	Status	Component Institution				Significant Findings
			UNT System	UNT	UNTHSC	UNT Dallas	
INFORMATION TECHNOLOGY	U Security Camera Access	In Process				X	
INFORMATION TECHNOLOGY	U Residence Hall Access	In Process				X	
COMPLIANCE	Chancellor's/President's Expenditure Reviews	Issued	X	X	X	X	One international travel trip was not registered. PII was not redacted on support documents. Social organization membership dues and annual charges were not calculated properly resulting in inaccurate reimbursements.
COMPLIANCE	Investments	Issued	X	X	X	X	Lack of adequate review process resulted in unauthorized sweep investment vehicles. Accrued investment interest income not recorded in the General Ledger.
ACADEMIC	Counseling and Testing Services Audit	Issued		X			Ensure PHI training is administered. Pcard approver, reconciler, and cardholder signatures not recorded.
COMPLIANCE	U International Travel	Issued		X			An internal control process was not established to ensure that all individuals traveling internationally on either UNT System, UNT, UNTHSC or UNT Dallas business were registered with UNT Risk Management prior to departure. There were no travel policies that address international travel registration at the UNT System, UNT, UNTHSC, and UNT Dallas.
COMPLIANCE	U Student-Managed Investment Fund (outsourced-PwC)	Issued		X			A broker services evaluation was not performed since appointment of Fidelity as the investment broker as required by the MOU. Formally documented policies and procedures should be developed by the SIG. The SMIF designation was not followed within all official SIG documents as required by the MOU. The SIG annual report was not finalized within the 6 week timeframe as required by the SIG Bylaws. Meeting attendance is taken using manual attendance forms that are distributed during the meeting, giving students the opportunity to add names of students that did not attend the meeting.
FINANCIAL	Provost Transition Audit	Issued		X			Charn Faculty Award Funds were deposited into the incorrect faculty project ID, deposited late, and unused funds were not returned to UNT Foundation.

# Recap of FY18 IA Activity

Functional Area	Title of Audit	Status	Component Institution				Significant Findings
			UNT System	UNT	UNTHSC	UNT Dallas	
FINANCIAL	U College of Music Transition Audit	Issued		X			<p>Non-compliance with Payment Card Industry Data Security Standard (PCI DSS).                      PII was not properly secured.                      Requirements relating to criminal background checks, sexual abuse and child molestation awareness training, medical insurance, and hold harmless and indemnification agreements for external camps were not fulfilled.                      Criminal background checks were not performed on 2 String Project student employees.                      UNT cash handling policies were not consistently followed.                      A bank account was being maintained on behalf of UNT.                      Salaries for staff who perform activities unrelated to classroom instruction were expensed to the instructional fee.</p>
FINANCIAL	U Lifelong Learning & Professional Development (LLPD) Business Processes Audit	Issued		X			<p>LLPD funds were commingled in the same chart string.                      Donor gifts were not processed through UNT Division of Advancement.                      Refunds were not processed through Student Accounting and University Cashiering Services.                      LLPD employee travel expenses were paid via requisition without going through the proper approval process, and were not included on a Travel Budget Authorization (TBA) or travel voucher.                      Cash was not consistently deposited in accordance with UNT policy.                      There were no documented processes regarding check retention guidance for desktop deposit.                      PII was submitted on requisitions for expense reimbursements.</p>
INFORMATION TECHNOLOGY	Business Continuity Planning (14)	Issued		X			<p>Documented business continuity plans addressing IT outages did not exist.</p>
INFORMATION TECHNOLOGY	U Classroom Support Services (IT)	Issued		X			<p>Computer Use policy needed clarification.                      Unique authentication was not required to use classroom computers.                      Multiple facility used scheduling applications in use at UNT.                      No training documentation for the Room Monitor system used by CSS.</p>
STUDENTS	UNT Student Awareness and Training- Lab Safety	Issued		X			<p>Lack of automatic fire sprinkler system                      Lack of full-coverage fire detection system (currently, there is partial detection system coverage)                      Improper ventilation (pertaining to life-safety fire risk)                      Natural gas-like smell detected in outdoor kiln area                      Gas piping that runs over the outdoor kiln area                      Inadequate barriers/protection and warning signs for outdoor kilns                      No consolidated chemical inventory and inability to track chemical ordering                      Missing emergency contact lists                      Obstructions to fire alarms/fire extinguishers/shut off switches</p>
COMPLIANCE	THECB Faculty Development Center Award	Issued			X		<p>Unallowable Costs were paid with THECB Funds (alcohol, tips and gratuities).                      Salaries and benefits recorded in the AFReport did not reconcile to the GL.                      Expenditures recorded on the AFR were not recorded or reconciled in the GL or Uniform Statewide Accounting System.                      Non-Compliance with Purchasing Card Guidelines.</p>

# Recap of FY18 IA Activity

Functional Area	Title of Audit	Status	Component Institution				Significant Findings
			UNT System	UNT	UNTHSC	UNT Dallas	
COMPLIANCE	THECB Plaza Medical Center Family Medicine Residency Program (FMRP)	Issued			X		Unexpended balance from prior year not spent due to inadequate monitoring process for expenditures. AFR Instructions and Family Medicine Residency Program Guidelines were not followed. Fringe benefits were inaccurately categorized in the AFR.
COMPLIANCE	U Graduate Medical Education	Issued			X		Inadequate controls over Accounts Receivable. GME agreements were not in compliance with institutional policies and procedures.
FINANCIAL	School of Health Professions Financial Review	Issued			X		Inaccurate recording of leave of absences in EIS resulting in incorrect leave accrual balances and overpayment to one terminated employee. Employees who received cash payments were not processed through the Payroll office and subjected to IRS tax regulations. For non-University employees, there is not a process in place on how to monitor participants that receive an accumulative payment amount over \$600 in research studies Course fee revenue were not always spent in accordance with applicable laws. Six of 38 (16%) expenditures tested were paid with designated funds for items such as faculty travel, membership fees and awards not directly related to the fees collected
FINANCIAL	U Provost Transition Audit	Issued			X		Cash handling procedures are not adequate.
FINANCIAL	U Financial Review of HSC Reserves (outsourced-PwC)	Issued			X		Several IT system-related issues resulted from the recent PeopleSoft upgrade and subsequent chart of accounts conversion, causing HSC schools, colleges, and departments to ineffectively monitor their accounts. Insufficient, detective controls in place for monitoring the revenue recognized and the expenses incurred in HSC's IT systems against the agreement terms. Communication and information gaps between Finance & Planning, the Controller's Office, and the schools/colleges/departments; and there was not a clear delineation of responsibilities and authority for the management of revenue-generating activities and related accounts.
FINANCIAL	U Management Advisory Services: Graduate School of Biomedical Sciences 70/30 Rule	Issued			X		Faculty did not provide minimum FTE towards extramurally funded research.
FINANCIAL	U Primary Care Innovation Grant Validation	Issued			X		Expenditures not included on AFR due to incorrect set up of funding source. Fringe benefits funded through incorrect source. Expenditures posted twice in Uniform Statewide Accounting System (USAS).
INFORMATION TECHNOLOGY	U Property Control Process	Issued			X		Improper transfer of state property (computers) to individuals Inappropriate reimbursement to individuals for personal expenditures Potential federal income tax and payroll tax consequences Identified operational inefficiencies related to handling of electronic equipment subject to litigation hold requests.

# Recap of FY18 IA Activity

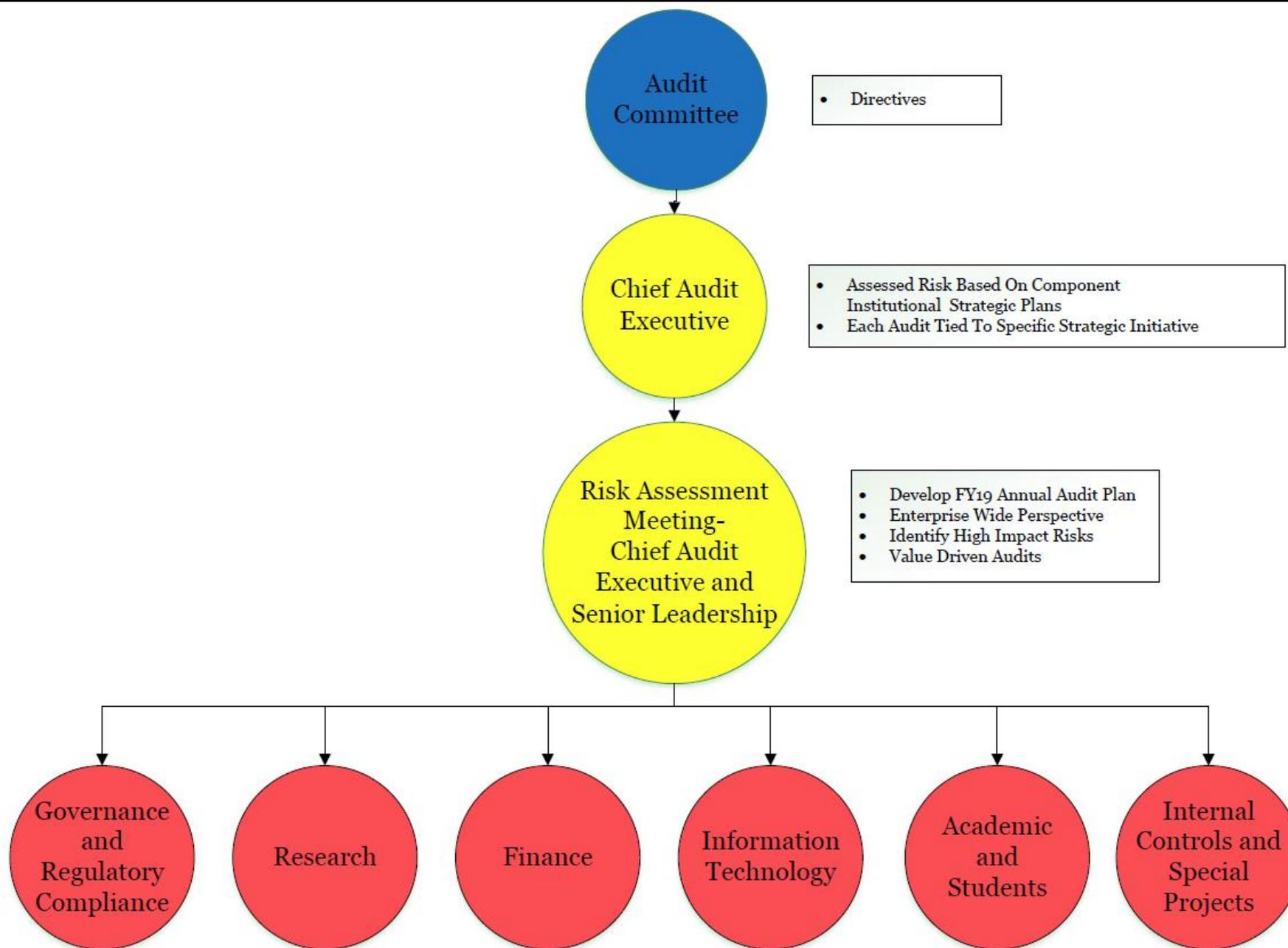
Functional Area	Title of Audit	Status	Component Institution				Significant Findings
			UNT System	UNT	UNTHSC	UNT Dallas	
COMPLIANCE	U Management Advisory Services: Registrar's Office Business Review	Issued				X	No issues identified.
INFORMATION TECHNOLOGY	IT Asset Inventory Controls Audit	Issued				X	Potential vulnerabilities in the tracking of IT assets due to not having a dedicated, independent Property Management resource to be responsible for the overall disposition of IT devices throughout their lifecycle while at UNT Dallas
INFORMATION TECHNOLOGY	U University-Owned Cell Phone Billing Process (MAS)	Issued				X	No issues identified.
INFORMATION TECHNOLOGY	U Data Security for Network Multifunction Printers (MAS)	Issued				X	Several printers did not have the security feature enabled making those devices susceptible for exposure.
INFORMATION TECHNOLOGY	U Network Printer Usage (MAS)	Issued				X	Active monitoring was determined to not be in place.
FINANCIAL	Minor Capital Projects Construction Audit	Cancelled		X			
NCAA	NCAA (MAS)	Cancelled		X			
ACADEMIC	Scholarships Review	Cancelled			X		
STUDENTS	UNTHSC Student Awareness and Training- Lab Safety	Cancelled			X		
INFORMATION TECHNOLOGY	U Disaster Recovery	Defer to FY19	X				
FINANCIAL	U Microbiology, Immunology & Genetics Transition Audit	Defer to FY19			X		
<b>FY17 Audits Issued in FY18:</b>							
FINANCIAL	Minor Capital Projects (FY17 AAP)	Issued		X			High cost threshold for minor capital projects assigned project ID numbers. No consistent reconciliation of project financial information, and no efficient way for management to obtain and perform periodic review of the financial status on projects. Documentation for projects was either missing or incomplete. Outdated System and UNT policies. Not all UNT major capital projects in PeopleSoft contained budget information.
ACADEMIC	UNTD Scholarships Review (outsourced-PwC) (FY17 AAP)	Issued				X	Inconsistent process for creating/managing endowments and related gift agreements. Enhancement to processes needed to help manage endowment funds in alignment with University guidelines, including processes and policies over the monitoring of donations and compliance with established requirements.
FINANCIAL	Community Counseling Clinic Transitional Audit (FY17 AAP)	Issued				X	PHI, PII and student education records were not protected sufficiently. Cash handling policies were not consistently followed.

# University of North Texas System Internal Audit Allocation of Staff Audit Hours to FY19 UNTS IA Annual Audit Plan

Total Audit Staff Hours Available (15 FTE + 1 FTE partial year)	32,760	
Less Non-Direct Time (30% - e.g., vacation, sick, CPE)	<u>(9,828)</u>	
Direct Hours Available for Audit Activities	22,932	
Non-Direct Internal Audit Activities (e.g., IIA professional guidelines compliance, service provided to professional organizations, etc.) Represents X% of Direct Hours Available	<u>(1,174)</u>	
Hours Allocated to Audit Projects and Value-Added Management Services		<u>21,758</u>
Hours Allocated to Audit Projects	19,979	
Hours Allocated to Value-Added Management Services	<u>1,779</u>	
		<u>21,758</u>

# Realignment of UNT System Internal Audit in Response to IA Functional Review Suggestions

- Financial Audits (CPAs)
  - Targets contracts (ensuring payments received and disbursed are appropriate)
  - Auxiliaries (ensuring revenues, expenditures, and internal transfers are appropriate and operational processes are effective and efficient)
  - Research (sponsored projects, grants, and contracts are effectively administered, transactions are accurately recorded in the financial records, and documentation is sufficiently maintained)
  - Facilities Construction (review contract compliance and financial transactions for propriety)
- Internal Controls (CIAs, Certified Internal Controls Auditor (CICAs), CISAs and CFEs)
  - Organization functional realignments are examined to ensure controls are adequate, processes are effective and efficient, and services provided are delivered as anticipated
  - SOX Testing (highlight risk factors from an operational, process, and IT perspective and determine the adequacy of mitigating controls)
- Grant Thornton CAFR Fieldwork Assistance (CPAs and CIAs)
  - Perform audit test work and work paper development
  - Deliver cost savings through supplementing UNTS Finance staff
  - Provide management advisory services (training and subject matter expertise)



**University of North Texas System Internal Audit**  
**UNT System Strategic Plan Goals Operationalized in FY19 UNTS IA Annual Audit Plan**

<b>UNT System Strategic Goals</b>	<b>Business Goals</b>	<b>Identified Business Risk</b>	<b>Audit Owner</b>	<b>FY19 AAP Project</b>
Grow Foundation Assets	Evaluate controls surrounding the investing activities are effective	Compliance; Reputational; Financial; Operational; Regulatory	System Treasury, Institution Finance/Budget	Investments
Achieve Efficient and Effective System	Operational Effectiveness and Process Efficiency and Security  Maximizing and Safeguarding Resources	Compliance; Reputational; Financial; Operational; Regulatory	Finance/Budget  Finance	Employee Benefits Percentage Deductions Benefits Proportionality Disaster Recovery System Accessibility & Availability Uptime  Role Based Access Data Validation Controls – Employee Benefits (TRS/ORP) Data Validation Controls – Vendor, HR, Payroll  Grant Thornton
Achieve Efficient and Effective System	Adherence to Regulations, Policies, Procedures and Compliance Requirements	Compliance; Reputational; Financial; Operational; Regulatory	System Procurement, Office of General Counsel	Senate Bill 20 Mandated Internal Audit
Achieve Efficient and Effective System	Adherence to Contract Requirements and Employment Agreement Provisions	Compliance; Reputational; Financial; Operational	System Senior Leadership	Chancellor’s Expenditure Review
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Academic	College of Merchandising, Hospitality & Travel, Transition Audit College of Health & Public Service, Transition Audit Libraries Dean Transition Audit

**University of North Texas System Internal Audit**  
**UNT Strategic Plan Goals Operationalized in FY19 UNTS IA Annual Audit Plan**

<b>UNT Strategic Goals</b>	<b>Business Goals</b>	<b>Identified Business Risk</b>	<b>Audit Owner</b>	<b>FY19 AAP Project</b>
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Academic	College of Merchandising, Hospitality & Travel, Transition Audit College of Health & Public Service, Transition Audit Libraries Dean Transition Audit
Achieve Efficient and Effective System	Adherence to Regulations, Policies, Procedures and Compliance Requirements	Compliance; Reputational; Financial; Operational; Regulatory	Academic	Student-Managed Investment Fund (SMIF)
Achieve Efficient and Effective System	Adherence to Contract Requirements and Employment Agreement Provisions	Compliance; Reputational; Financial; Operational	President Senior Leadership	President's Expenditure Review
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational	Academic	Psychology Clinic Audit
Achieve Efficient and Effective System	Operational Effectiveness	Information Technology; Compliance; Reputational; Operational	Institution Information Technology per College	Data Classification and Protection of Information
Grow Research	Adherence to Regulations, Policies, Procedures and Compliance Requirements	Compliance; Financial; Operational	Research	Grants and Contracts Compliance Effort Reporting Export and DOD Compliance
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Finance	Benefits Proportionality
Grow Foundation Assets	Evaluate controls surrounding the investing activities are effective	Compliance; Reputational; Financial; Operational; Regulatory	System Treasury and Institution Finance/Budget	Investments

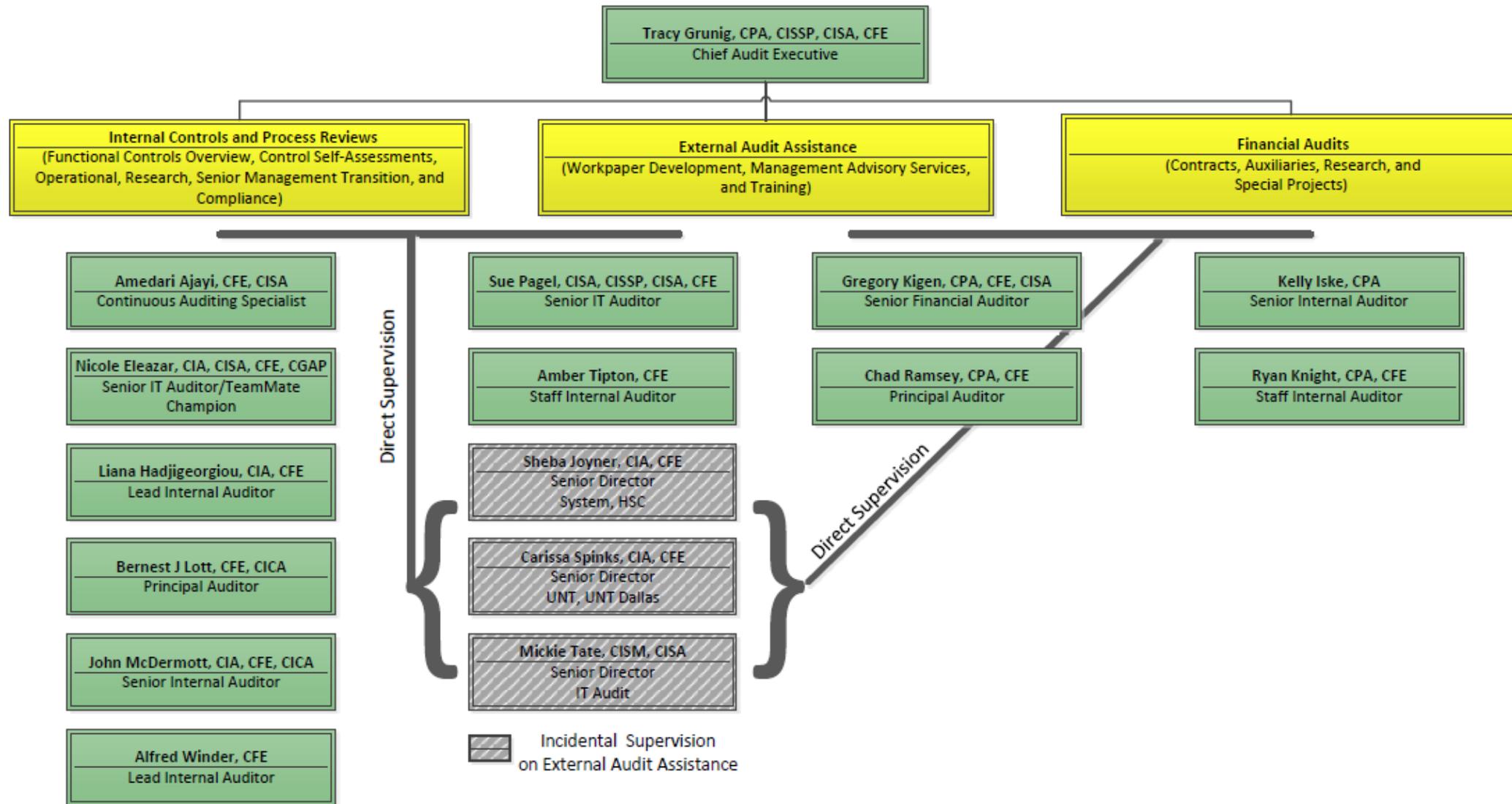
**University of North Texas System Internal Audit**  
**UNTHSC Strategic Plan Goals Operationalized in FY19 UNTS IA Annual Audit Plan**

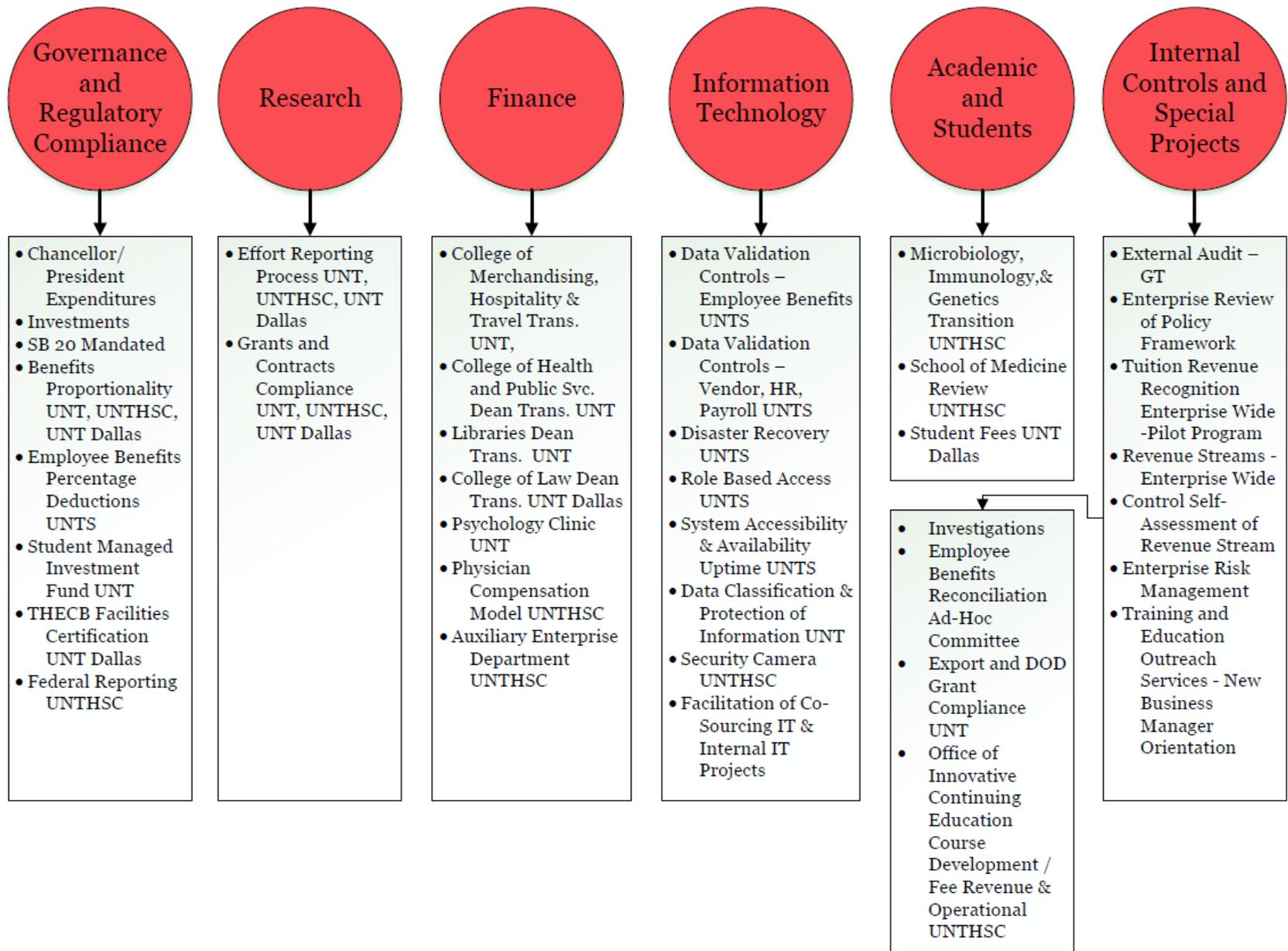
<b>UNTHSC Strategic Goals</b>	<b>Business Goals</b>	<b>Identified Business Risk</b>	<b>Audit Owner</b>	<b>FY19 AAP Project</b>
Grow Research	Adherence to Regulations, Policies, Procedures and Compliance Requirements	Compliance; Reputational; Financial; Operational; Regulatory	Research	Grants and Contracts Compliance Effort Reporting
Grow Foundation Assets	Evaluate controls surrounding the investing activities are effective	Compliance; Reputational; Financial; Operational; Regulatory	System Treasury and Institution Finance/Budget	Investments
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Academic	Microbiology, Immunology, and Genetics Transition Audit
Achieve Efficient and Effective System	Adherence to Regulations, Policies, Procedures and Compliance Requirements	Compliance; Reputational; Financial; Operational; Regulatory	Academic	Federal Reporting Audit
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Academic	Physician Compensation Model
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Finance	Auxiliary Enterprise Department
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Finance	Auxiliary Enterprise Department
Achieve Efficient and Effective System	Adherence to Contract Requirements and Employment Agreement Provisions	Compliance; Reputational; Financial; Operational	President Senior Leadership	President's Expenditure Review
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Finance	Benefits Proportionality
Grow Enrollment & Graduation; Grow Foundation Assets	Adherence to Regulations and Compliance Requirements	Compliance; Reputational; Financial; Operational; Regulatory	Academic	School of Medicine Review

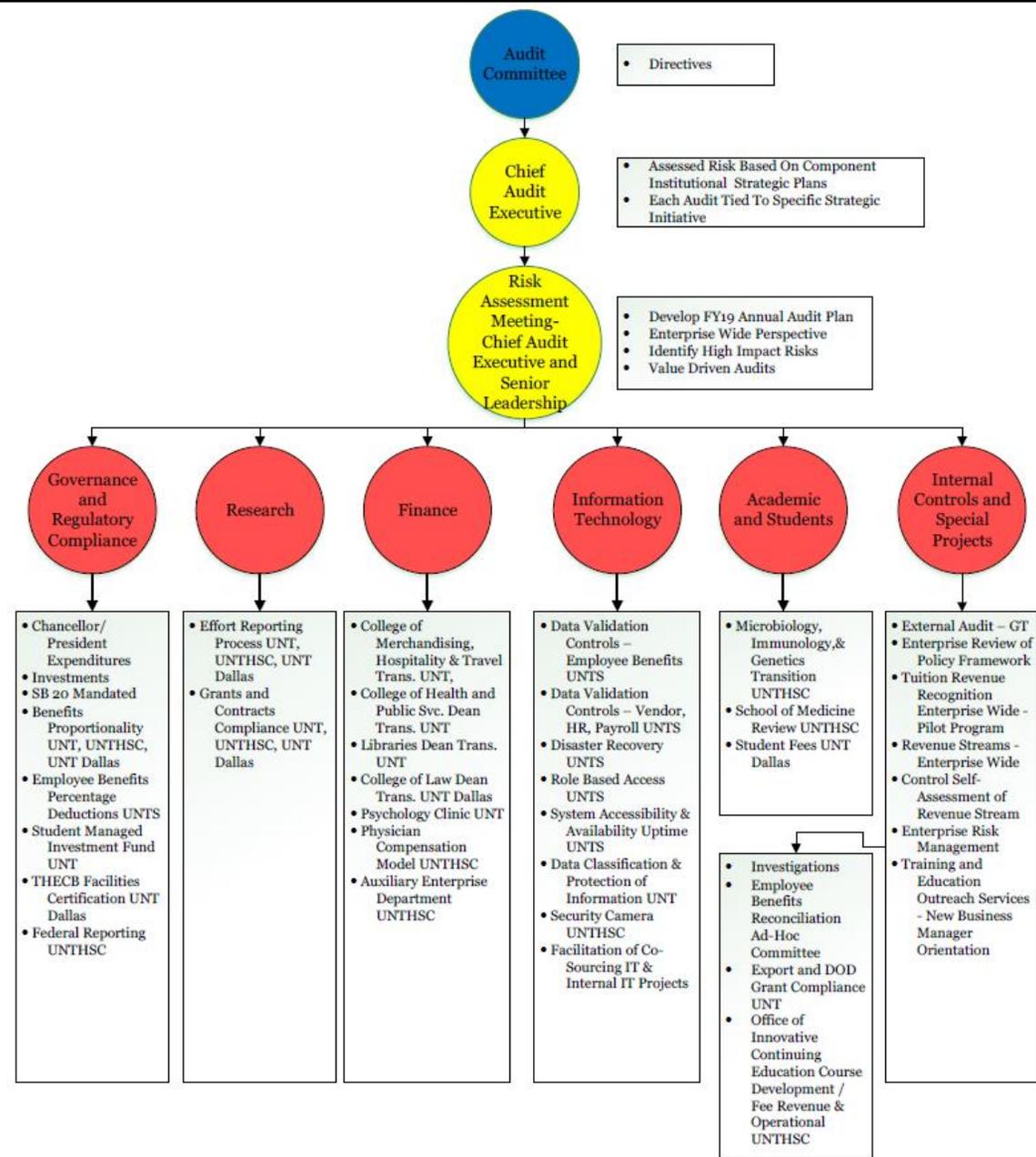
**University of North Texas System Internal Audit**  
**UNT Dallas Strategic Plan Goals Operationalized in FY19 UNTS IA Annual Audit Plan**

<b>UNT Dallas Strategic Goals</b>	<b>Business Goals</b>	<b>Identified Business Risk</b>	<b>Audit Owner</b>	<b>FY19 AAP Project</b>
Grow Foundation Assets	Evaluate controls surrounding the investing activities are effective	Compliance; Reputational; Financial; Operational; Regulatory	System Treasury and Institution Finance/Budget	Investments
Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Academic Finance	College of Law Dean Transition Audit Student Fees
Grow Research	Adherence to Regulations, Policies, Procedures and Compliance Requirements	Compliance; Reputational; Financial; Operational; Regulatory	Research	Grants and Contracts Compliance Effort Reporting Facilities Certification Audit – THECB
Achieve Efficient and Effective System	Achieve Efficient and Effective System	Operational Effectiveness	Compliance; Reputational; Financial; Operational; Regulatory	Benefits Proportionality
Achieve Efficient and Effective System	Adherence to Contract Requirements and Employment Agreement Provisions	Compliance; Reputational; Financial; Operational	President Senior Leadership	President’s Expenditure Review

# UNTS IA Functional Organization Chart





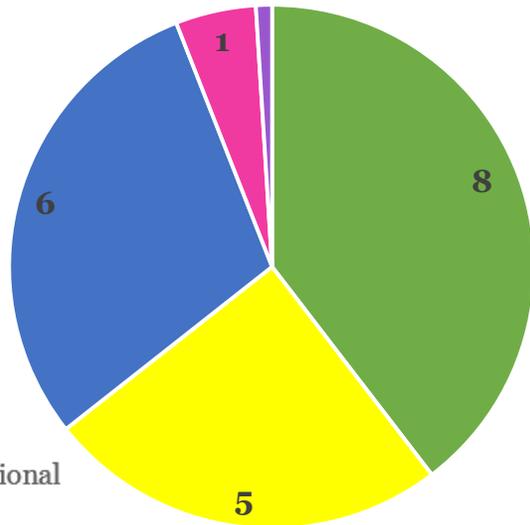


# Summary of FY19 Annual Audit Plan by Component

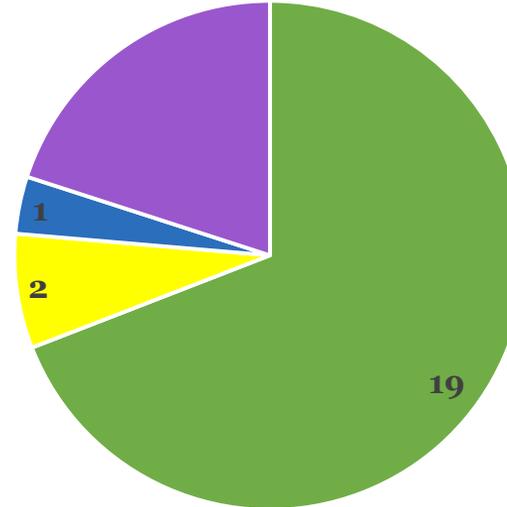
<b>Component Name</b>	<b>Total Allocated Audit Hours</b>	<b>Total Unallocated Audit Hours</b>	<b>Total Audit Hours</b>	<b>Number of Audits</b>
Enterprise	2,450	0	2,450	8
UNT System	4,390	263	4,653	12
UNT	3,175	767	3,942	14
UNTHSC	3,455	483	3,938	12
UNT Dallas	<u>1,725</u>	<u>424</u>	<u>2,149</u>	<u>6</u>
	15,195	1,937	17,132	52

# FY19 Audit Activity at Each Component Institution

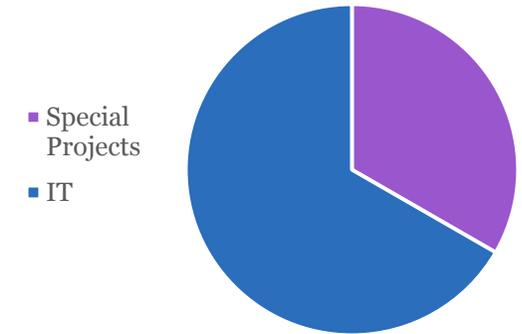
## UNT System



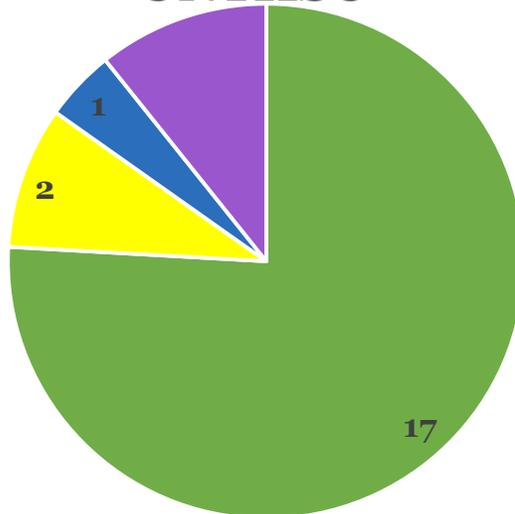
## UNT



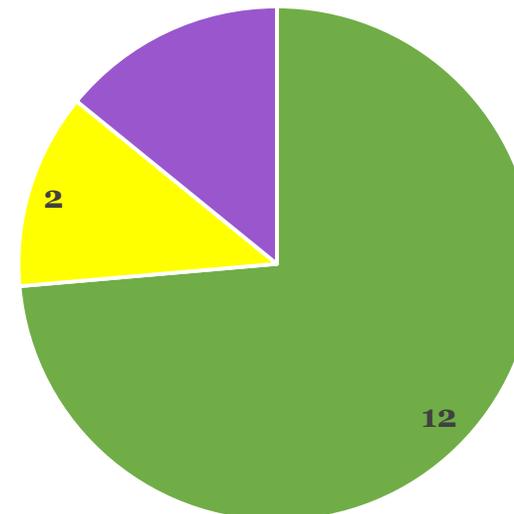
## Unallocated IT and Special Projects Team Hours



## UNTHSC



## UNT Dallas



	Individual Audit Reports	All 4 Institutions Included in One Audit Report	Total Audit Activity
UNT System	12	8	20
UNT	14	8	22
UNTHSC	12	8	20
UNT Dallas	6	8	14
	44	32	76

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
<b>FY18 Audits Requiring FY19 Audit Hours:</b>									
INTERNAL AUDIT	RESEARCH	Grants and Contracts Compliance	Review grants and contracts for compliance with grant conditions, System/University policies, and state and federal laws.	200		x			Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	RESEARCH	Effort Reporting Process	Review effort reporting process for grants for compliance with grant conditions, System/University policies, and state and federal laws.	200		x			Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	RESEARCH	Home Instruction for Parents of Preschool Youngsters (HIPPY)	Assess compliance with the sponsor's terms and conditions in the carrying out of the Texas HIPPY Corp project.	100		x			Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	FINANCIAL	Kristin Farmer Autism Center	Review and determine if controls for revenue collection, purchasing, travel, and operational expenditures comply with University/System policies and regulations.	150		x			Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	RESEARCH	Grants and Contracts Compliance	Review grants and contracts for compliance with grant conditions, System/University policies, and state and federal laws.	150			x		Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	RESEARCH	Effort Reporting Process	Review effort reporting process for grants for compliance with grant conditions, System/University policies, and state and federal laws.	150			x		Compliance; Reputational; Financial; Operational; Regulatory
<b>Total FY19 Hours Allocated for FY18 Audit Projects</b>				<b>950</b>					
<b>FY19 Audits Requiring FY19 Audit Hours:</b>									
REQ-BOARD OF REGENTS	COMPLIANCE	Chancellor's/President's Expenditure Reviews	Evaluate whether travel, entertainment, and business expenses are in compliance with System/University policies, employment agreement provisions, state and federal laws as required by employment agreements.	775	x	x	x	x	Compliance; Reputational; Financial; Operational

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
REQ-REGENT RULES AND ENTERPRISE POLICIES	COMPLIANCE	Investments	Evaluate controls surrounding the investing activities are effective; as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.	400	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Benefits Proportionality	Assess the processes and controls related to completion of Form APS 011 as required by the General Appropriations Act, Article IX, Section 6.08, Benefits Paid Proportional by Fund.	150		X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Senate Bill 20 Mandated Internal Audit	Internal Audit is required under SB 20 regulations to review contracting process for adherence to requirements on annual basis.	500	X				Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Student-Managed Investment Fund (SMIF)	Assess compliance with the donor agreement between UNT and Colonel Guy M. Cloud, Jr. related to SMIF.	150		X			Compliance; Reputational; Financial; Operational
REQ-REG AGENCY	COMPLIANCE	THECB Facilities Certification	Determine whether the projects and acquisitions of real property that were submitted to THECB received the required approvals, re-approvals or review, and were completed in accordance with rules established by the Texas Administrative Code and within the parameters specified in the project applications.	200				X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	COMPLIANCE	Employee Benefits Percentage Deductions	To determine whether the employee percentage deduction amounts and employee contributions are in accordance with plan provisions and whether it is accurately recorded.	500	X				Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	COMPLIANCE	Federal Reporting	To ensure required federal reports are submitted timely, accurately and completely.	330			X		Compliance; Reputational; Financial; Operational; Regulatory

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	ACADEMIC	Microbiology, Immunology, and Genetics Transition	The audit will focus on processes, procedures and controls for cash handling, purchasing, budgeting, travel expenses, contract agreements and asset inventory.	300			X		Compliance; Reputational; Financial; Operational
INTERNAL AUDIT	ACADEMIC	School of Medicine Review	To identify and ensure a foundational analysis of policies and practices between HSC and TCU is performed.	250			X		Reputational; Operational
MGMT REQUEST	ACADEMIC	Student Fees	Determine whether fees are charged, authorized, recorded, and expended in compliance with University policies and State laws.	350				X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	FINANCIAL	College of Merchandising, Hospitality & Tourism Dean Transition	Review and determine whether processes, procedures and controls for cashing handling, purchasing, travel expenses, and asset inventory are in compliance with University/System policies and regulations.	200		X			Compliance; Reputational; Financial; Operational
INTERNAL AUDIT	FINANCIAL	College of Health and Public Service Dean Transition	Review and determine whether processes, procedures and controls for cashing handling, purchasing, travel expenses, and asset inventory are in compliance with University/System policies and regulations.	200		X			Compliance; Reputational; Financial; Operational
INTERNAL AUDIT	FINANCIAL	Libraries Dean Transition	Review and determine whether processes, procedures and controls for cashing handling, purchasing, travel expenses, and asset inventory are in compliance with University/System policies and regulations.	200		X			Compliance; Reputational; Financial; Operational
INTERNAL AUDIT	FINANCIAL	Psychology Clinic	Determine whether Patient Health Information was adequately protected in accordance with the Texas Medical Records Privacy Act (Texas House Bill 300/ Texas Health & Safety Code § 181); Determine whether cash handling processes/procedures provide an adequate system of internal controls to help ensure compliance with System/University policies.	350		X			Compliance; Reputational; Financial; Operational
INTERNAL AUDIT	FINANCIAL	Physician Compensation Model	To ensure physician compensations based on the model are recorded accurately, completely and paid timely	350			X		Financial; Operational

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	FINANCIAL	Auxiliary Enterprise Department	To ensure departmental activities are helping accomplish the department's goals/objectives and revenue resources obtained are used appropriately.	400			X		Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	FINANCIAL	College of Law Dean Transition	Review processes, procedures and controls for cashing handling, purchasing, travel expenses, and asset inventory is in compliance with University/System policies and regulations.	350				X	Compliance; Reputational; Financial; Operational
INTERNAL AUDIT	INFORMATION TECHNOLOGY	Facilitation of Co-Sourcing IT & Internal IT Projects	To be responsive to requests for IT audit support and consultation in all matters. Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY19.	240	X	X	X	X	Information Technology; Compliance; Reputational; Operational
MGMT REQUEST	INFORMATION TECHNOLOGY	Data Validation Controls - Employee Benefits (TRS/ORP)	To test the recorded retirement elections of full time employees of UNT Systems and Institutions to ensure they are proper based on policy, employee selection and positions. Validate that election options on electronic forms have the necessary controls and validations in place to ensure elections are input correctly.	280	X				Compliance; Reputational; Financial; Operational; Regulatory
MGMT REQUEST	INFORMATION TECHNOLOGY	Data Validation Controls - (Vendor, HR, payroll)	To determine whether the employee contribution amounts for TexasSaver are in accordance with plan provisions and whether contribution amounts are properly recorded and timely submitted to the respective agency. Validate that options on electronic forms have the necessary controls and validations in place to prevent improper manipulation of information input into the system.	350	X				Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	INFORMATION TECHNOLOGY	Disaster Recovery	To review disaster recovery plans to ensure plans have been tested and are in accordance with published SLA's to the University.	400	X				Information Technology; Compliance; Reputational; Financial; Operational
MGMT REQUEST	INFORMATION TECHNOLOGY	Role Based Access	To determine if role based access exists within EIS and if segregation of duties conflicts exist within and between assigned roles.	420	X				Information Technology; Financial; Operational

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	INFORMATION TECHNOLOGY	System Accessibility and Availability Uptime	Determine if outages are occurring to the network and if so, what systems are impacted, user community affected and determine if published Service Level Agreement's (SLAs) are being met.	400	X				Information Technology; Financial; Operational
INTERNAL AUDIT	INFORMATION TECHNOLOGY	Data Classification and Protection of Information	Determine if data classification is being performed and if the data is being protected in accordance with the level of security required for the classification assigned.	200		X			Information Technology; Compliance; Reputational; Operational
INTERNAL AUDIT	INFORMATION TECHNOLOGY	Security Camera	To review effectiveness of security camera coverage; security of physical and logical access to the cameras and systems that support the cameras.	300			X		Information Technology; Reputational; Operational
INTERNAL AUDIT	INTERNAL CONTROLS	Enterprise Review of Policy Framework	Review the processes surrounding how policies and procedures are developed and the frequency policies and procedures are reviewed or revised.	400	X	X	X	X	Compliance; Financial; Operational; Regulatory
INTERNAL AUDIT	INTERNAL CONTROLS	Revenue Streams Enterprise Wide	To identify sources of revenue enterprise-wide and assess the accounting treatment to determine compliance with policy and statutory requirements.	500	X	X	X	X	Compliance; Financial; Regulatory
MGMT REQUEST	INTERNAL CONTROLS	External Audit Fieldwork Assistance - Grant Thornton	Internal Audit assistance with annual audit of UNTS financial statements for FY18.	500	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
MGMT REQUEST	INTERNAL CONTROLS	Control Assessment - TBD	To assess the adequacy of internal controls; identifying potential areas of weakness, non-compliance, and/or unsound practices; and determining whether revenues are identified, managed, and reported in accordance with University policy and state law.	300	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	INTERNAL CONTROLS	Tuition Revenue Recognition Enterprise Wide - Pilot Program	Review the cash management / check processing procedures in student accounting at UNT Dallas.	400				X	Compliance; Financial; Regulatory
INTERNAL AUDIT	RESEARCH	Grants and Contracts Compliance	Review grants and contracts for compliance with grant conditions, System/University policies, and state and federal laws.	900		X	X	X	Compliance; Reputational; Financial; Operational; Regulatory

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	RESEARCH	Effort Reporting Process	Review effort reporting process for grants for compliance with grant conditions, System/University policies, and state and federal laws.	1,050		X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	SPECIAL PROJECTS	Enterprise Risk Management	To assess framework used by organizations to manage risks and opportunities related to the achievement of institutional and department objectives. Review processes for effectiveness.	250	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	SPECIAL PROJECTS	Training and Education Outreach Services - New Business Manager Orientation	To educate management on common control failures and promote compliance and enhance operational effectiveness through best practices.	100	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	SPECIAL PROJECTS	Investigations	To examine and verify allegations or complaints of fraud, waste, abuse or employee misconduct.	200	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	SPECIAL PROJECTS	Employee Benefits Reconciliation Ad-Hoc Committee	Committee headed by Brandi Renton to explore issues discovered concerning TRS deductions not taken properly from employee paychecks, particularly those hired after 1/17/18. IA to explore processes and controls concerning ERS benefits, identifying weaknesses.	300	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
INTERNAL AUDIT	SPECIAL PROJECTS	Export and DOD Grant Compliance Audit	Review partnerships for compliance with Department of Defense (DOD) grant guidelines.	400		X			Compliance; Reputational; Operational; Regulatory
INTERNAL AUDIT	SPECIAL PROJECTS	Office of Innovative Continuing Education Delivering Outcomes (INCEDO) - Course Development / Fee Revenue & Operational Audit	Review and evaluate payments for development and delivery of continuing education courses; and evaluate departmental expenditures using funds to assess compliance with University policy and state law. Additionally, determine whether revenue rates are appropriate and financial resources obtained are utilized correctly.	400			X		Compliance; Financial; Regulatory

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	UNALLOCATED HOURS-UNT System		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY19 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	263	X				Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	UNALLOCATED HOURS-UNT		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY19 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	767		X			Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	UNALLOCATED HOURS-UNTHSC		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY19 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	483			X		Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	UNALLOCATED HOURS-UNT Dallas		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY19 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	424				X	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets

# University of North Texas System Internal Audit FY19 Annual Internal Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					UNT System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	UNALLOCATED HOURS-IT		Represents audit hours designated for institutional use but individual IT audit projects and data mining have not been determined. IT audit projects will be identified over the course of FY19 to be responsive to managements' high risk and high impact areas.	1,416	X	X	X	X	Information Technology Security; IT System Network Authorization and Access; Operational; Compliance with Policies; Reputational
INTERNAL AUDIT	UNALLOCATED HOURS-INTERNAL CONTROLS/SPECIAL PROJECTS		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY19 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	625	X	X	X	X	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
REG-IIA PROFESSIONAL STANDARDS		Follow-Up of Prior Audits	The IIA Professional Standards for internal auditing require auditors to follow-up on implementation of recommendations included in prior audit reports.	806	X	X	X	X	Due Diligence
	Total FY19 Hours Allocated for FY19 Audit Projects			19,979					
	Value-Added Management Services (see appendix)			1,779					
	Total FY19 Hours Allocated for Audit Projects and Value-Added Management Services			21,758					

# University of North Texas System Internal Audit

## FY19 Annual Internal Audit Plan –

### Value Added Management Services Appendix

FY19 Hours Allocated for Value-Added Management Services:		
Title	Objectives	Hours in Total
IA Quality Assurance	Implementation of recommendations resulting from Quality Assurance Review performed in FY17. (E.G. audit process improvements, department policies and procedures, and audit methodologies)	100
Risk Assessment Meetings, Discuss Audit Status	Facilitation of discussions concerning risks and audit statuses.	200
Committee Meetings, Discuss Audit Status	Participation in work groups and committees with management.	642
Workgroup - PCI DSS Compliance Process Review	Work with cross functional team to establish a PCI program is viable and sustainable.	80
Technical Architecture Group	Participate as a guest of the UNT Technical Architecture Group to stay aware of the state of IT on the UNT campus.	48
Workgroup - UNT Academic Computing Workgroup	Work with the UNT IT academic areas to provide audit services that will help facilitate the achievement of UNT strategic goals and ensure the efficiency and effectiveness of IT operations.	40
Workgroup - HR Committee (ePAR Process)	Work with cross functional team to ensure proper controls are maintained as the entire ePAR process moves from BCS to HR.	60
Workgroup - HR Committee (TRS Deductions)	Work with cross functional team to establish controls which will ensure benefit deductions are applied correctly for UNT system employees.	40
Resource/Training - Subject Matter Experts to Stakeholders on Business and IT Processes, Policies and Procedures	Provide insight, consulting and advisory services to Stakeholders across the Enterprise	80
Resource - Presentation Requests	Present and facilitate discussions for UNT, UNTHSC & UNT Dallas	60
Ad Hoc Requests from Management	Unplanned support and training requests throughout FY19.	429
	<b>Subtotal</b>	<b>1,779</b>

# Audit Risks Identified – Potential Unallocated Hour Usage

- UNT System
  - Data Analytics Project
- UNT
  - Animal Subject Research
  - NCAA Compliance
- UNTHSC
  - Procurement Contract Process
- UNT Dallas
  - Student Financial Aid
  - Provost Transition Audit

# Questions?



**Title:** FY19 UNT System Compliance Risk Assessment and Work Plan

**Background:**

The Audit Committee has requested that the Compliance offices conduct risk assessments and prepare annual work plans for consideration by the Committee each August. The Compliance officers have conducted risk assessments and prepared the attached work plan for consideration and approval by the Board.

**Financial Analysis/History:**

There are no financial implications associated with the FY19 UNT System Compliance Risk Assessment and Work Plan.

**Gary Rahlfs**

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:52:12 -05'00'

Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:31:51 -05'00'

Vice Chancellor/General Counsel

**Schedule:** N/A

**Recommendation:**

It is recommended that the UNT System Board of Regents approve the attached FY19 UNT System Compliance Risk Assessment and Work Plan.

**Recommended By:**

Steven A. Hill I

UNT System Compliance Officer

**Tracy C. Grunig**

Digitally signed by Tracy C. Grunig  
DN: cn=Tracy C. Grunig, o=University  
of North Texas System, ou=Internal  
Audit,  
email=tracy.grunig@untsystem.edu,  
c=US  
Date: 2018.08.01 11:56:16 -05'00'

Chief Audit Executive

Attachments Filed Electronically:

- FY19 UNT System Compliance Risk Assessment and Work Plan



## Board Order

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**Title:** FY19 UNT System Compliance Risk Assessment and Work Plan

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, the Compliance offices have conducted risk assessments and prepared annual work plans,

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

1. FY19 UNT System Compliance Risk Assessment and Work Plan
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

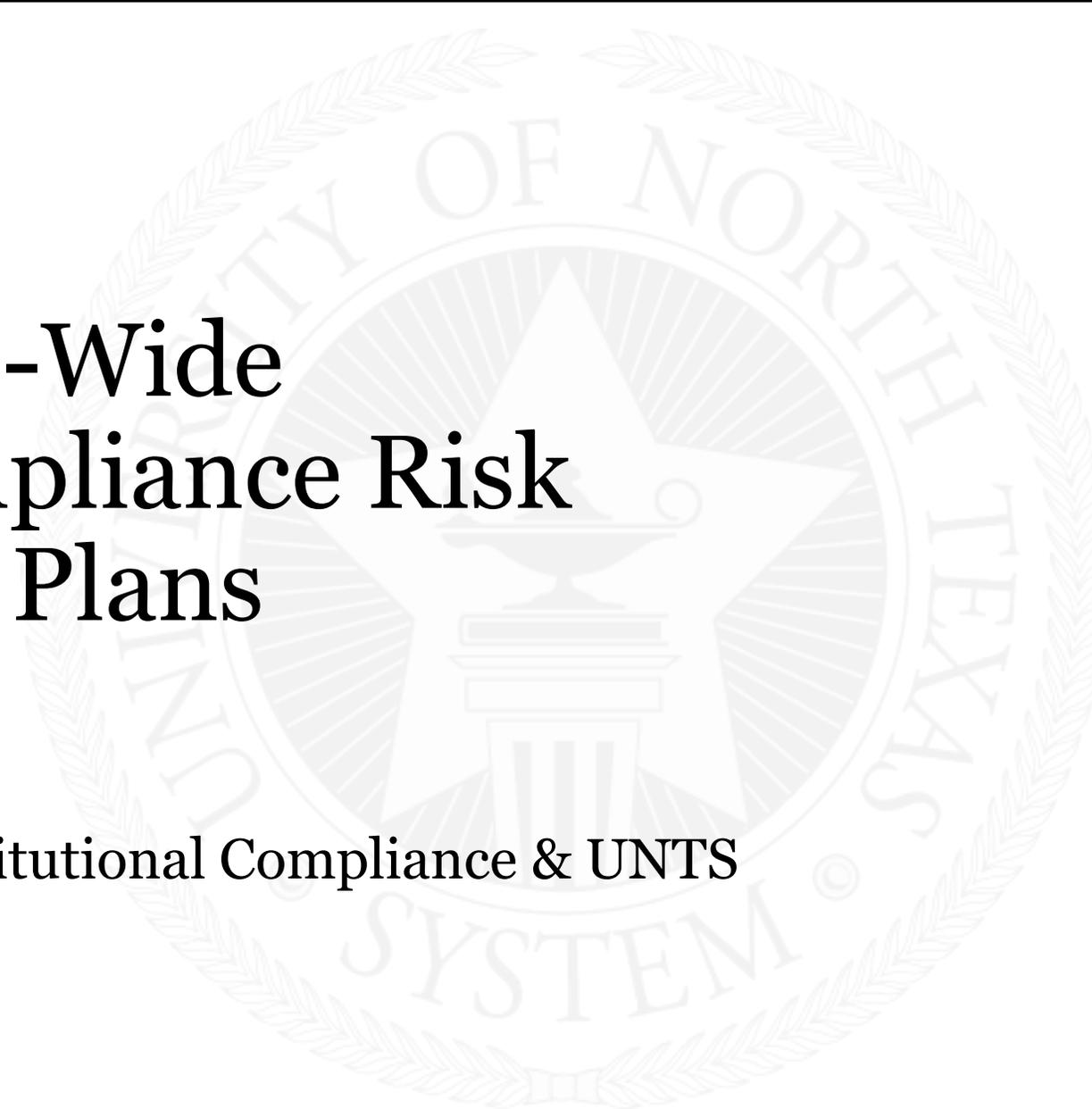
Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



# FY19 UNT System-Wide Consolidated Compliance Risk Assessment Work Plans

Presented by:

Steven Hill, UNT Director of Institutional Compliance & UNTS  
Compliance Officer

August 10, 2018

# Summarized Risk Assessment Approach

- System and Institutional Compliance (IC) met with the cabinet members and other key leaders of UNT System Administration, UNT, and UNT Dallas to discuss and evaluate the current Compliance Risks being reported to executive management, the Audit Committee and the full UNT System Board of Regents.
- The FY19 risk assessment process included considerations in addition to just documenting management's concerns via the interview process.
- Our risk assessment approach continues to use a method for determining the priority of each risk using a low, medium, or high ranking format.
- This risk assessment approach identified high-risks for each Institution, categorized as Compliance Risks.
- Compliance Risks are mitigated via a partnership between senior management and their applicable Compliance team. A senior management official is designated as the responsible party for each Compliance high-risk.
- The action taken by this official's area and the applicable Compliance team to address each Compliance Risk is reported to the Audit Committee and the full UNT System Board in section II of the UNT System Consolidated Quarterly Compliance report until the Compliance Risk has been addressed and is no longer considered a high-risk.

# UNT System Administration Compliance Work Plan

There are four (4) Compliance Risks that were re-confirmed during the FY19 Risk Assessment process. These four (4) Compliance Risks will continue to be managed as a result of meetings between the responsible party and System and/or Institutional Compliance.

1. Electronic Information Mis-Handling – HH – Risk: Inability to defend electronic information from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction.
2. Required Compliance Related Training – MH – Risk: Inability to ensure that all required compliance related training is being conducted within the applicable timeframe and in a manner that provides proof of training completion.
3. Records Management and Retention – MM – Risk: Inability to maintain and dispose of records in accordance with the UNT System Consolidated Records Retention Schedule.
4. I-9 Compliance – MM – Risk: Inability to ensure the organization has a process in place that ensures I-9 processing is completed within the required timeframe and all associated reporting (E-Verify) is also completed within the required timeframe as well.

# UNT Compliance Work Plan

There are sixteen (16) Compliance Risks that were re-confirmed during the FY19 Risk Assessment process. There is a new Compliance Risk (Payment Card Industry Data Security Standard – PCI DSS Campus-wide) that was approved to be added to the UNT Compliance High-Risk List. There was also the additional concern of “Commitment” formally added to the “Individual Conflict of Interest” Compliance Risk. There are now seventeen (17) Compliance Risks. These risks will continue to be managed as a result of meetings between the responsible party and System and/or Institutional Compliance.

1. Protecting Minors Participating in UNT Related Activities – HH – Risk: Inability to protect minors participating in camps, programs, and/or activities associated with a UNT unit.
2. Electronic Information Mis-Handling – HH – Risk: Inability to defend electronic information from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction.
3. Time and Effort Reporting – HM - Risk: Inability to prevent inappropriate payroll charges to a project, ensure that PI’s meet their committed effort, ensure that no discrepancies exist between salary pledged and paid, and ensure that no cost sharing errors exist.
4. Grants Management – HM - Risk: Inability to ensure that all transactions associated with a sponsored project is in accordance with applicable government regulations, UNT policy, and sponsor terms and conditions.
5. Research Conflict of Interest – HM - Risk: Nondisclosure of a significant outside financial interest that is related to research.
6. Hazardous Waste Management – MH - Risk: Inability to meet regulatory requirements for a large quantity generator.

# UNT Compliance Work Plan (Cont'd)

7. Required Compliance Related Training – MH – Risk: Inability to ensure that all required compliance related training is being conducted within the applicable timeframe and in a manner that provides proof of training completion.
8. HIPAA Compliance – MM - Risk: Non-compliance with the Health Insurance Portability and Accountability Act and other privacy protections associated with the Health Information Technology for Economic and Clinical Health (HITECH) Act.
9. I-9 Compliance – MM - Risk: Inability to ensure the organization has a process in place that ensures I-9 processing is completed within the required timeframe and all associated reporting (E-Verify) is also completed within the required timeframe as well.
10. Laboratory Inspections and Follow-Up – MM - Risk: Someone does not follow procedures or regulations resulting in death, injury, or property damage.
11. Business Continuity – MM - Risk: Not being able to continue essential functions & operations.
12. Waste Water Management – MM - Risk: Potential to exceed City of Denton established thresholds, which include Environmental Protection Agency (EPA) established thresholds for the discharge of metals included in the Resource Conservation and Recovery Act (RCRA) and other heavy metals.

# UNT Compliance Work Plan (Cont'd)

13. Radiation Safety – MM - Risk: Non-compliance with the Texas Department of State Health Services (TDSHS) and all applicable state radiation safety regulations.
14. Records Management and Retention – MM - Risk: Inability to maintain and dispose of records in accordance with the UNT System Consolidated Records Retention Schedule.
15. Emergency Planning & Preparedness – ML - Risk: Emergencies (weather related, Bomb, active shooter, extended power outage) will not be managed properly.
16. Individual Conflict of Interest/Commitment – LM - Risk: Possible nondisclosure of a significant outside financial related interest that may be tied to the employee's position.
17. NEW - Payment Card Industry Data Security Standard (PCI DSS - Campus-wide) – MM – Risk: Failure to follow the set of security controls that businesses are required to implement to protect credit card data, which are requirements developed and maintained by the Payment Card Industry (PCI) Security Standards Council.

# UNT Dallas Compliance Work Plan

There are six (6) Compliance Risks that were re-confirmed during the FY19 Risk Assessment process. These risks will continue to be managed as a result of meetings between the responsible party and System and/or Institutional Compliance.

1. Protecting Minors Participating in UNT Dallas Related Activities – HH – Risk: Inability to protect minors participating in camps, programs, and/or activities associated with a UNT Dallas unit.
2. Electronic Information Mis-Handling – HH – Risk: Inability to defend electronic information from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction.
3. Grants Management – HM - Risk: Inability to ensure that all transactions associated with a sponsored project is in accordance with applicable government regulations, applicable campus policies, and sponsor terms and conditions.
4. Required Compliance Related Training – MH – Risk: Inability to ensure that all required compliance related training is being conducted within the applicable timeframe and in a manner that provides proof of training completion.
5. Emergency Planning & Preparedness and Business Continuity – MM - Risk: Emergencies (weather related, Bomb, active shooter, extended power outage) will not be managed properly. Risk: Not being able to continue essential functions & operations.
6. Records Management and Retention – MM - Risk: Inability to maintain and dispose of records in accordance with the UNT System Consolidated Records Retention Schedule.

# UNTHSC Compliance Work Plan

Compliance Risk for UNTHSC were reassessed. The following risks will be monitored and reviewed for FY19:

1. Title IX Compliance– HH – Existing Control: Annual training of student employees; training for all new student upon matriculation; Title IX coordinator identified and receives annual training
2. Loss of Federal Aid Funding/Financial Aid Funding– HH – Existing Control: Internal Monitoring of Funding and internal audits completed quarterly
3. Accuracy of State and Federal Reports– HH – Existing Control: Internal Monitoring of Reports
4. Immunizations (State vs. other carriers)– HH – Existing Control: EMR has option to identify patient insurer. Not consistently correct
5. Medical Necessity –HH- Existing Control: Routine Physician documentation audits. Understanding the elements needed for each level of Evaluation and Management CPT service
6. Bundling/Unbundling (Mod -25)– HH – Existing Control: Routine Physician documentation audits. Understanding the elements needed for each level of Evaluation and Management CPT service
7. Documentation and Billing of Drugs– HH – Existing Control: Selection of correct billing code for drugs; need recall procedure and reporting

# UNTHSC Compliance Work Plan (cont'd)

8. New Services for Billing– HH – Existing Control: Training for Chronic Care Team
9. Key Access– HH – Existing Control: Employees are to turn keys into Police Department upon separation of employment; Keys can be unaccounted
10. Veterans Preference during Hiring/RIFT– HH – Existing Control: Veterans preference documented during onboarding process, no verification mechanism currently in place
11. ADA Accommodations Tracking–HH- Existing Control: For employees- all information collected manually by HR Generalist
12. Institutional Based Salary Definitions– HH – Existing Control: Revision of IBS definition; VPR and Provost manage non-compliance of IBS models
13. Unauthorized Access to protected and regulated Information– HH – Existing Control: Policies and guidelines on protection of regulated information; required security and privacy awareness training; malware protection; encryption on laptops and mobile devices; access controls
14. Off boarding– HH – Existing Control: Electronic Off boarding system in place

Questions?



# FY19 UNT System Consolidated Compliance Risk Assessment and Work Plan

## Risk Assessment Approach

The following information describes the risk assessment approach used and the compliance high-risks that have been identified by UNT System Administration, UNT, and UNT Dallas executive and senior management and their servicing compliance team, for FY19. The risk assessment approach for FY19 included the System or UNT Compliance Officer, or both, interviewing the cabinet members (and other key leaders) for UNT System Administration, UNT, and UNT Dallas. The risk assessment interview first discussed the current compliance risks being reported to executive management, the Audit Committee, and the full UNT System Board of Regents. That interview conversation expanded to include any additional concerns associated with current compliance risks and following-up on whether any new compliance risk concerns existed.

The FY19 risk assessment process included considerations in addition to management's concerns, such as changes in regulatory requirements, any applicable regulatory violations, and reputational risk criteria. The risk assessment approach continues to use the current method for determining the priority of each risk using the low, medium, or high ranking format. The compliance team will continue to focus its risk identification and monitoring efforts exclusively on Compliance Risks. This risk assessment approach identified high-risks for each institution, categorized as Compliance Risks. Compliance Risks are mitigated via a partnership between senior management and their applicable Compliance office.

A senior management official is designated as the responsible party for each Compliance high-risk. The action taken by this official's area and the applicable component Compliance office to address each Compliance Risk is reported to the UNT System Board of Regents in the quarterly consolidated Compliance report (within Section II) until the risk has been fully resolved. Once a Compliance Risk is fully resolved, each risk may then be referred to as a "controlled risk." The term "controlled risk" warrants reduced monitoring by the applicable campus Compliance office from quarterly up to a period not to exceed two years, depending on the nature of the risk.

The terms High, Medium, and Low, represented by the letters "H", "M", and "L", are used in the proposed lists of high-risks for these campuses and refers to the ranking of the risk. The first letter refers to the "impact" of the risk on the organization and its effect on the achievement of goals and objectives, should the risk occur. Impact takes into account the severity of adverse effects, the magnitude of a loss, or the potential opportunity cost should a risk be realized.

The second letter refers to the "likelihood" or the probability of the risk happening. A "HH" reflects a high impact and high likelihood (or probability) risk. A "HM" would reflect a high impact and medium likelihood risk. A "HL" reflects a high impact and low likelihood risk. The following information provides general guidance pertaining to impact and likelihood (or probability).

### Impact (Severity)

- **High Impact** – If the risk occurs, the institution may not achieve its objective or to do so will require major damage control.
- **Medium Impact** – If the risk occurs, the institution will have to perform extra work or will be less efficient, but the institution can still achieve its objective.

- **Low Impact** – If the risk occurs, the institution is aware of it but it will have little or no effect upon operations or the achievement of the objective.

#### **Likelihood (Probability)**

- **High Probability** – It is likely to happen often.
- **Medium Probability** – It is likely to happen but not often.
- **Low Probability** – It is unlikely to happen at all.

## Methodology for Identifying Current High-Risks

**System Compliance and the UNT/UNT Dallas Institutional Compliance Office's** follow a revised version of the Assurance Continuum Risk Management Model developed by David and Justina Crawford. Characteristics of this revised model are:

- Every employee from executive and senior management to first line employees have the opportunity to be involved in the process.
- The risk assessment included direct interviews with cabinet members and other key leaders.

The compliance team's approach towards risk assessment was to adopt a risk-based approach as part of its risk assessment strategy because compliance resources are limited. Priorities are established to determine the appropriate allocation of compliance monitoring resources for these risks.

#### **Additional Strategies Used in High-Risk Identification**

- Through direct discussion between the compliance team and Director-level management and below, and System Internal Audit.
- By comparison with common industry high-risks, internal research results from industry publications, electronic resources, and consultation with national compliance peers.
- By reviewing the work plan of the Office of Inspector General for the Department of Health and Human Services to determine if any particular area included in their plan needs to be addressed by any of these System Institutions.
- Through direct discussion with applicable compliance committees.

The Compliance risks listed in the following series of work plans will be monitored during FY19 by executive and senior level management and their respective Compliance offices. These work plans are presented to the UNT System Board of Regents for approval. Upon Board approval, the actions taken and the progress made towards addressing each risk will be reported to the Board on a quarterly basis within the UNT System Consolidated Compliance Report during the period of September 1, 2018 through August 31, 2019.

## UNT System Work Plan

There are four (4) Compliance Risks that were re-confirmed during the FY19 risk assessment process. However, some additional concerns related to these current risks were identified and will be reviewed as well. These four (4) Compliance risks will continue to be managed as a result of meetings between the responsible party and System and/or Institutional Compliance. Progress towards addressing each risk will continue to be reported on a quarterly basis to the UNT System Board of Regents via the UNT System Consolidated Compliance Report until each risk is resolved.

### List of UNT System High-Risks

#### Compliance Risks

1. Electronic Information Mis-Handling – **HH**
2. Required Compliance Related Training – **MH**
3. Records Management and Retention – **MM**
4. I-9 Compliance – **MM**

## UNT Work Plan

There are sixteen (16) compliance risks that were re-confirmed during the FY19 risk assessment process. However, some additional concerns related to these current risks were identified and will be reviewed as well. There is a new Compliance risk (Payment Card Industry Data Security Standard – PCI DSS Campus-wide) that was approved to be added to the UNT Compliance High-Risk List. There was also the additional concern of “Commitment” formally added to the “Individual Conflict of Interest” compliance risk. There are now seventeen (17) compliance risks. These risks will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing these risks will continue to be reported quarterly to the UNT System Board of Regents.

### List of UNT High-Risks

#### Compliance Risks

1. Protecting Minors Participating in UNT Related Activities – **HH**
2. Electronic Information Mis-Handling – **HH**
3. Time and Effort Reporting – **HM**
4. Grants Management – **HM**
5. Research Conflict of Interest – **HM**

6. Hazardous Waste Management - **MH**
7. Required Compliance Related Training - **MH**
8. HIPAA Compliance - **MM**
9. I-9 Compliance - **MM**
10. Laboratory Inspections and Follow-Up - **MM**
11. Business Continuity - **MM**
12. Waste Water Management - **MM**
13. Radiation Safety - **MM**
14. Records Management and Retention - **MM**
15. **\*\*Payment Card Industry Data Security Standard (PCI DSS - Campus-wide) - MM New\*\***
16. Emergency Planning & Preparedness - **ML**
17. Individual Conflict of Interest/**Commitment - LM Revised\*\***

## UNT Dallas Work Plan

There are six (6) Compliance Risks that were re-confirmed during the FY19 risk assessment process. However, some additional concerns related to these current risks were identified and will be reviewed as well. These risks will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing these risks will continue to be reported on a quarterly basis to the UNT System Board of Regents.

### **List of UNT Dallas High-Risks**

#### **Compliance Risks**

1. Protecting Minors Participating in UNT Dallas Related Activities - **HH**
2. Electronic Information Mis-Handling - **HH**
3. Grants Management - **HM**
4. Required Compliance Related Training - **MH**
5. Emergency Planning & Preparedness and Business Continuity - **MM**
6. Records Management and Retention - **MM**

# UNTHSC Compliance Risk Assessment Action Plan- FY2019

Effective Date: Sep-18  
 Review Date: Aug-19  
 Revision Date:

Identified Risk	Inherent Risk	Residual Risk	Existing Controls	Control Activities		
				P&Ps	Training	Monitoring & Auditing
Title IX Compliance	high	high	Annual Training of all student employees; training for all new student upon matriculation; Title IX coordinator identified and receives annual training			
Loss of Federal Aid Funding/Financial Aid Compliance	high	high	Internal Monitoring of funding and internal audits completed quarterly.			
Accuracy of State and Federal Reports	high	high	Internal Monitoring of Reports			
Immunizations (State vs. other carriers)	high	high	EMR has option to identify patient insurer. Not consistently correct			
Medical Necessity	high	high	Routine Physician Documentation Audits. Understanding the elements needed for each level of Evaluation and Management CPT service.			
Bundling/Unbundling (overuse of Mod -25)	high	high	Routine Physician Documentation Audits. Understanding the elements needed for each level of Evaluation and Management CPT service.			
Documentation and Billing of Drugs	high	high	Selection of correct billing code for drugs; Recall Procedure and Reporting			
New Services (Transitional Care; Care Plan Oversight; Advance Care; Prolonged Services; Chronic Care Management)	high	high	Chronic Care Management Team contacted Compliance for training of new codes			
Key access	high	high	Currently when an employee is leaves the campus they are supposed to turn there keys into the Police department. Proper actions are not always taken by the exiting employee causes unaccounted grand master keys			
Veteran's preference during hiring and RIFT	high	high	Veteran's preference is documented during the onboarding process; however, there are no verification mechanisms in place (DD-214).			
ADA accommodations tracking system	high	high	All manual, information collected by HR Generalists.			

## UNTHSC Compliance Risk Assessment Action Plan- FY2019

**Effective Date:** Sep-18  
**Review Date:** Aug-19  
**Revision Date:**

Identified Risk	Inherent Risk	Residual Risk	Existing Controls	Control Activities		
				P&Ps	Training	Monitoring & Auditing
Institutional Base Salary Definitions (2 CFR 200.430)	high	high	Currently the definition of IBS across schools is in process of revision. The VPR and Provost are managing risk associated with noncompliant IBS models by including key representatives from the Research Division in conversations about adjusting the definition of IBS			
Unauthorized access to protected and regulated information	high	high	Policies and guidelines on protections of regulated information, Security and Privacy awareness training required for all Malware protection on workstations, encryption on laptops and mobile devices. Access controls and reporting of rights to file shares. Policies applied to devices accessing institutional e-mail on personal mobile devices.			
Off boarding	high	high	An electronic off boarding system is in place.			

## FY19 UNTHSC COMPLIANCE WORK PLAN

	Strategic	Operational	Compliance	Financial
<b>SEP</b>		Off Boarding and Key Access	Accuracy of State and Federal Reports	
		Immunizations	Compliance Interactive and Compliance Education	
		NEO-Compliance Awareness Reception Space		
		Documentation and Billing of Drugs	Compliance Advisory Council ReLaunch	
<b>OCT</b>		Physician Documentation Audits	Institutional Base Salary Definitions (2 CFR 200.430)	
		Policy Writing Effectiveness Workshop	Policy Writing Effectiveness Workshop	
<b>NOV</b>		Institutional Conflict of Interest (Compliance DeskTop)	Title IX Compliance	
		Unauthorized access to protected and regulated information	ADA Accommodations	
			Notice of Privacy Practices	
<b>DEC</b>		Immunizations		
		Documentation and Billing of Drugs		
<b>JAN</b>			Code of Conduct Redesign and Attestation	
<b>FEB</b>			Veteran's preference during hiring and RIFT	
<b>MAR</b>		New Services (Transitional Care; Care Plan Oversight; Advance Care; Prolonged Services; Chronic Care Management)		
<b>APR</b>				
<b>MAY</b>	Compliance Effectiveness Survey			

## FY19 UNTHSC COMPLIANCE WORK PLAN

	Strategic	Operational	Compliance	Financial
<b>JUN</b>	Compliance Effectiveness Metrics			
			FY20 Compliance Risk Assessment	
<b>JUL</b>				
<b>AUG</b>				

# UNT System Component Controlled Risks

The following risks have acceptable controls in place or are no longer considered a high-risk as a result of the FY19 risk assessment process. A “controlled risk” is a Compliance Risk that has been resolved and is then subject to monitoring for a period not to exceed two years from the date the risk is removed from the high risk list, depending on the nature of the risk. Quarterly reporting of these risks will terminate with the exception of any applicable close-out summary reviews that would document the final status of compliance with a particular risk.

## **UNT System Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)**

1. Fire and Life Safety – **ML**
2. Protecting Minors Participating in UNT System Related Activities – **ML**

## **UNT Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)**

1. Federal and State Regulatory Compliance – **LL**
2. Payment Card Industry Compliance – **MM**
3. Family Medical Leave Act (FMLA) – **ML**
4. Human Subject Research Monitoring – **LL**
5. Fire and Life Safety – **ML**
6. Chemicals of Interest – **ML**
7. Export Controls – **ML**

## **UNT Dallas Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)**

1. Fire and Life Safety – **ML**

## **UNTHSC Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)**

1. Incident-to-Billing (Clinical Division) – **MM**
2. Use of Human Subjects (Research Division)– **ML**
3. Conflict of Interest (Research Division)– **ML**
4. Nondiscrimination/Equal Employment (Human Capital Management Division) – **ML**
5. Sexual Harassment (Human Capital Management Division) – **ML**
6. Emergency Planning & Business Continuity (Operations Division) – **MM**

7. Department of Education and other Governmental Financial Aid Reports (Student Affairs Division) – **ML**
8. Student Data Reports for Homeland Security – International Students (Student Affairs Division) – **ML**
9. Compliance with Procurement Card Program requirements (Finance Compliance transitioning to Business Service Center) – **ML**
10. Use of After the Fact Procurement (Finance Compliance transitioning to Business Service Center) – **ML**
11. Fraud- Use of Foundation Money for Personal Use (Community Engagement Division) – **ML**
12. HIPAA Violation: Improper Fundraiser Disclosure of Patient Information (Community Engagement Division) – **MM**
13. Unauthorized Access to protected Institutional Data (Academic Information Resource Division) – **ML**
14. Malicious Code/Virus Disruption of Information Technology Services (Academic Information Resource Division) – **ML**
15. Enforcement of Faculty Bylaws (Academic Affairs Division) – **LL**
16. Faculty Reporting (Academic Affairs Division) – **LL**
17. Disability Accommodation (Student Affairs Division) – **HM**
18. Reconciliation of Fund Balances between UNTHSC and UNTHealth (Finance Division) – **HL**
19. Grants Management: Time and Effort Reporting (Research Division) (FY 2012) – **HM**
20. Grants Management: Sub recipient Monitoring (Research Division) (FY 2012) – **HM**
21. Radiation Safety (Safety Office Division) – **MH**
22. Chemical Safety (Safety Office Division) – **MH**
23. Notice of Privacy Practices (Clinical Division) – **HM**
24. Risk Management Program for Texas State Agencies – Life Safety, Workers Compensation (Safety Division) – **MH**
25. Title IX Compliance (Student Affairs Division) – **HM**
26. Human Resources (“HR”) Policy Project (Human Resources) – **HH**

## Board Briefing

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**Committee:** Academic Affairs & Student Success

**Date Filed:** July 16, 2018

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**Title:** Approval to add the UNT Bachelor of Arts Degree Program with a Major in Urban Policy and Planning

---

### **Background:**

The University of North Texas (UNT) is requesting to add a Bachelor of Arts (BA) degree program with a major in Urban Policy and Planning (UPP), effective August 26, 2019. This degree program will be housed in the Department of Public Administration under the College of Health and Public Service.

The proposed new BA in UPP is an educational degree based on the study of urban development, the history of cities, and the impact of the urban space on communities. The program will teach students to analyze the city and urban life through a variety of disciplinary lenses. The program is designed to teach students how urban problems arise, how they have been addressed, and how to plan cities of the future.

There is an established need for this program. The Bureau of Labor Statistics projects that the employment of urban and regional planners will increase by 6% between 2014 and 2024. Because of demographic changes and regional growth in the Dallas-Fort Worth Metropolitan region, the demand for planners in this area is anticipated to grow in order to address land-use planning, housing and transportation needs in municipalities, counties, and metropolitan regions.

According to the Planning Accreditation Board listed programs (2016), Texas currently has no accredited undergraduate programs in urban planning. According to an Educational Advisory Board's report, *Analysis of Employer Demand and Competitor Programs*, "Employers in Texas post 72% of openings in the Southwest region for bachelor's-level urban planning professionals in the last 12 months." They note that 870 of the 1,217 postings came from Texas. This demand indicates a bachelor's level urban planning program at UNT aligns well with regional employer demand. There is currently a great opportunity for UNT to capitalize on the forthcoming increase in demand.

The proposed BA in Urban Policy and Planning will require a minimum of 120 hours.

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### **Financial Analysis/History:**

The costs and funding of the BA in UPP meet 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 (5) years is estimated to be \$981,750. The expenses include funding for two (2) temporary faculty, and maintenance and operating costs. UNT's anticipated revenue for the first five (5) years is \$2,399,375. The provost will fund the two (2) temporary faculty positions for the first three (3)

years. If program growth merits it, the positions will convert to two (2) full-time positions in year four (4).

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 15:59:43 -05'00'  
Institution Chief Financial Officer

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System, ou=Vice Chancellor for Finance, email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:57:18 -05'00'  
Vice Chancellor for Finance

---

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel, email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:17:56 -05'00'  
Vice Chancellor/General Counsel

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**Schedule:**

Fall 2019

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**Recommendation:**

The president recommends that the Board of Regents approve adding the BA degree program with a major in UPP to the UNT degree program inventory.

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**Recommended By:**

**Jennifer Cowley**  
Provost and VPAA

**Neal Smatresk**  
Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University of North Texas, ou=President, email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.27 09:03:32 -05'00'  
President

**Rosemary R. Haggett, Ph.D.**  
Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT System, ou=  
email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:15:30 -05'00'  
Vice Chancellor

**Lesia B. Roe**  
Digitally signed by Lesia B. Roe  
DN: cn=Lesia B. Roe, o=UNT System, ou=Office of the Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 14:00:12 -05'00'  
Chancellor

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Attachments Filed Electronically:

- THECB Certification Form for New Degree Programs



## Board Order

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**Title:** Approval to add the UNT Bachelor of Arts Degree Program with a Major in Urban Policy and Planning

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

**Whereas**, UNT desires to add a BA with a major in the Urban Policy and Planning degree program, and

**Whereas**, there are growing employment opportunities in the southwest region and a shortage of educated professionals in the field, and

**Whereas**, costs and funding needed for the BA with a major in the Urban Policy and Planning degree program meet 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 UNT BA degree program with a major in Urban Policy and Planning.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



**Texas Higher Education Coordinating Board  
Texas Public General Academic and Health-Related Institutions**

**New Bachelor's and Master's Degree Program  
Request Form**

**Directions:** Texas public universities and health-related institutions complete this form to add a new bachelor's or master's degree program, if the following criteria for approval are met, per [Texas Administrative Code \(TAC\), Title 19, Chapter 5, Subchapter C, Section 5.44 \(a\) \(3\)](#): (A) the proposed program has institutional and board of regents approval; (B) the institution certifies compliance with the [Standards for New Bachelor's and Master's Programs](#); (C) the institution certifies that adequate funds are available to cover the costs of the new program; (D) new costs to the program during the first five years of the program would not exceed \$2 million; (E) the proposed program is a non-engineering program; and (F) the proposed program would be offered by a public university or health-related institution.

If the proposed program does not meet the criteria listed above, the institution must submit a request using the [Full Request Form](#).

This form requires the signatures of: (1) the Chief Executive Officer, certifying adherence to the Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.44 (a) (3) criteria, adequacy of funding for the new program, the notification of other Texas public institutions of higher education, and adherence to [Texas Education Code \(TEC\) Sections 61.822 through 61.823](#); and (2) a member of the Board of Regents (or designee) certifying Board approval.

**Contact:** Division of Academic Quality and Workforce, 512-427-6200.

**Administrative Information**

1. Institution Name and Coordinating Board Accountability Group:

University of North Texas, Emerging Research Group

2. Proposed Program:

Show how the proposed program would appear on the institution's Program Inventory (e.g., Bachelor of Business Administration with a major in accounting).

Bachelor of Arts with a major in Urban Policy and Planning

3. Proposed CIP Code:

List of CIP Codes may be accessed online at [www.txhighereddata.org/Interactive/CIP/](http://www.txhighereddata.org/Interactive/CIP/). Include justification if the proposed program name is not included in the Texas Classification of Instructional Programs.

04.0301, City/Urban, Community and Regional Planning

4. Semester Credit Hours Required:

Bachelor's degree programs should not exceed 120 semester credit hours (SCH). If the number of SCH exceeds 120 for a bachelor's degree program, the institution must submit documentation explaining the compelling academic reason). Master's degree programs do not have semester credit hour restrictions; however, 30 to 36 SCH is common.

120 SCH

5. Location and Delivery of the Proposed Program:

Provide the location of instruction and how the proposed program will be delivered to students (e.g., Instructed on the main campus in Lubbock, face-to-face).

Face-to-face

6. Administrative Unit:

Identify where the proposed program would fit within the organizational structure of the institution (e.g., Department of Biology within the College of Natural Sciences).

Department of Public Administration in the College of Health and Public Service

7. Proposed Implementation Date:

Provide the date that students would enter the proposed program (MM/DD/YYYY).

08/26/2019

8. Institutional and Department Contacts:

Provide contact information for the person(s) responsible for addressing any questions related to the proposed program.

1. Name: Terri Day

Title: Vice Provost of Academic Administration

E-mail: Terri.Day@unt.edu

Phone: 940.565.4392

2. Name: Elizabeth Vogt

Title: Director of University Accreditation

E-mail: Elizabeth.Vogt@unt.edu

Phone: 940.369.5288

## Signature Page

**1. Chief Executive Officer Certification** – The Chief Executive Officer shall sign the following statements:

*I hereby certify that all of the following criteria have been met in accordance with the procedures outlined in Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.44 (a) (3):*

- (A) The proposed program has institutional and governing board approval.
- (B) The institution certifies compliance with the *Standards for New Bachelor's and Master's Programs*.
- (C) The institution certifies that adequate funds are available to cover the costs of the new program.
- (D) New costs during the first five years of the program would not exceed \$2 million.
- (E) The proposed program is a non-engineering program.
- (F) The proposed program would be offered by a public university or health-related institution.

*I certify that my institution has notified all public institutions within 50 miles of the teaching site of our intention to offer the proposed program at least 30 days prior to submitting this request. I also certify that if any objections were received, those objections were resolved prior to the submission of this request.*

*I certify that my institution will adhere to Texas Education Code (TEC), Sections 61.822 through 61.823, requiring my institution to accept and apply to the degree program Core Curriculum and Field of Study courses in transfer.*

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**2. Board of Regents or Designee Approval** – A member of the Board of Regents or designee shall sign the following statement:

*On behalf of the Board of Regents, I hereby certify that the proposed program is appropriate for the mission of this institution, and the Board of Regents has approved the proposed program.*

Date of Board of Regents approval: \_\_\_\_\_

\_\_\_\_\_  
Board of Regents (Designee)

\_\_\_\_\_  
Date

## Board Briefing

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**Committee:** Academic Affairs & Student Success

**Date Filed:** July 16, 2018

**Title:** Approval to Add the UNT Master of Business Administration Degree Program with a Major in Business Analytics

---

### Background:

The University of North Texas (UNT) is requesting to add a Master of Business Administration (MBA) degree program with a major in Business Analytics, effective August 26, 2019.

This degree program will be housed in the Department of Information Technology and Decision Sciences within the College of Business (COB).

The proposed new MBA in Business Analytics would be a unique MBA offering in the state. While there is a number of Master of Science (MS) degrees in analytics, few incorporate business core foundations into the program which lead to the training of graduates that are not only poised to serve as business managers but also be field experts in analytics and the technologies of data science.

There is an established need for this program. The Bureau of Labor Statistics (2016) projects that jobs for graduates in this area are among the top 10 fastest growing occupations. The Society for Information Management's annual IT Trends Study identified "Analytics/Business Intelligence/Big Data/Data Scientist" as the skill that is both one of the most difficult to find and most important to their organization. There is currently a great opportunity for UNT to fill this increase in demand.

Student interest in Business Analytics is high. The MS in Business Analytics enrollment has doubled in the last few years, however there is a pool of students who would prefer an MBA. The addition of this new MBA is expected to attract those students seeking the status of an MBA in Business Analytics.

The proposed MBA in Business Analytics will require a minimum of 36 hours. Of these 36 hours, 30 hours are required courses and 6 hours are prescribed electives.

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### Financial Analysis/History:

The costs and funding of the MBA in Business Analytics meet 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. Because the program is currently offered as a concentration, no new funds are required.

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 16:00:19 -0500

Institution Chief Financial Officer

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu,  
c=US  
Date: 2018.07.31 14:59:17 -05'00'  
Vice Chancellor for Finance

---

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:18:42 -05'00'  
Vice Chancellor/General Counsel

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**Schedule:**

Fall 2019

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**Recommendation:**

The president recommends that the Board of Regents approve adding the MBA degree program with a major in Business Analytics to the UNT degree program inventory.

**Recommended By:**

Jennifer Cowley  
Provost and VPAA

**Neal  
Smatresk**  
Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University of  
North Texas, ou=President,  
email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.27 09:04:27 -05'00'  
President

**Rosemary R.  
Haggett, Ph.D.**  
Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT System,  
ou, email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:16:09 -05'00'  
Vice Chancellor

**Lesa B. Roe**  
Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 14:00:56 -05'00'  
Chancellor

Attachments Filed Electronically:

- THECB Certification Form for New Degree Programs



## Board Order

---

**Title:** Approval to Add the UNT Master of Business Administration Degree Program with a Major in Business Analytics

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

**Whereas**, UNT desires to add a MBA with a major in Business Analytics degree program, and

**Whereas**, there are growing employment opportunities and a shortage of educated professionals in the field, and

**Whereas** the costs and funding needed for the MBA with a major in Business Analytics degree program meet 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 UNT MBA degree program with a major in Business Analytics.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



**Texas Higher Education Coordinating Board  
Texas Public General Academic and Health-Related Institutions**

**New Bachelor's and Master's Degree Program  
Request Form**

**Directions:** Texas public universities and health-related institutions complete this form to add a new bachelor's or master's degree program, if the following criteria for approval are met, per [Texas Administrative Code \(TAC\), Title 19, Chapter 5, Subchapter C, Section 5.44 \(a\) \(3\)](#): (A) the proposed program has institutional and board of regents approval; (B) the institution certifies compliance with the [Standards for New Bachelor's and Master's Programs](#); (C) the institution certifies that adequate funds are available to cover the costs of the new program; (D) new costs to the program during the first five years of the program would not exceed \$2 million; (E) the proposed program is a non-engineering program; and (F) the proposed program would be offered by a public university or health-related institution.

If the proposed program does not meet the criteria listed above, the institution must submit a request using the [Full Request Form](#).

This form requires the signatures of: (1) the Chief Executive Officer, certifying adherence to the Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.44 (a) (3) criteria, adequacy of funding for the new program, the notification of other Texas public institutions of higher education, and adherence to [Texas Education Code \(TEC\) Sections 61.822 through 61.823](#); and (2) a member of the Board of Regents (or designee) certifying Board approval.

**Contact:** Division of Academic Quality and Workforce, 512-427-6200.

**Administrative Information**

1. Institution Name and Coordinating Board Accountability Group:

University of North Texas; Emerging Research Group

2. Proposed Program:

Show how the proposed program would appear on the institution's Program Inventory (e.g., Bachelor of Business Administration with a major in accounting).

Master of Business Administration with a major in Business Analytics

3. Proposed CIP Code:

List of CIP Codes may be accessed online at [www.txhighereddata.org/Interactive/CIP/](http://www.txhighereddata.org/Interactive/CIP/). Include justification if the proposed program name is not included in the Texas Classification of Instructional Programs.

52.1399, Management Sciences and Quantitative Methods

4. Semester Credit Hours Required:

Bachelor's degree programs should not exceed 120 semester credit hours (SCH). If the number of SCH exceeds 120 for a bachelor's degree program, the institution must submit documentation explaining the compelling academic reason). Master's degree programs do not have semester credit hour restrictions; however, 30 to 36 SCH is common.

36 SCH

5. Location and Delivery of the Proposed Program:

Provide the location of instruction and how the proposed program will be delivered to students (e.g., Instructed on the main campus in Lubbock, face-to-face).

Online and Face-to-Face

6. Administrative Unit:

Identify where the proposed program would fit within the organizational structure of the institution (e.g., Department of Biology within the College of Natural Sciences).

Department of Information Technology and Decision Sciences within the College of Business

7. Proposed Implementation Date:

Provide the date that students would enter the proposed program (MM/DD/YYYY).

08/26/2019

8. Institutional and Department Contacts:

Provide contact information for the person(s) responsible for addressing any questions related to the proposed program.

1. Name: Terri Day

Title: Vice Provost for Academic Administration

E-mail: Terri.Day@unt.edu

Phone: 940.565.4392

2. Name: Elizabeth Vogt

Title: Director of University Accreditation

E-mail: Elizabeth.Vogt@unt.edu

Phone: 940.369.5288

## Signature Page

**1. Chief Executive Officer Certification** – The Chief Executive Officer shall sign the following statements:

*I hereby certify that all of the following criteria have been met in accordance with the procedures outlined in Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.44 (a) (3):*

- (A) The proposed program has institutional and governing board approval.
- (B) The institution certifies compliance with the *Standards for New Bachelor's and Master's Programs*.
- (C) The institution certifies that adequate funds are available to cover the costs of the new program.
- (D) New costs during the first five years of the program would not exceed \$2 million.
- (E) The proposed program is a non-engineering program.
- (F) The proposed program would be offered by a public university or health-related institution.

*I certify that my institution has notified all public institutions within 50 miles of the teaching site of our intention to offer the proposed program at least 30 days prior to submitting this request. I also certify that if any objections were received, those objections were resolved prior to the submission of this request.*

*I certify that my institution will adhere to Texas Education Code (TEC), Sections 61.822 through 61.823, requiring my institution to accept and apply to the degree program Core Curriculum and Field of Study courses in transfer.*

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**2. Board of Regents or Designee Approval** – A member of the Board of Regents or designee shall sign the following statement:

*On behalf of the Board of Regents, I hereby certify that the proposed program is appropriate for the mission of this institution, and the Board of Regents has approved the proposed program.*

Date of Board of Regents approval: \_\_\_\_\_

\_\_\_\_\_  
Board of Regents (Designee)

\_\_\_\_\_  
Date

## Board Briefing

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**Committee:** Academic Affairs & Student Success

**Date Filed:** July 16, 2018

**Title:** Approval to add the UNT Doctor of Philosophy Degree Program with a Major in Consumer Experience Management

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### **Background:**

The University of North Texas (UNT) is requesting to add a Doctor of Philosophy degree program with a major in Consumer Experience Management (CEXM), effective August 26, 2019. This degree program will be housed in the Department of Merchandising and Digital Retailing under the College of Merchandising, Hospitality, and Tourism (CMHT).

The proposed PhD in CEXM will prepare professionals for university research, teaching, and service, and for corporate leadership. UNT is pro-active in addressing the emergence of the consumer experience as the single greatest driver of business success in the 21st century. Already a trailblazer in this emerging field, UNT is setting the standard for CEXM programs and research. The PhD in CEXM will be the first of its kind in Texas and one of only a handful of related doctoral degrees in the United States.

There is an established need for this program. The Bureau of Labor Statistics Career Outlook (2016) identifies professional and business services, with its 1.27 million open positions, as the top U.S. industry seeking employees, and many of these positions require advanced degrees. Similarly, evidence for advanced professional and business services degrees is supported by the Texas Workforce Commission's prediction that employment in this sector will increase 26% by 2024. These positions include CEXM professionals under classifications such as general and operations managers (anticipated growth 27%) and management analysts, (anticipated growth 32%).

In addition to projections, there is strong industry support for this program. National industry leaders from corporations including Lowes, Crate & Barrel, and Pier 1 imports, sent letters attesting to the need for a PhD in CEXM.

There is also student interest in this program, as many graduates of CMHT Master's programs enter doctoral programs. Five (5) recent graduates, who have applied to doctoral programs at other institutions, stated they would have applied to a UNT CEXM doctoral program had it been available. Current Master's students have also expressed interest in the new degree.

The proposed PhD in CEXM will require a minimum of 45 hours.

---

### **Financial Analysis/History:**

The costs and funding of the PhD degree program with a major in CEXM meet Coordinating Board Rules, Section 5.46, Criteria for New Doctoral Programs. The total expenses over the first five (5) years is estimated to be \$1,619,269. The expenses include funding for two (2) new faculty hires in

year 3, graduate assistants, and clerical staff. The department will reallocate funds for the majority of expenses for the first five (5) years. UNT's anticipated revenue for the first five (5) years is \$2,735,729.

Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 16:00:50 -05'00'

---

**Bob Brown**  
Institution Chief Financial Officer

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System, ou=Vice Chancellor for Finance,  
email=gary.rahlf@untsystem.edu, c=US  
Date: 2018.07.31 15:01:17 -05'00'

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**Gary Rahlfs**  
Vice Chancellor for Finance

---

**Legal Review:**

This item has been reviewed by General Counsel.

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:19:30 -05'00'

---

**Nancy S. Footer**  
Vice Chancellor/General Counsel

---

**Schedule:**

Fall 2019

---

**Recommendation:**

The president recommends that the Board of Regents approve adding the PhD degree program with a major in CEXM to the UNT degree program inventory.

**Recommended By:**

---

**Jennifer Cowley**  
Provost and VPAA

Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University of North Texas, ou=President,  
email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.27 09:05:11 -05'00'

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**Neal Smatresk**  
President

Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT System, ou,  
email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:16:47 -05'00'

---

**Rosemary R. Haggett, Ph.D.**  
Vice Chancellor

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 14:02:17 -05'00'

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**Lesa B. Roe**  
Chancellor

**Attachments Filed Electronically:**

- THECB Certification Form for New Degree Programs



## Board Order

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**Title:** Approval to add the UNT Doctor of Philosophy Degree Program with a Major in Consumer Experience Management

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

**Whereas**, UNT desires to add a Doctor of Philosophy degree program with a major in Consumer Experience Management, and

**Whereas**, there are growing employment opportunities in Texas and the United States and a shortage of educated professionals in the field, and

**Whereas**, the requirements needed for the Doctor of Philosophy degree program with a major in Consumer Experience Management meet 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 Consumer Experience Management.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



**Texas Higher Education Coordinating Board  
Texas Public General Academic and Health-Related Institutions**

**Proposal for a New Doctoral Program**

**Directions:** Texas public universities and health-related institutions complete this form to propose a new doctoral degree program. This form requires signatures of (1) the Chief Executive Officer, certifying adequacy of funding for the new program; (2) the Chief Executive Officer, acknowledging agreement to reimburse expert external reviewers' costs; (3) the Chief Financial Officer, certifying the accuracy of funding estimates for the new program; (4) a member of the Board of Regents (or designee), certifying Board of Regents approval for Coordinating Board consideration; or, if applicable, (5) a member of the Board of Regents (or designee), certifying that criteria have been met for Commissioner consideration. Institution officials should also refer to [Texas Administrative Code \(TAC\), Title 19, Chapter 5, Subchapter C, Section 5.46](#), *Criteria for New Doctoral Programs*.

**Note:** An institution must submit Planning Notification prior to submitting a proposal for a new doctoral program. An institution is considered by the Board to be planning for a new doctoral program if it takes any action that leads to the preparation of a proposal for a new program. This includes hiring personnel, including consultants and planning deans, leasing and/or purchasing real estate, building facilities, and/or developing curriculum. Planning Notification must be submitted at least one year prior to submission of a proposal to offer the degree, if the proposed program leads to the award of a professional degree, as defined by [Texas Education Code 61.306](#). Institutions submit Planning Notification through the online submission portal, as a letter to the Assistant Commissioner of the Academic Division of Academic Quality and Workforce.

**Contact:** Division of Academic Quality and Workforce, 512-427-6200.

**Administrative Information**

1. Institution Name and Coordinating Board Accountability Group:

University of North Texas; Emerging Research Group

2. Proposed Program:

Show how the proposed program would appear on the institution's Program Inventory (e.g., Bachelor of Business Administration with a major in accounting).

Doctor of Philosophy in Consumer Experience Management

3. Proposed CIP Code:

4. Location and Delivery of the Proposed Program:

Face-to-face to students on the main campus in Denton.  
Distributed learning to students delivered by faculty on main campus in Denton.

5. Administrative Unit:

Department of Merchandising and Digital Retailing within the College of Merchandising, Hospitality and Tourism

6. Program Description:

The PhD in Consumer Experience Management (CEXM) prepares professionals for university research, teaching, and service and for corporate leadership with the overall objective of understanding how individuals reason and behave in their end-to-end journeys through omni-channel experiences with consumer goods and services.

To meet this objective, all students working toward a PhD in CEXM will pursue excellence in conducting research and disseminating knowledge. The primary focus is on research that advances interdisciplinary knowledge of the consumer experience in retail, hospitality, and tourism using competencies in technology, innovation, and data analytics that clarify consumer expectations, engagements, and experiences as they are exhibited across all delivery channels, devices, technologies, and virtual and physical spaces.

7. Proposed Implementation Date:

Provide the date that students would enter the proposed program (MM/DD/YYYY).

08/26/2019

8. Institutional and Department Contacts:

Provide contact information for the person(s) responsible for addressing any questions related to the proposed program.

1. Name: Terri Day

Title: Vice Provost of Academic Administration

E-mail: Terri.Day@unt.edu

Phone: 940.565.4392

2. Name: Elizabeth Vogt

Title: Director of University Accreditation

E-mail: Elizabeth.Vogt@unt.edu

Phone: 940.369.5288

## **Institutional and Board of Regents Signature Page for Board Consideration**

**1. Adequacy of Funding** – The Chief Executive Officer shall sign the following statement:

*I certify that the institution has adequate funds to cover the costs of the new program. Furthermore, the new program will not reduce the effectiveness or quality of existing programs at the institution.*

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**2. Accuracy of Financial Estimates** – The Chief Financial Officer shall sign the following statement:

*I certify that the estimated costs and sources of funding presented in the proposal are complete and accurate.*

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Date

**3. Reimbursement of Expert External Reviewer Costs** – The Chief Executive Officer shall sign the following statement:

*I understand that the doctoral proposal process includes the use of expert external reviewers. In the event that one or more expert external reviewer are contracted to review a doctoral proposal put forward by my institution, I understand that my institution will be required to reimburse the Texas Higher Education Coordinating Board for costs associated with the use of such expert external reviewers. By signing, I agree on behalf of my institution to provide reimbursement for expert external reviewer costs.*

\_\_\_\_\_  
Provost/Chief Executive Officer

\_\_\_\_\_  
Date

**4. Board of Regents Certification of Criteria for Board Consideration** – The Board of Regents or designee must certify that the new program has been approved by the Board of Regents and meets the criteria under Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.46.

*On behalf of the Board of Regents, I certify that the new program meets the criteria specified under Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.46 and has been approved by the Board of Regents.*

\_\_\_\_\_  
Board of Regents (Designee)

\_\_\_\_\_  
Date

## H. Board of Regents Signature Page for Commissioner Consideration

### 5. **Board of Regents Certification of Criteria for Commissioner or Assistant Commissioner**

**Consideration** – Typically proposals for doctoral programs are approved by the Board, supported with a recommendation for approval by the Commissioner. Under very limited circumstances, a program may be approved by the Commissioner. In this case only, the Board of Regents or designee must certify that the new program meets the criteria under Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.50 (b) and (c).

TAC §5.50(b) The program:

- (1) has a curriculum, faculty, resources, support services, and other components of a degree program that are comparable to those of high quality programs in the same or similar disciplines at other institutions;
- (2) has sufficient clinical or in-service sites, if applicable, to support the program;
- (3) is consistent with the standards of the Commission of Colleges of the Southern Association of Colleges and Schools Commission on Colleges and, if applicable, with the standards or discipline-specific accrediting agencies and licensing agencies;
- (4) attracts students on a long-term basis and produce graduates who would have opportunities for employment; or the program is appropriate for the development of a well-rounded array of basic baccalaureate degree programs at the institution;
- (5) does not unnecessarily duplicate existing programs at other institutions;
- (6) does not be dependent on future Special Item funding;
- (7) has new five-year costs that would not exceed \$2 million.

TAC §5.50(c) The program:

- (1-2) is in a closely related discipline to an already existing doctoral program(s) which is productive and of high quality;
- (3) has core faculty that are already active and productive in an existing doctoral program;
- (4) has a strong link with workforce needs or the economic development of the state; and
- (5) the institution has notified Texas public institutions that offer the proposed program or a related program and resolved any objections.

*On behalf of the Board of Regents, I certify that the new program meets the criteria specified under Texas Administrative Code (TAC), Title 19, Chapter 5, Subchapter C, Section 5.50 (b) and (c) and has been approved by the Board of Regents.*

\_\_\_\_\_  
Board of Regents (Designee)

\_\_\_\_\_  
Date

## Board Briefing

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**Committee:** Academic Affairs & Student Success

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**Date Filed:** June 26, 2018

**Title:** Approval of UNT Dallas Faculty Development Leave for 2018-19 Academic Year

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### Background:

In accordance with UNT Dallas *Policy 6.014, Faculty Development Leave*, "Faculty development leave is authorized for the primary purpose of increasing value of the recipient's sustained contribution to the University by providing the individual an opportunity for professional growth. Such development leave is not to be understood as deferred compensation, nor anticipated simply on the basis of longevity at the University alone. Development leave may be granted, upon application, for study, research, writing, filed observations or other suitable purposes."

The purpose of Faculty Development Leave at the University of North Texas at Dallas is to facilitate the faculty's professional growth and development and may be approved for purposes of research scholarly and creative activity, and professional renewal, service, or any other suitable purpose.

Dr. Sura Rath, Professor of English, has applied for and been awarded a 2018-19 Fulbright U.S. Scholar grant, specifically, a Fulbright-Nehru Academic and Professional Excellence award. His Fulbright research/teaching affiliation will be with Berhampur University, a two-year post-graduate institution offering M.A., M.Phil., and Ph.D. degrees in India.

During this leave, Dr. Rath will complete research and work toward completion of his book project titled *V.S. Naipaul: The Exile's Return. A Critical Study of Naipaul's India Trilogy*. Dr. Rath began this work in 2010 when he joined UNT Dallas as Chair of English and Director of the University College from 2010-2012 and then as Interim Dean of the College of Liberal Arts and Sciences from 2013-14. He reports his project addresses topics not currently covered in the critical studies of Naipaul's work. Specifically, he will look at the author's relationship with his mother as a child, as well as ties to his homeland. He will examine these aspects of Naipaul's life as parallel threads of experience.

Dr. Rath's proposed book will add to the critical literature related to Naipaul and his writing and he and his dean believe this work will also enhance his teaching at UNT Dallas.

---

### Financial Analysis/History:

The cost incurred as a result of the recommended faculty development leave will be covered by existing budgeted funds and will total approximately \$53,630.00. The total estimate for the cost incurred as a result of the recommended faculty development leave was calculated from replacement costs submitted by his School as well as one-half of faculty salary to cover spring 2019.

**James E. Main**

Digitally signed by James E. Main  
DN: cn=James E. Main, o=UNT Dallas,  
ou=Finance & Administration,  
email=James.Main@untdallas.edu, c=US  
Date: 2018.07.31 11:41:25 -05'00'

---

Institution Chief Financial Officer

**Gary Rahlfs** Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 15:04:40 -05'00'

---

Vice Chancellor for Finance

---

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer** Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas  
System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:22:15 -05'00'

---

Vice Chancellor/General Counsel

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**Schedule:**

2018-19 Academic year.

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**Recommendation:**

The President recommends that the Board of Regents approve Faculty Developmental Leave for Dr. Sura Rath.

**Recommended By:**

**Betty H. Stewart**  
Provost

**Bob Mong** Digitally signed by Bob Mong  
DN: cn=Bob Mong, o=UNT Dallas,  
ou=Office of the President,  
email=bob.mong@untDallas.edu,  
c=US  
Date: 2018.07.31 12:53:15 -05'00'

---

President

**Rosemary R. Haggett, Ph.D.** Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT  
System, ou,  
email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:17:25 -05'00'

---

Vice Chancellor

**Lesla B. Roe** Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, o=UNT System, ou=Office of  
the Chancellor, email=chancellor@untsystem.edu,  
c=US  
Date: 2018.08.01 15:01:48 -05'00'

---

Chancellor



## Board Order

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**Title:** Approval of UNT Dallas Faculty Development Leave for 2018-19 Academic Year

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

**Whereas**, Faculty development leave is authorized for the primary purpose of increasing the value of the recipient's sustained contribution to the University by providing the individual an opportunity for professional growth, and

**Whereas**, the purpose of Faculty development leave at the University of North Texas at Dallas is to facilitate the faculty's professional growth and development and may be approved for the purposes of research, scholarly and creative activity, and professional renewal, service or any other suitable purpose, and

**Whereas**, Dr. Sura Rath has been awarded a 2018-19 Fulbright U.S. scholar grant.

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

1. Faculty development leave for spring 2019 for UNT Dallas faculty member, Dr. Sura Rath.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

**Title:** Adoption of the 2018 Campus Master Plan for the University of North Texas Health Science Center

---

**Background:**

Representatives of the UNT Health Science Center (HSC) faculty, staff, students, and System, as well as the Fort Worth community, participated in the development of a new campus master plan for HSC facilitated by the professional planning firm, Ayers Saint Gross. The Board of Regents was briefed on progress of the planning update on May 17, 2018.

The last master plan was completed and approved in 2007. However, since its adoption, significant changes in context have occurred, including: the completion of major construction projects, the acquisition of the Ambulatory Surgical Center, the development of a new strategic plan for the university, and the establishment of the UNT System College of Pharmacy and the School of Medicine. The campus has also seen its enrollment grow from 1,171 in 2007 to the current enrollment of 2,270. These major changes necessitated the development of a campus master plan with the goal of implementing a new vision for future campus development. The specific objectives established for the master plan include:

- Optimize alignment of existing programs and facilities
- Develop facilities that support dynamic instruction and active learning
- Embrace the One University vision to guide the development of the physical campus environment
- Create a campus environment that attracts and retains top quality students, faculty, and staff
- Accommodate for the long term requirements for academic and research growth on the HSC campus
- Reinforce the development of student resource and support spaces.

The new master plan addressed these objectives and will serve as a guide to the future development of the University for many years. Regent Rule 11.103 requires Board of Regent approval of campus master plans.

---

**Financial Analysis/History:**

The master plan will be incorporated into Strategic/Long-Range Planning, the result of which will then impact future capital plans and budgets.

Gregory R.  
Anderson

Institution Chief Financial Officer

Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health  
Science Center, ou=Office of Finance and  
Operations,  
email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:34:28 -05'00'

Gary Rahlfs

Vice Chancellor for Finance

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 15:13:00 -05'00'

---

**Legal Review:**

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:25:56 -0500

---

Vice Chancellor/General Counsel

---

**Schedule:**

The Campus Master Plan will be effective upon the approval of the Board of Regents.

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**Recommendation:**

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

**Recommended By:**

Cassandra Nash

---

Interim Vice Chancellor for Facilities  
Planning and Development

Michael R. Williams Digitally signed by Michael R.  
Williams  
DN: cn=Michael R. Williams,  
o=UNTHSC, ou=President,  
email=michael.williams@unthsc.e  
du, c=US  
Date: 2018.07.26 20:25:44 -05 00

---

President

Lesa B. Roe Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:00:24 -0500

---

Chancellor

**Attachments Filed Electronically:**

- UNT Health Science Center 2018 Campus Master Plan - *Note: Located in Appendix B materials*



## Board Order

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**Title:** Adoption of the 2018 Campus Master Plan for the University of North Texas Health Science Center

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, 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 has retained Ayers Saint Gross as a professional planning firm to provide professional expertise and assistance in the development of a new campus master plan for the UNT Health Science Center, and

**Whereas**, the faculty, staff, and students of the campus, as well as the Fort Worth community, have participated in the development of the new master plan, and

**Whereas**, the plan establishes a framework for the development of the campus consistent with the goals of the University as set for in the new strategic plan,

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

1. Adoption of the UNT Health Science Center 2018 Campus Master Plan.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents

# UNT Health Science Center 2018 Campus Master Plan

UNT System Board of Regents

Presented by:

James Davis, Associate Vice Chancellor for Facilities Planning and Development

Jack Black, Design Director, Ayres Saint Gross Architects

August 9-10, 2018

# Topics / Agenda

1. Impacts of 2007 Master Plan
2. 2018 Campus Master Plan: Process, Engagement, Priorities, Principles, & Framework
3. 2018 Campus Master Plan: Key Development Features
4. Space Needs & Implementation
5. Transformations



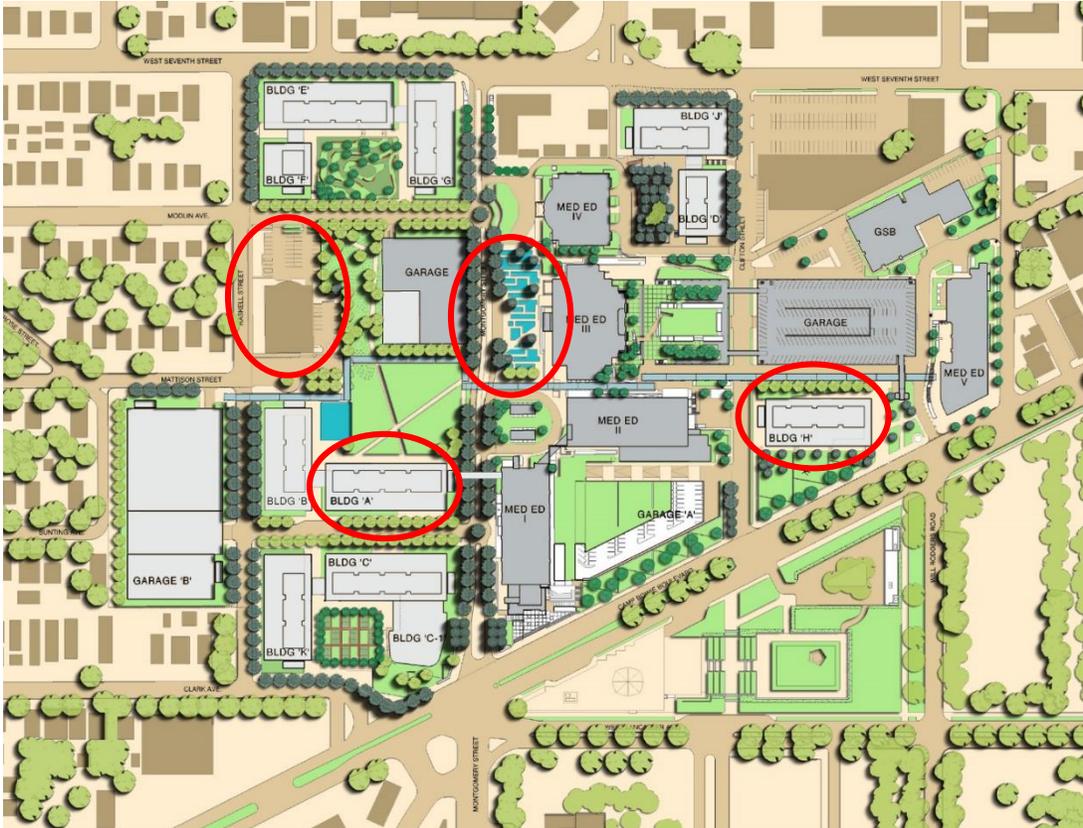
# 1

## Impacts of the 2007 Campus Master Plan



# Impacts of 2007 Master Plan

## CAMPUS DEVELOPMENT GUIDED BY THE 2007 PLAN



- Major Completed Projects:
  - Construction of MET (2010)
  - Library Courtyard (2013)
  - Acquisition of Surgery Center (2015)
  - Construction of IREB (2018)
- Enrollment Growth from 1,171 (2007) to 2,270 (2017)

# Interdisciplinary Research Building (IREB)

## IMPACTS OF THE 2007 CAMPUS MASTER PLAN



### Program Space:

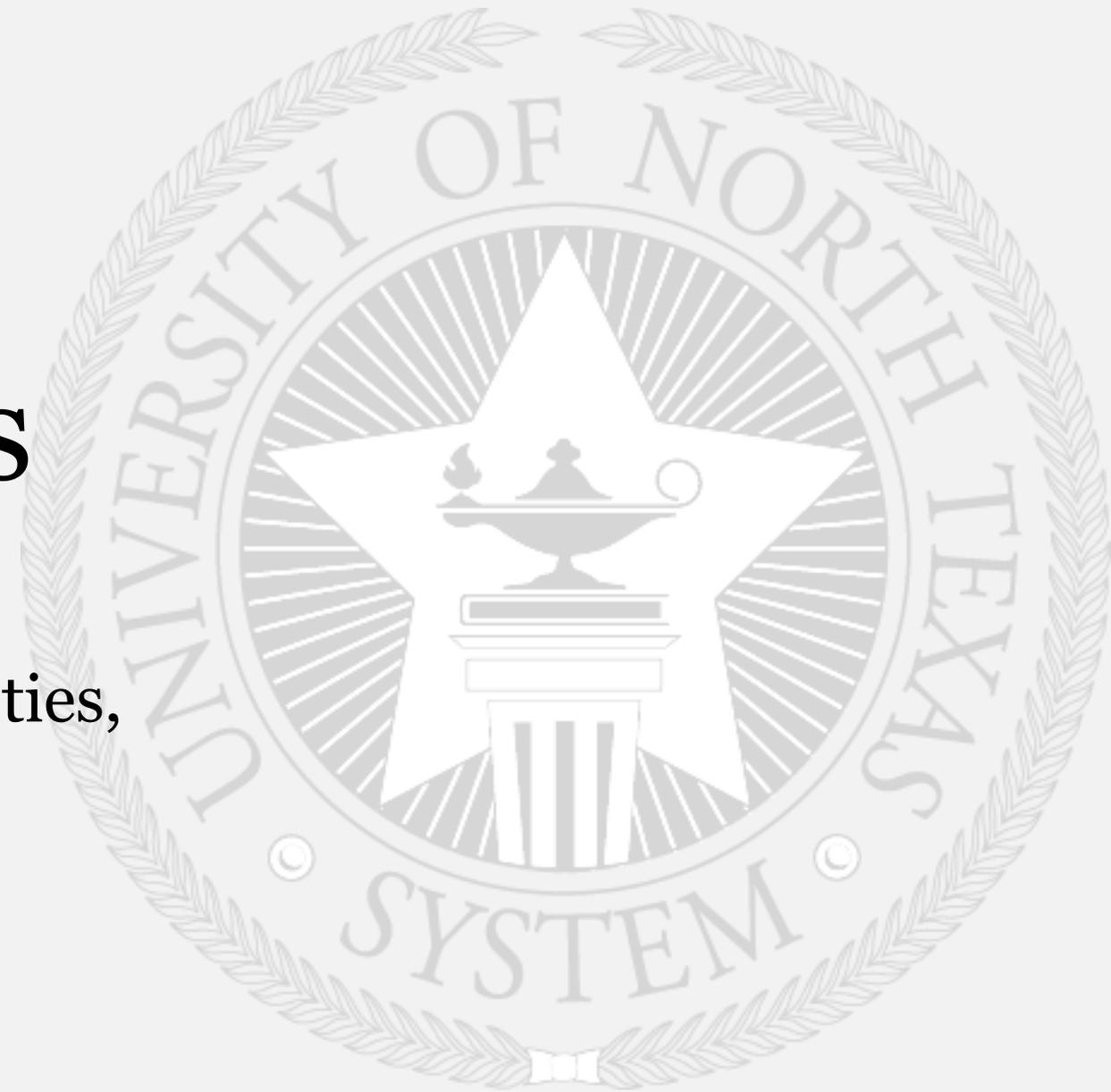
- UNT System College of Pharmacy
- North Texas Eye Research Institute
- School of Medicine

Approximately 173,000 GSF  
Project Budget: \$118,500,000

# 2

## 2018 Campus Master Plan:

Process, Engagement, Priorities,  
Principles, & Framework



# What is a Campus Master Plan?

**Definition:** Document that contains data driven and illustrative documentation to help shape future development on campus and guide near and long-term capital investment

## Importance:

- Translates the institution's purpose, vision, mission, and values into built form
- Pairs visionary goals with practical implementation to create a roadmap
- Engagement heavy process to create a shared vision crafted by the campus community



# Impetus for the 2018 Campus Master Plan

## Key Factors

- UNTHSC See 2020
- Significant Growth and Change on Campus Over the Past Decade
- Enrollment Growth
  - 2007: 1,171
  - 2017: 2,270
- New Programs
  - 2007: School of Health Professions
  - 2011: UNT System College of Pharmacy
  - Emerging: MD School
- Research Expenditure Growth
  - 2007: \$25,914,940
  - 2017: \$44,420,752

# 2018 Campus Master Plan Process

## TIMELINE

- Master Plan Consultant Selection: August 2017
- Review, Evaluate, and Envision: September to October 2017  
Kick-Off Workshop
- Explore Concept and Scenarios: October 2017 to January 2018  
Workshop #2 and #3  
Campus Open House
- Refine Scenarios and Draft Master Plan: January 2018 to April 2018  
Workshop #4 and #5
- Finalize Master Plan and Documentation: April 2018 to May 2018
- Board of Regents Approval: August 2018

# Campus Engagement

## OVERVIEW

- (32) Total Input Sessions  
Including:
  - (5) On-Campus Workshops
  - (2) Campus Open Houses
- Multiple Interactive Input Exercises
- Master Plan Website



# Strategic Alignment

UNTHSC See 2020

## Focus Areas:

- People & Values
- Learning & Discovery
- Quality Experience for Lifetime Success
- Sustainable Growth, Finance & Resources



# Campus Master Plan Principles

## OVERVIEW

- Aligns the long term physical development with the campus strategic and academic plans
- Creates community and supports its neighbors
- Encourages linkages between outdoor spaces
- Supports responsible stewardship of natural resources
- Creates a clear campus identity



# Campus Master Plan Priorities

## OVERVIEW

OPTIMIZE  
ALIGNMENT  
OF EXISTING  
PROGRAMS AND  
FACILITIES

FACILITIES  
SUPPORTING  
DYNAMIC  
INSTRUCTION &  
ACTIVE LEARNING

ONE IDENTITY  
/ MULTIPLE  
INSTITUTIONS &  
PARTNERS

ATTRACTING &  
RETAINING TOP  
QUALITY STUDENTS,  
FACULTY, AND  
STAFF

LONG TERM  
CAPACITY OF  
ACADEMIC,  
RESEARCH, AND  
CLINICAL

STUDENT SUPPORT  
RESOURCES &  
SPACES  
(ACADEMIC RESOURCES,  
COLLABORATION SPACES,  
ADVISING, LIBRARY/  
COMMONS, DINING ETC...)

# Campus Framework

## OVERVIEW

- The framework defines how campus is used and experienced, and how campus elements integrate together
- Conceptual plan that includes connectivity, open space, and hubs.
- Tool to guide the siting of buildings and site elements



- Proposed Connectivity Network
- Proposed Open Space Network
- Proposed Hub Locations

# 3 2018 Campus Master Plan: Key Development Features



# UNTHSC – Existing Campus

**EXISTING CAMPUS TOTALS**  
**GROSS SQUARE FEET 1,103,000**



- Campus Boundary
- Existing Campus Building
- Existing Campus Garage

# Master Plan – Build Out

## MASTER PLAN CAMPUS TOTALS

**GROSS SQUARE FEET 2,320,000\***

\*GSF total excludes parking garages



# Master Plan Outcomes

- **Demonstrate Capacity:** The master plan demonstrates the physical capacities of the campus at varying levels of detail and across multiple attributes.
- **Elevate Experience:** The master plan significantly elevates the experience for those interacting with the campus's physical environment, whether first time visitors or daily users.
- **Broaden Connections:** The master plan broadens the connections across campus through a network of overlapping physical linkages and collaborative places.
- **Stimulate Collaboration:** The master plan stimulates collaboration through the distribution of places across campus, accommodating a range of activities and users.
- **Convey Identity:** The master plan conveys a robust identity to a wide audience, through thoughtful crafting of a holistic plan that expresses the character, quality, and uniqueness of the institution.

# Mapping the Outcomes (Alignment)

	Demonstrate Capacity	Elevate Experience	Broaden Connections	Stimulate Collaboration	Convey Identity
<b>SEE 2020 FOCUS AREAS (UNTHSC)</b>					
People & Values		✓	✓	✓	✓
Learning & Discovery	✓	✓	✓	✓	
Quality Experience for Lifetime Success		✓	✓	✓	✓
Sustainable Growth, Finance & Resources	✓				✓
<b>KEY PLANNING PRIORITIES (2018 Campus Master Plan)</b>					
Optimize Alignment of Existing Programs & Facilities	✓		✓	✓	
Facilities Supporting Dynamic Instruction & Active Learning	✓	✓	✓	✓	
Attracting & Retaining Top Quality Students, Faculty & Staff		✓	✓	✓	✓
Student Support Resources & Spaces	✓	✓	✓	✓	
Long-Term Capacity of Academic, Research & Clinical	✓				
One Identity / Multiple Institutions & Partners		✓	✓	✓	✓

# Key Features

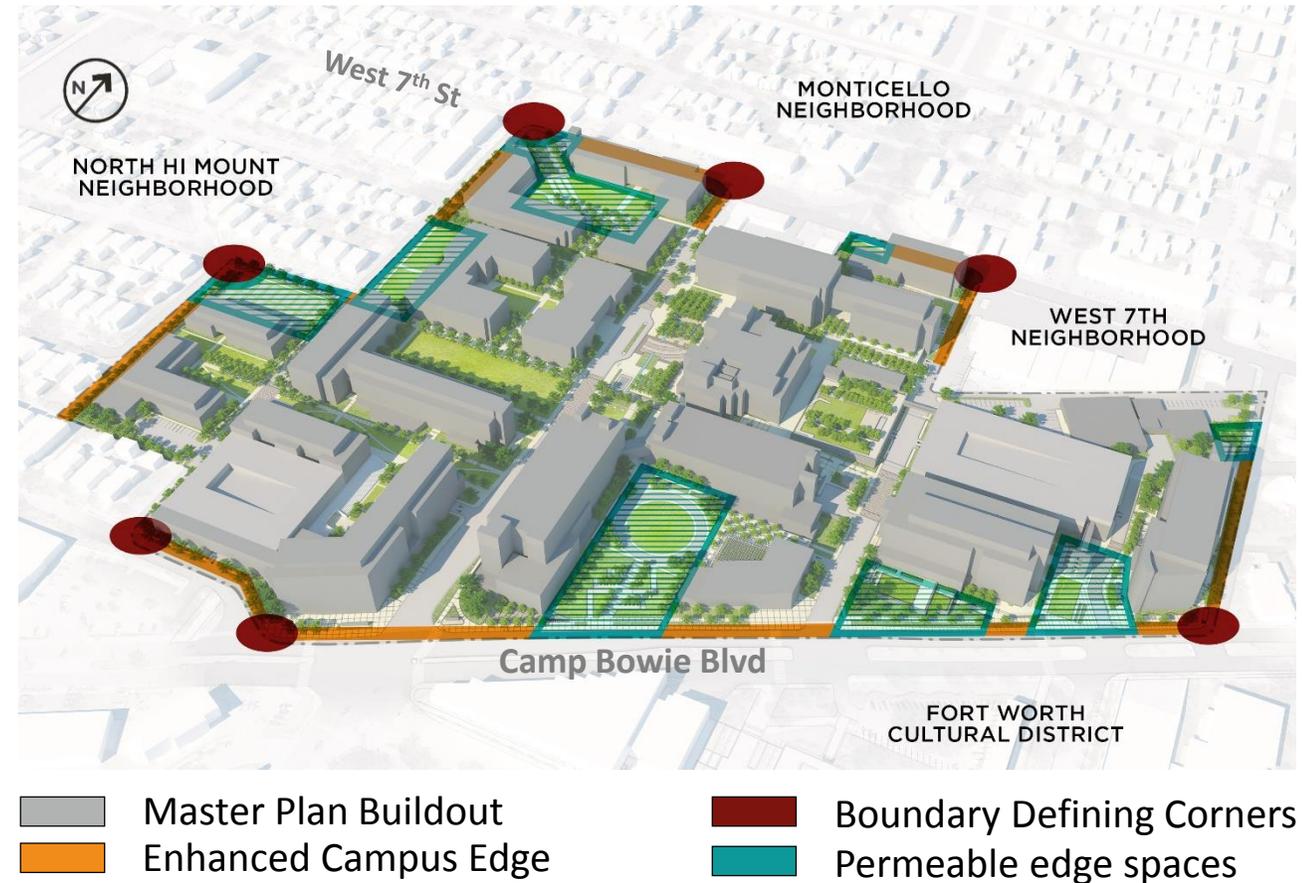
- **Capacity to accommodate growth:** Can double square footage within existing campus boundary
- Enhanced edges, identity, and open space network
- Improved pedestrian circulation, campus quality, & user experience
- Parking & mobility



- |   |                          |   |                          |
|---|--------------------------|---|--------------------------|
|  | Campus Boundary          |  | Proposed Campus Building |
|  | Existing Campus Building |  | Proposed Campus Garage   |

# Enhanced Edges & Identity

- Edges strengthened through built form, signage, and landscape elements:
  - Enhance visibility of campus
  - Create a welcoming campus for all
  - Enhance UNTHSC's institutional brand and identity
  - Create recognition of UNTHSC as a integral part of the surrounding neighborhoods and Cultural District
- Integration into surrounding communities



# Open Space Network

- Greatly expanded open space network will improve the on-campus experience
- Mixture of outdoor space types and sizes spread across campus (currently all open space is located in the core)
- Internal (campus-focused) and external (community) spaces
- Increase in green space will help mitigate existing flooding issues during storm events



# Pedestrian Circulation

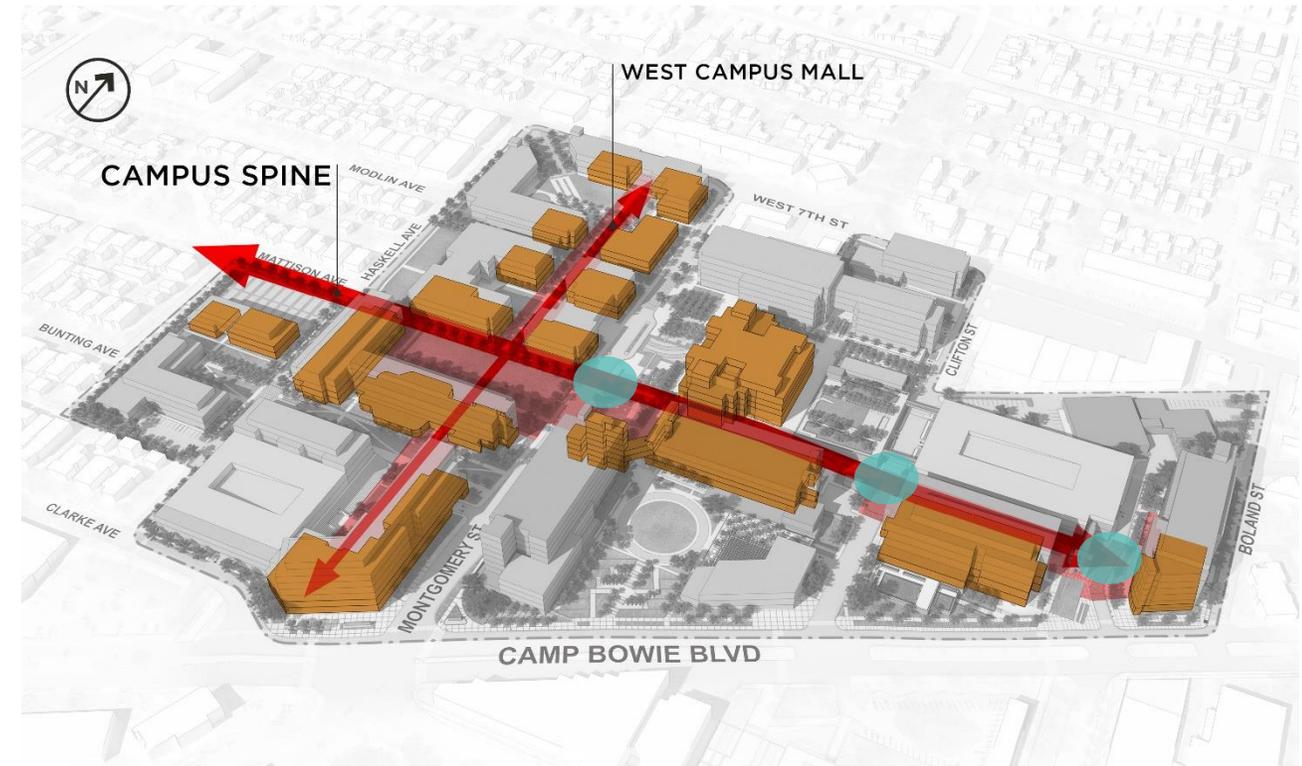
- Existing circulation greatly expanded to create a clear and strong connectivity network to support a positive experience
- Over time, road closures of Bunting Ave., Modlin Ave., and Mattison Ave. will create a contiguous West Campus block and increase pedestrian safety
- Increases connectivity along edges and into the surrounding communities



- |   |                            |   |                          |
|---|----------------------------|---|--------------------------|
|  | Master Plan Buildout       |  | Major Circulation Routes |
|  | Enhanced Edge Connectivity |  | Parking Locations        |

# Campus Quality & User Experience

- Aligns activity to the two primary circulation routes to create an accessible and lively campus
- Creates opportunities for indoor-outdoor connections
- Strengthens physical and programmatic connection between East Campus and West Campus

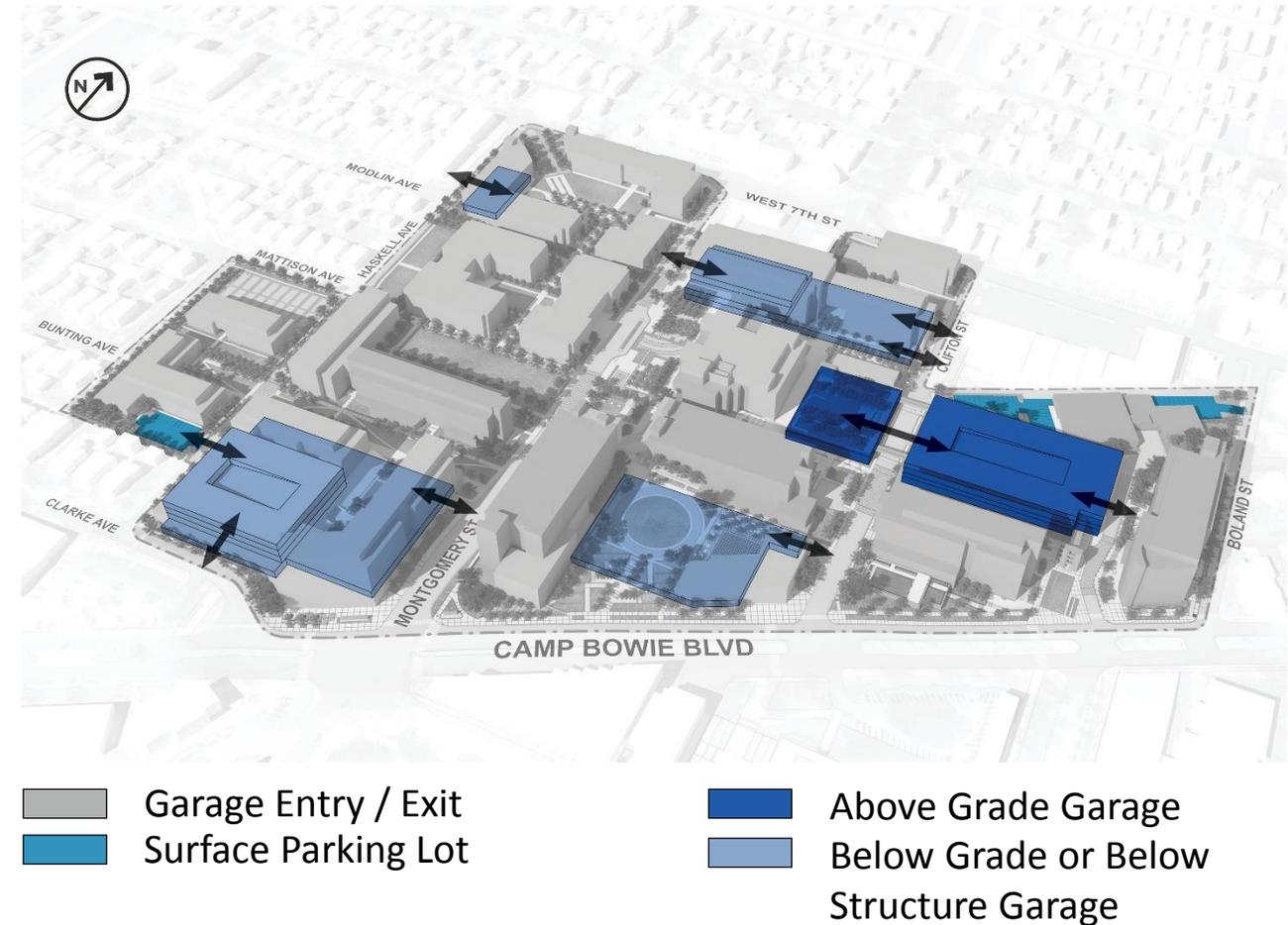


Master Plan Buildout  
Active Use Locations

Primary Circulation Routes  
Pedestrian Road Tables  
Along Campus Spine

# Parking & Mobility

- Urban Campus: Long term gradual shift to a predominantly garage-based parking model to maximize use of land assets
- Above and below grade garages located near edges with multiple access points to assist with entry / exit
- Continued support for transit, biking, & walking



# 4 Space Needs & Implementation



# Space Needs Projection

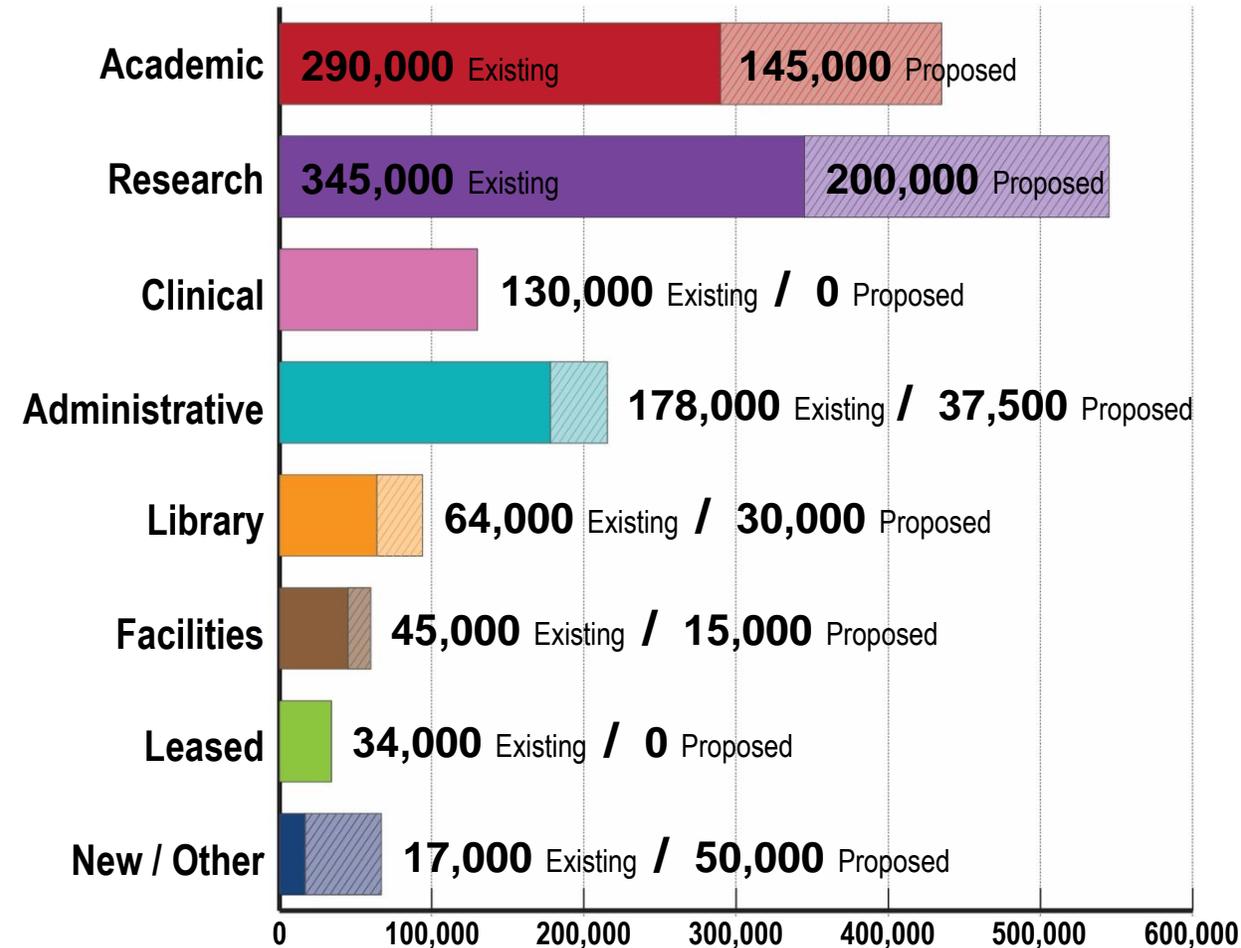
## OVERVIEW

- Projections are forecasted over a 10-year timeframe (Near Term)
- Influenced by factors such as distributed clinical model, program growth, research focus, evolving, pedagogy, etc
- Supports strategic direction and informs financial planning
- Provides for adaptable space to accommodate evolving pedagogy and research typologies
- Proposed space needs accomplished through new construction and backfill of existing space realigned for better utilization

# Space Needs Recommendation

## BY USE TYPES

- Primary need in Academic & Research space to support strategic initiatives
- Clinical needs addressed by shift to distributed delivery model
- Library growth supports demand for collaborative & teaming spaces
- New/Other supports campus experience and industry & community collaboration



# Proposed Space Distribution

## SUBTITLE

- Proposed new space occurs primarily west of Montgomery Street adjacent to existing MET Building
- Proposed backfill space opportunities located in existing EAD, Library, IREB and CBH buildings



# Near Term

Focus: Enhance Institutional Brand and Identity Along Camp Bowie Blvd.



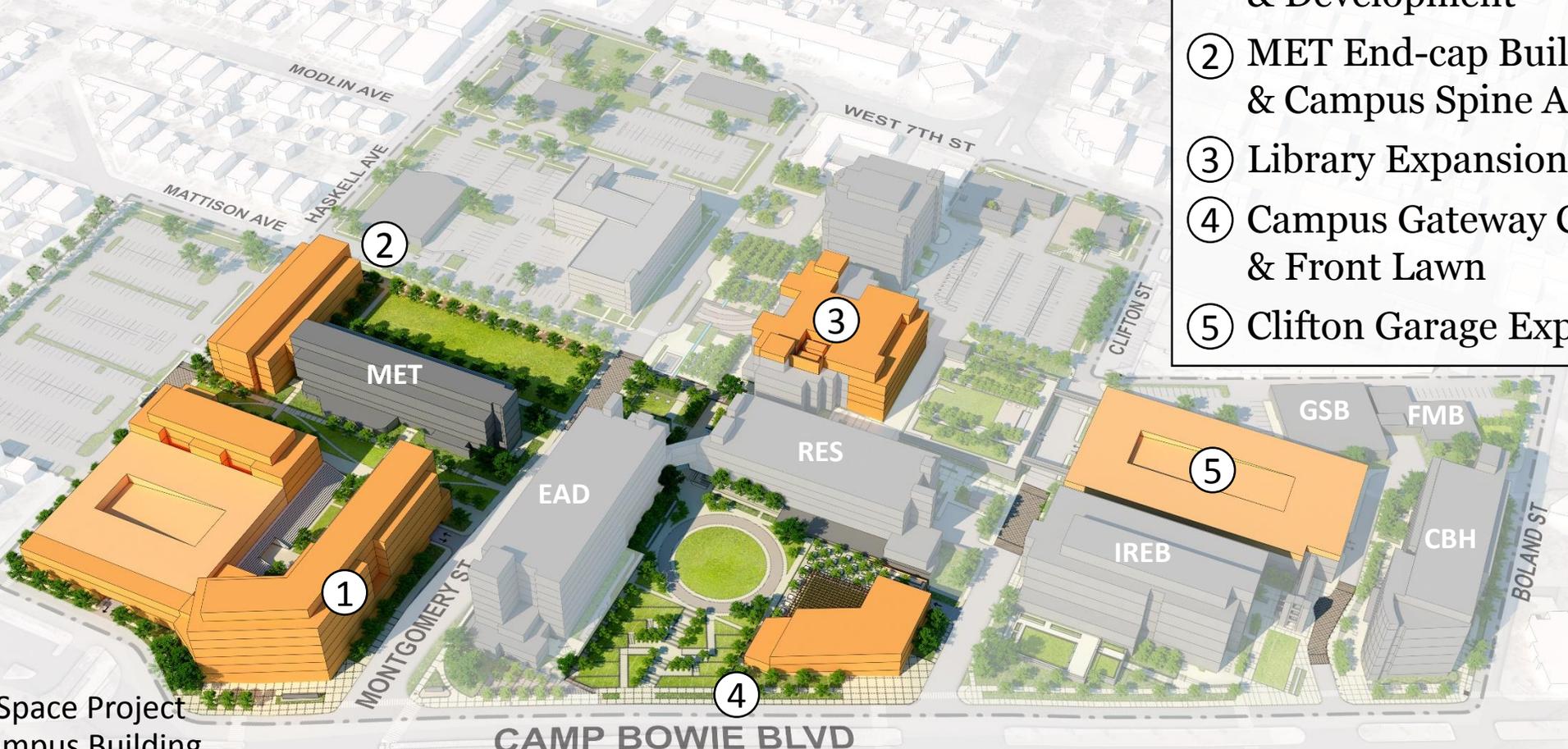
-  Key Open Space Project
-  Existing Campus Building
-  Proposed Campus Building
-  Proposed Campus Garage

# Near Term

- ① Montgomery Gateway & Development
- ② MET End-cap Building & Campus Spine Alignment
- ③ Library Expansion
- ④ Campus Gateway Center & Front Lawn
- ⑤ Clifton Garage Expansion



-  Key Open Space Project
-  Existing Campus Building
-  Proposed Campus Building
-  Proposed Campus Garage



# Mid Term

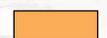
Focus: Reinforce the campus core and enhance experience



# Long Term

Focus: Develop West 7<sup>th</sup> Street and develop integrated on campus partnerships

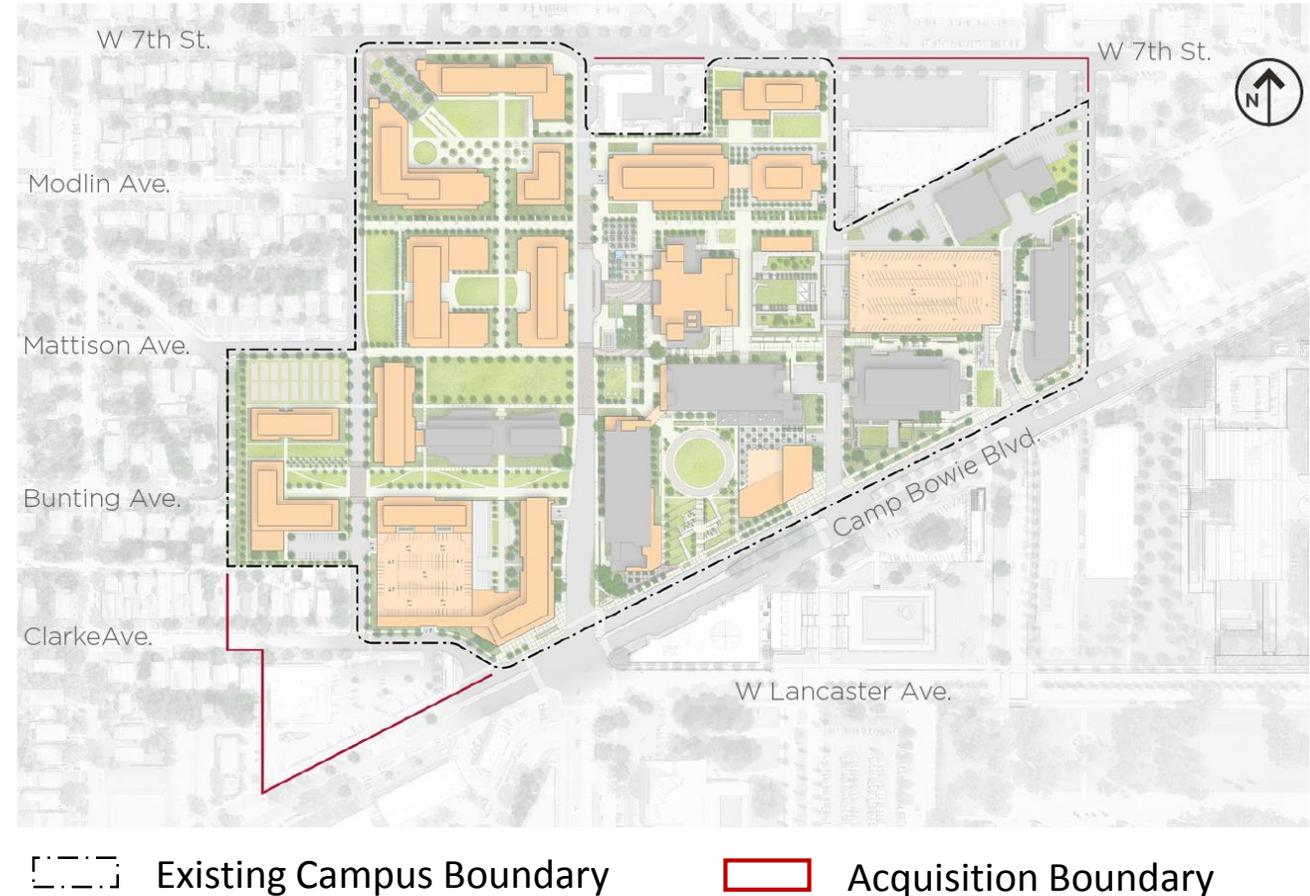


-  Key Open Space Project
-  Existing Campus Building
-  Proposed Campus Building
-  Proposed Campus Garage

# Acquisition Boundary

## OVERVIEW

- 2018 Campus Master Plan illustrates capacity within the existing campus boundary to meet UNTHSC needs for decades to come
- Acquisition boundary is a long-range planning tool for university and community decision-making

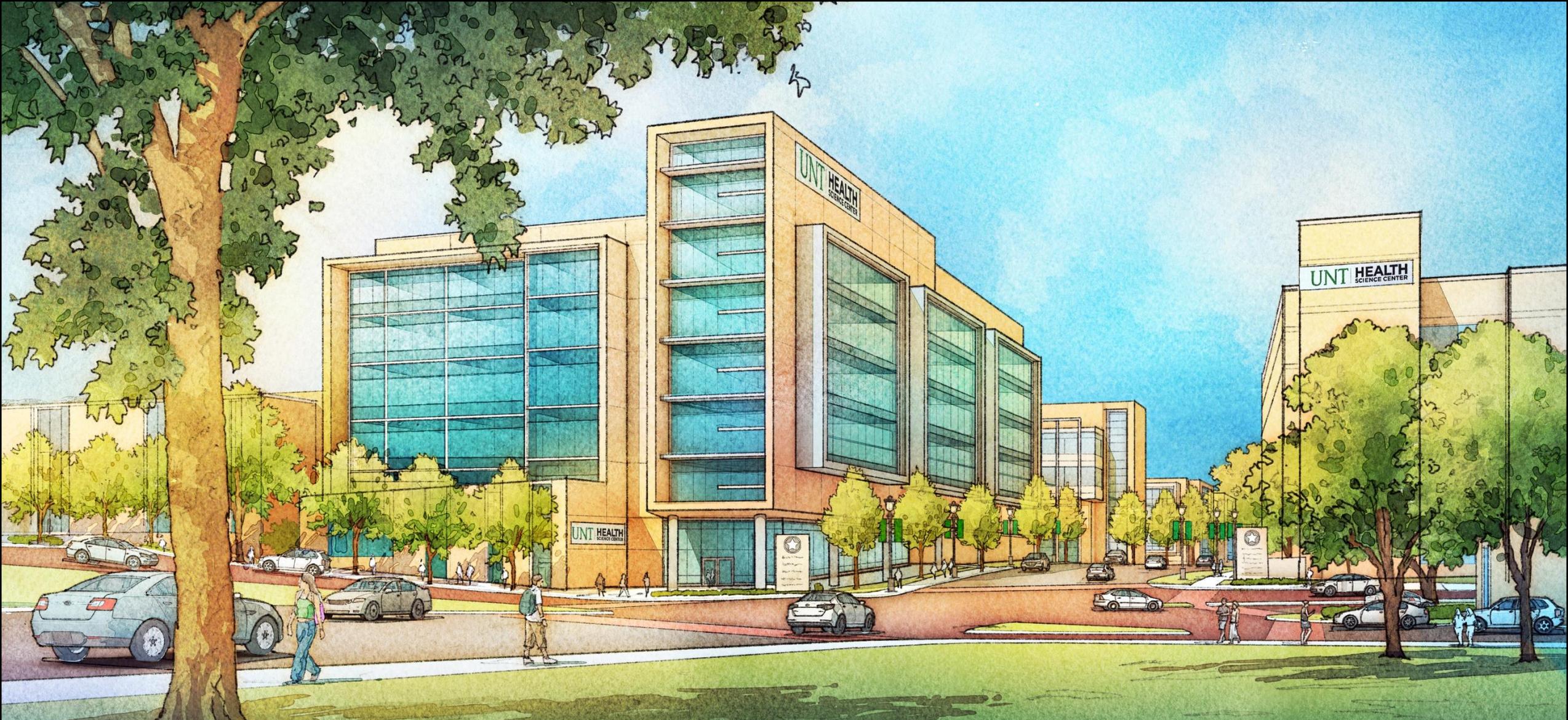


# 5 Transformations





Montgomery Gateway - Before



Montgomery Gateway - After



Campus - Before



Campus - After

# UNT Health Science Center 2018 Campus Master Plan

UNT System Board of Regents

Presented by:

James Davis, Associate Vice Chancellor for Facilities Planning and Development

Jack Black, Design Director, Ayres Saint Gross Architects

August 9-10, 2018



**Title:** Amendment to Regents Rule 10.300, Debt Management

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**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 and May 18, 2018.

University of North Texas System Regents Rule 10.300, Section 10.306 sets forth the procedures regarding the use of commercial paper "CP" or extendible commercial paper "ECP" as interim financing including the limitation of the maximum amount of CP and ECP combined that could mature on any one day to \$25,000,000 and limit the maximum amount of CP and ECP combined that could mature on any one week to \$50,000,000.

The change proposed to this section allows for an exception to the limit of the amount of commercial paper that can mature on any one day or week when the System has identified funds, including, but not limited to, proceeds from refunding bonds issued to convert interim financing commercial paper notes into long-term obligations, to extinguish commercial paper notes.

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**Financial Analysis/History:**

The proposed changes to Regents Rule 10.300, Debt Management will provide for efficient bond closings and streamline the extinguishments of commercial paper notes.

**Gary Rahfs**  
Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahfs@untssystem.edu, c=US  
Date: 2018.07.31 15:13:55 -05'00'

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Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untssystem.edu, c=US  
Date: 2018.08.01 11:28:16 -05'00'

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Vice Chancellor/General Counsel

**Schedule:**

Effective upon approval by the Board of Regents.

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**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:**

James Mauldin  
Associate Vice Chancellor for Treasury

Lesla B. Roe  
Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, o=UNT System, ou=Office of the  
Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:17:35 -0500  
Chancellor

**Attachments Filed Electronically:**

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



## Board Order

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**Title:** Amendment to Regents Rule 10.300, Debt Management

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, University of North Texas System Regents Rule 10.300, Debt Management delegates to the Vice Chancellor for Finance the authority to issue short-term indebtedness and establishes an aggregate principal amount of commercial paper that may be outstanding;

**Whereas**, Regents Rule 10.306 currently limits the aggregate amount of commercial paper "CP" and extendible commercial paper "ECP" that matures on any one day to \$25,000,000 and limits the aggregate amount of CP and ECP that matures on any one week to \$50,000,000; and

**Whereas**, an exception to these maturity limits – 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 outstanding commercial paper notes – is in the best interests of the System.

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

1. The attached amendment to Regents Rule 10.300, Debt Management
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

10.300 Debt Management

- 10.301 Incurring Debt. The System, the System Administration, and the Institutions 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, the System Administration, and the Institutions 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 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. 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 the 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.
- 10.304 Debt Capacity and Affordability.
1. In evaluating its debt capacity and affordability, the Vice Chancellor for Finance will consider current debt levels, future debt financings, and overall financial strength of the System and the 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 Vice Chancellor for Finance 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 Vice Chancellor for Finance 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 Vice Chancellor for Finance will evaluate the impact of proposed amendments to the capital improvement plan and report any anticipated material changes to the below ratios.

1. Spendable Cash and Investments to Debt: This ratio measures the availability of spendable 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. Spendable Cash and Investments to Operating Expenses: This ratio measures the ability to cover operating expenses with spendable 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 Vice Chancellor for Finance, 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 Vice Chancellor for Finance 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 Vice Chancellor for Finance 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 Institution shall submit a written proposal and financing plan to the Vice Chancellor for Finance 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 Vice Chancellor for Finance 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 or the Vice Chancellor for Finance.

- 10.308 Bond Approval. The Vice Chancellor for Finance has the authority to approve the pricing of bond and note issues. The Vice Chancellor for Finance 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.
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- 10.311 Reimbursement Certificates. The Vice Chancellor for Finance 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.

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Adopted: November 15, 2007

Effective: November 15, 2007

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

10.300 Debt Management

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Adopted: November 15, 2007

Effective: November 15, 2007

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

## Board Briefing

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Committee: Finance & Facilities

Date Filed: July 13, 2018

**Title:** Twenty-Seventh 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

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### Background:

The University of North Texas System has many current capital projects. 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 Vice Chancellor for Finance 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 \$251 million as the maximum amount of debt and a minimum level of net present value savings for refunding long-term debt of 3%. Delegating the authority provides the Vice Chancellor for Finance 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 2019.

Debt Type	Tax Exempt/Taxable	Amount (Millions)	Average Rate
Commercial Paper	Both	up to \$125	Variable
Series 2010 RFS Bonds	Taxable	\$31.090	4.67%
Series 2012A RFS Bonds	Taxable	\$49.465	4.83%
Series 2012B RFS Bonds	Taxable	\$3.870	3.51%
Series 2015C RFS Bonds	Tax-Exempt/Taxable	\$41,525	2.45%

**Gary Rahfs**  
Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahfs@untsystem.edu, c=US  
Date: 2018.07.31 15:15:55 -05'00'

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Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
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Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:30:38 -0500

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Vice Chancellor/General Counsel

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**Schedule:**

Effective upon approval by the Board of Regents.

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**Recommendation:**

It is recommended that the Board of Regents approve the attached Twenty-Seventh Supplemental Resolution.

**Recommended By:**

**James Mauldin**  
Associate Vice Chancellor for Treasury

**Lesa B. Roe**  
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of the Chancellor,  
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Chancellor

**Attachments Filed Electronically:**

- Amended Twenty-Seventh Supplemental Resolution to the Master Resolution



## Board Order

**Title:** Twenty-Seventh 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 9-10 2018, 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 2010, 2012A, 2012B, and 2015C Bonds using proceeds from Bonds issued under the Revenue Financing System, and

**Whereas**, the resolution would authorize the Vice Chancellor for Finance 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 30, 2019 and in an amount not to exceed \$251,000,000, which includes (i) bonds underwriter fees, (ii) capitalized interest, and (iii) other issuance costs, and

**Whereas**, the resolution would authorize the Vice Chancellor for Finance 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 Twenty-Seventh 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.

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VOTE: \_\_\_\_ ayes    \_\_\_\_ nays    \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

**TWENTY-SEVENTH 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  
REFUNDING BONDS, IN ONE OR MORE SERIES; AND APPROVING AND  
AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

TWENTY-SEVENTH 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 REFUNDING BONDS, IN ONE OR MORE  
SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND  
PROCEDURES RELATING THERETO

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**TWENTY-SEVENTH 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 REFUNDING BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

WHEREAS, on February 12, 1999, the Board adopted the "*Amended and Restated Master Resolution Establishing the Revenue Financing System Under the Authority and Responsibility of the Board of Regents of the University of North Texas*" (referred to herein as the "Master Resolution"); and

WHEREAS, the Board heretofore has adopted a "**FIRST SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1997; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "First Supplement") and pursuant to the First Supplement issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1997**" in the aggregate principal amount of \$4,380,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SECOND SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Second Supplement"); and

WHEREAS, the Second Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Second Supplement, and pursuant to the terms of the Second Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1999**" in the aggregate principal amount of \$32,540,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**THIRD SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Third Supplement"); and

WHEREAS, the Third Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Third Supplement, and pursuant to the terms of the Third Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A**" in the aggregate principal amount of \$15,535,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FOURTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2001; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fourth Supplement"); and

WHEREAS, the Fourth Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Fourth Supplement, and pursuant to the terms of the Fourth Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2001**" in the aggregate principal amount of \$33,860,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FIFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fifth Supplement"); and

WHEREAS, the Fifth Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Fifth Supplement, and pursuant to the terms of the Fifth Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002**" in the aggregate principal amount of \$63,470,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SIXTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Sixth Supplement"); and

WHEREAS, the Sixth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Sixth Supplement, and pursuant to the terms of the Sixth Supplement the Vice Chancellor for Finance for the University System authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002A**" in the aggregate principal amount of \$9,500,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2003; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Seventh Supplement"); and

WHEREAS, the Seventh Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Seventh Supplement, and pursuant to the terms of the Seventh Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2003**" in the aggregate principal amount of \$31,180,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted an "**EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Eighth Supplement"); and

WHEREAS, the Eighth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Eighth Supplement, and pursuant to the terms of the Eighth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A**" in the aggregate principal amount of \$6,185,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2003B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Ninth Supplement"); and

WHEREAS, the Ninth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Ninth Supplement, and pursuant to the terms of the Ninth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2003B**" in the aggregate principal amount of \$4,980,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SECOND AMENDED AND RESTATED TENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Tenth Supplement") and pursuant to the Tenth Supplement to the Master Resolution has the authority to issue from time to time and at any one time outstanding up to \$75,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution, except to the extent limited by the Board; and

WHEREAS, the Board heretofore has adopted an "**ELEVENTH 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 REFUNDING AND IMPROVEMENT BONDS, SERIES 2005; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Eleventh Supplement"); and

WHEREAS, the Eleventh Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Eleventh Supplement, and pursuant to the terms of the Eleventh Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2005**" in the aggregate principal amount of \$76,795,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**TWELFTH 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, SERIES 2006; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Twelfth Supplement"); and

WHEREAS, the Twelfth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Twelfth Supplement, and

pursuant to the terms of the Twelfth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2007**" in the aggregate principal amount of \$56,050,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**THIRTEENTH 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, SERIES 2009; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Thirteenth Supplement"); and

WHEREAS, the Thirteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Thirteenth Supplement, and pursuant to the terms of the Thirteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2009**" in the aggregate principal amount of \$38,650,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FOURTEENTH 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**" (defined as the "Fourteenth Supplement"); and

WHEREAS, the Fourteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Fourteenth Supplement, and pursuant to the terms of the Fourteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2009A**" in the aggregate principal amount of \$159,310,000, its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2009B**" in the aggregate principal amount of \$15,800,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2010**" in the aggregate principal amount of \$57,625,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 18, 2011, the Board adopted a "**RESTATED FIFTEENTH 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"** (defined as the "Fifteenth Supplement"); and

WHEREAS, the Fifteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Fifteenth Supplement, and pursuant to the terms of the Fifteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2012A**" in the aggregate principal amount of \$75,890,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, TAXABLE SERIES 2012B**" in the aggregate principal amount of \$4,820,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 28, 2015, the Board adopted a "**RESTATED SIXTEENTH 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**", restating the resolution adopted by the Board on August 16, 2013, and which by its terms the authority to issue bonds expired on August 29, 2014 (defined as the "Sixteenth Supplement"); and

WHEREAS, the Sixteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Sixteenth Supplement, and pursuant to the terms of the Sixteenth Supplement, the Vice Chancellor for Finance for the University System effected the sale of and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2015A**" in the aggregate principal amount of \$105,130,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, TAXABLE SERIES 2015B**" in the aggregate principal amount of \$73,035,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on February 20, 2014, the Board adopted a "**SEVENTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, SERIES B; AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Seventeenth Supplement") and pursuant to the Seventeenth Supplement to the Master Resolution has the authority to issue from time to time and at any one time outstanding up to \$100,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Seventeenth Supplement has not been implemented, and the authority to sell commercial paper notes under the terms of the Seventeenth Supplement has expired; and

WHEREAS, on February 20, 2014, the Board adopted an "**EIGHTEENTH 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**" (the "Eighteenth Supplement"); and

WHEREAS, the Eighteenth Supplement has not been implemented, and the authority to sell bonds under the terms of the Eighteenth Supplement has expired; and

WHEREAS, on May 15, 2014, the Board adopted an "**NINETEENTH 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 DIRECT PURCHASE BONDS, SERIES 2014; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (the "Nineteenth Supplement"); and

WHEREAS, pursuant to the terms of the Nineteenth Supplement, the Board sold its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014**" in an aggregate principal of \$120,000,000; and

WHEREAS, on April 9, 2015, the Board adopted a "**TWENTIETH 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 REFUNDING BONDS, SERIES 2015; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Twentieth Supplement"); and

WHEREAS, pursuant to the terms of the Twentieth Supplement, the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2015**" in the aggregate principal amount of \$38,265,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on October 6, 2015, the Board adopted a "**TWENTY-FIRST 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 REFUNDING BONDS, SERIES 2015C; AND APPROVING AND AUTHORIZING**

**INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Twenty-First Supplement"); and

WHEREAS, pursuant to the terms of the Twenty-First Supplement, the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2015C"** in the aggregate principal amount of \$45,865,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on May 20, 2016, the Board adopted a **"TWENTY-SECOND 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 REFUNDING BONDS, FORWARD DELIVERY SERIES 2018 AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Twenty-Second Supplement"); and

WHEREAS, pursuant to the terms of the Twenty-Second Supplement, the Board authorized the issuance of its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, FORWARD DELIVERY SERIES 2018"** in the aggregate principal amount of \$22,845,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 19, 2016, the Board adopted a **"TWENTY-THIRD 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"** (the "Twenty-Third Supplement"); and

WHEREAS, the Twenty-Third Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Sixteenth Supplement, and pursuant to the terms of the Twenty-Third Supplement, the Vice Chancellor for Finance for the University System effected the sale of and the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2017A"** in the aggregate principal amount of \$196,165,000, and its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, TAXABLE SERIES 2017B"** in the aggregate principal amount of \$164,305,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on November 18, 2016, the Board adopted a **"TWENTY-FOURTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, SERIES B;**

**AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Twenty-Fourth Supplement") and pursuant to the Twenty-Fourth Supplement has the authority to issue from time to time and at any one time outstanding up to \$75,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on November 18, 2016, the Board adopted a **"TWENTY-FIFTH 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"** (the "Twenty-Fifth Supplement"); and

WHEREAS, no bonds have been sold pursuant to the terms of the Twenty-Fifth Supplement, and the authority to sell bonds under the terms of the Twenty-Fifth Supplement expired on August 31, 2017; and

WHEREAS, on May 18, 2018, the Board adopted a **"TWENTY-SIXTH 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"** (the "Twenty-Sixth Supplement"); and

WHEREAS, no bonds have been sold pursuant to the terms of the Twenty-Sixth Supplement, and the authority to sell bonds under the terms of the Twenty-Sixth Supplement expires on August 31, 2018; and

WHEREAS, on May 18, 2018, the Board adopted a resolution reducing the amount of commercial paper notes that may be issued from time to time and at any one time outstanding under the terms of the Tenth Supplement from up to \$75,000,000 in aggregate principal amount to up to \$50,000,000 in aggregate principal amount; and

WHEREAS, the Parity Obligations issued under the terms of the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, the Seventh Supplement, the Eighth Supplement, the Ninth Supplement, the Eleventh Supplement, the Twelfth Supplement and the Nineteenth Supplement are no longer outstanding, and there are no Prior Encumbered Obligations outstanding; and

WHEREAS, the Parity Obligations issued under the terms of the Tenth Supplement, the Thirteenth Supplement, the Fourteenth Supplement, the Fifteenth Supplement, the Sixteenth Supplement, the Twentieth Supplement, the Twenty-First Supplement, the Twenty-Second

Supplement, the Twenty-Third Supplement, and the Twenty-Fourth Supplement are currently outstanding; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes that the Revenue Financing System is to be comprised of the University, UNT-Dallas and the Health Science Center, and pledges the Pledged Revenues to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board has determined to implement the Revenue Financing System in order to establish a system of financing improvements at the University, UNT-Dallas and the Health Science Center in a manner consistent with Chapter 55, Texas Education Code; and

WHEREAS, the Board deems it necessary to issue, pursuant to the terms and conditions of this resolution (this "Twenty-Seventh Supplement"), the bonds hereinafter authorized as Parity Obligations issued pursuant to the Master Resolution, for the purposes hereinafter described; and

WHEREAS, the bonds authorized to be issued by this Twenty-Seventh Supplement (the "Bonds") are to be issued and delivered under authority of applicable provisions of Chapter 1207, Texas Government Code.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM THAT:**

Section 1. **DEFINITIONS.** In addition to the definitions set forth in the preamble of this Twenty-Seventh Supplement, the terms used in this Twenty-Seventh Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit "A" to this Twenty-Seventh Supplement attached hereto and made a part hereof.

Section 2. **AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.** (a) ***Amount and Designation of Bonds.*** The "***BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS***", are hereby authorized to be issued and delivered, in one or more series, in an aggregate principal amount not to exceed \$251,000,000 ***FOR THE PURPOSE OF (i) REFUNDING THE REFUNDABLE BONDS, (ii) REFUNDING ANY OUTSTANDING COMMERCIAL PAPER NOTES, AND (iii) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS.***

(b) ***Refunded Bonds.*** The Bonds hereby authorized to be issued, in one or more series, by the Board for the purposes described in clause (i) of subsection (a) of this Section are being issued under authority of Chapter 1207, Texas Government Code, to refund the Refunded Bonds, which constitutes a public purpose. The refunding of the Refunded Bonds shall be accomplished in a manner that will result in (i) for Refunded Bonds retired, through either scheduled maturity or prior

redemption, within ninety (90) days of the delivery of Bonds issued to refund such Refunded Bonds, a positive gross savings being achieved, or (ii) for Refunded Bonds retired, through either scheduled maturity or prior redemption, greater than ninety (90) days of the delivery of Bonds issued to refund such Refunded Bonds, a target net present value savings for the transaction of at least three percent (3.00%) and a positive gross savings being achieved.

(c) **Refunded Commercial Paper Notes.** The Bonds hereby authorized to be issued by the Board for the purpose described in clause (i) of subsection (a) of this Section are being issued under authority of Chapter 1207, Texas Government Code, to refund the Refunded Commercial Paper Notes. The Refunded Commercial Paper Notes are being refunded to convert interim financing into long-term fixed rate financing, as contemplated by the Board in the operation of the interim financing programs as provided for in the Tenth Supplement, with respect to the Series A Commercial Paper Notes, and the Twenty-Fourth Supplement, with respect to the Series B Commercial Paper Notes. Therefore, the manner in which the refunding of the Refunded Commercial Paper Notes is being undertaken by the Board does not make it practicable to make the determinations required by subsection (a) of Section 1207.008, Texas Government Code. Section 1371.057(c), Texas Government Code, applies to refunding bonds issued to refinance Refunded Commercial Paper Notes. The Refunded Commercial Paper Notes shall be those outstanding Commercial Paper Notes, not to exceed \$125,000,000 in principal amount, designated from time to time by the Vice Chancellor for Finance for the University System to be refunded and retired with a portion of the proceeds of the Bonds. The principal amount of the Refunded Commercial Paper Notes shall be specifically identified in a certificate executed by the Vice Chancellor for Finance for the University System and delivered to (i) the Attorney General of Texas in connection with the submission of proceedings pertaining to approval of Bonds thereby and (ii) the Board.

Section 3. **DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.** (a) **Terms of Bonds.** Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, in one or more series, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), maturing not later than April 15, 2048, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as shall be determined and established in accordance with this Twenty-Seventh Supplement.

(b) **Sale of Bonds.** (i) **Method of Sale.** As authorized by Section 1207.007, Texas Government Code, the Vice Chancellor for Finance for the University System is hereby authorized to effect the sale of all or any of the Bonds authorized to be sold by this Twenty-Seventh Supplement, whether by competitive sale, or by negotiated sale conducted either through a public underwriting of the Bonds, a private placement of the Bonds, or both. The determination of the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, relating to the method of and the terms and conditions relating to the sale of Bonds pursuant to this Twenty-Seventh Supplement shall have the same force and effect as if such determination were made by the Board. In effecting the sale of the Bonds authorized to be sold by this Twenty-Seventh Supplement, the Vice

Chancellor for Finance for the University System, acting for and on behalf of the Board, may determine any additional or different designation or title by which any series of Bonds shall be known, the aggregate principal amount of Bonds, if any, to be issued to refund the Refunded Bonds as described in Section 2(b) hereof, the aggregate principal amount of Bonds, if any, to be issued to refund Commercial Paper Notes as described in Section 2(c) hereof, the aggregate principal amount of the Bonds, if any, to be issued as obligations, the interest on which is excluded from gross income for purposes of section 103 of the Code, and the aggregate principal amount of the Bonds, if any, issued as obligations that are not intended to be issued as obligations, the interest on which is excluded from gross income for purposes of section 103 of the Code. The sale of the Bonds, including specifically the terms of the purchase price of the Bonds, shall be subject to the limitations set forth in Sections 2(b) and 2(c) hereof, as applicable, and the provisions in subsection (e) of this Section. Prior to the delivery of any Bonds authorized to be sold by this Twenty-Seventh Supplement, whether by competitive sale or negotiated sale, the Vice Chancellor for Finance for the University System shall execute a certificate addressing the matters described in this subsection with respect to the Bonds sold under authority granted by this Twenty-Seventh Supplement.

(ii) *Competitive Sale.* The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to seek competitive bids for the sale of the Bonds authorized to be sold by this Twenty-Seventh Supplement, and is hereby authorized to prepare and distribute the Bidding Instructions and the Official Bid Form with respect to seeking competitive bids for the sale of the Bonds. The Bidding Instructions shall contain the terms and conditions relating to the sale of the Bonds, including the date bids for the purchase of the Bonds are to be received, the date of the Bonds, any additional designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale and delivery of the Bonds so sold including, without limitation, the use of municipal bond insurance for the Bonds. The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to receive and accept bids for the sale of Bonds in accordance with the Bidding Instructions on such date as determined thereby. The Bonds so sold shall be sold at such price as the Vice Chancellor for Finance for the University System shall determine to be the most advantageous to the University System, which determination shall be evidenced by the execution thereby of the Official Bid Form submitted by the best and winning bidder. One Bond in the principal amount maturing on each maturity date as set forth in the Official Bid Form shall be delivered to the initial purchasers thereof, and such purchasers shall have the right to exchange such bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name as set forth in the Official Bid Form. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(iii) *Negotiated Sale - Underwriting.* The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to sell all or any portion of the Bonds authorized to be sold by this Twenty-Seventh Supplement by a negotiated sale conducted as a public underwriting, and should the Vice Chancellor for Finance for the University System determine to sell Bonds by negotiated sale conducted as a public underwriting, the Vice Chancellor for Finance for the University System may designate the senior managing underwriter for the Bonds so sold by a negotiated sale pursuant to this Section 3(b)(iii), and such additional investment banking firms as deemed appropriate by the Vice Chancellor for Finance for the University System to assure that the Bonds are sold on the most advantageous terms to the University System. Should Bonds be sold through a negotiated sale conducted as a public underwriting, the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is authorized to enter into and carry out a Bond Purchase Agreement with the Underwriters for the Bonds, at such price, with and subject to such terms as determined by the Vice Chancellor for Finance for the University System, subject to the provisions of this Twenty-Seventh Supplement. One Bond in the principal amount maturing on each maturity date as set forth in the Bond Purchase Agreement shall be delivered to the Underwriters, and the Underwriters shall have the right to exchange such Bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name designated by the Underwriters as set forth in a Bond Purchase Agreement. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bond Purchase Agreement shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Parity Debt, as shall be acceptable to the Vice Chancellor for Finance for the University System, including, without limitation, to contain such terms and conditions as may be provided in accordance with subsection (d) of this Section.

(iv) *Negotiated Sale – Private Placement.* The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is hereby authorized to sell all or any portion of the Bonds authorized to be sold by this Twenty-Seventh Supplement by a negotiated sale conducted as a private placement, and should the Vice Chancellor for Finance for the University System determine to sell Bonds by negotiated sale conducted as a private placement, the Vice Chancellor for Finance for the University System may negotiate the sale of Bonds pursuant to this Section 3(b)(iv) with a bank or other financial institutions as deemed appropriate by the Vice Chancellor for Finance for the University System to assure that the Bonds are sold on the most advantageous terms to the University System. Should Bonds be sold through a negotiated sale conducted as a private placement, the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is authorized to enter into and carry out a Bond Purchase Agreement with the Purchaser of the Bonds, at such price, with and subject to such terms as determined by the Vice Chancellor for Finance for the University System, subject to the provisions of this Twenty-Seventh Supplement. One Bond in the principal amount maturing on each maturity date as set forth in the Bond Purchase Agreement shall be delivered to the Purchaser, and the Purchaser shall have the right to exchange such Bonds as provided in Section 5 hereof without cost. The Bonds shall initially be registered in the name designated by the Purchaser as set forth in a Bond Purchase Agreement. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the

delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bond Purchase Agreement shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Parity Debt, as shall be acceptable to the Vice Chancellor for Finance for the University System, including, without limitation, to contain such terms and conditions as may be provided in accordance with subsection (d) of this Section.

(c) ***In General.*** The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and (vi) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS, as revised to conform the Bonds to the terms of the Bond Purchase Agreement, in the case of a negotiated sale, or the Bidding Instructions and Official Bid Form, in the case of a competitive sale. The Bonds of any series shall be numbered consecutively from R-1 upward.

(d) ***Bond Purchase Agreement.*** Should Bonds be sold by a negotiated sale, the Vice Chancellor for Finance for the University System is hereby authorized, appointed, and designated to act on behalf of the Board in the selling and delivering the Bonds and carrying out the other procedures specified in this Twenty-Seventh Supplement, including determining and fixing the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the aggregate principal amount of the Bonds to be sold, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds, including, without limitation, the use of municipal bond insurance for the Bonds, all of which shall be specified in the Bond Purchase Agreement. The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is authorized to enter into with the Underwriters, in the case of Bonds sold through a negotiated sale conducted as a public underwriting, and the Purchaser, in the case of Bonds sold through a negotiated sale conducted as a private placement, and to carry out the conditions specified in a Bond Purchase Agreement for the Bonds, at such price and subject to such terms as are set forth therein.

(e) ***Parameters to Sale of Bonds.*** The foregoing provisions of this Section notwithstanding, the purchase price to be paid for the Bonds sold pursuant to this Twenty-Seventh Supplement shall not be less than 95% of the aggregate principal amount thereof, and the Bonds shall not bear a "net effective interest rate" (as defined in and calculated in accordance with the provisions of Chapter 1204, Texas Government Code) of greater than 10%. The Bonds shall not be delivered unless prior to the execution by the Vice Chancellor for Finance for the University System of the Bond Purchase Agreement or the Official Bid Form, as the case may be, the approval of the issuance of the Bonds by the Texas Bond Review Board has been received in the manner prescribed by law. In connection with Bonds sold either through a competitive sale or through a negotiated sale conducted as a public underwriting, the Vice Chancellor for Finance for the University System may, at the sole discretion

thereof, obtain a rating on the Bonds from a nationally recognized rating agency for municipal securities. Bonds sold through a negotiated sale conducted as a private placement are not required to have been rated by a nationally recognized rating agency for municipal securities. The authority hereby granted by the Board to the Vice Chancellor for Finance for the University System to effect the sale of all or any portion of the Bonds authorized to be sold by this Twenty-Seventh Supplement expires at 5:00 p.m., Friday, August 30, 2019.

Section 4. **INTEREST.** The Bonds shall bear interest from the dates specified in the FORM OF BONDS and in the Bond Purchase Agreement or the Official Bid Form, as the case may be, to their respective dates of maturity, at the rates, and shall be calculated on the basis and in the manner, set forth in the executed Bond Purchase Agreement, in the case of a negotiated sale, or in the Official Bid Form submitted by the highest and best bidder and accepted by the Vice Chancellor for Finance for the University System, in the case of a competitive sale.

Section 5. **REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.** (a) ***Paying Agent/Registrar.*** BOKF, NA, Dallas, Texas, shall serve as Paying Agent/Registrar for the Bonds.

(b) ***Registration Books.*** The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar so designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office") books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) ***Ownership of Bonds.*** The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Twenty-Seventh Supplement, whether such Bond shall be overdue, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) ***Payment of Bonds and Interest.*** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Twenty-Seventh Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) ***Authentication.*** The Bonds initially issued and delivered pursuant to this Twenty-Seventh Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BONDS (the "Authentication Certificate") unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Twenty-Seventh Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(f) ***Transfer, Exchange, or Replacement.*** Each Bond issued and delivered pursuant to this Twenty-Seventh Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, at the option of the registered owner or such assignee or assignees, as appropriate, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in the aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Twenty-Seventh Supplement shall constitute one of the Bonds for all purposes of this Twenty-Seventh Supplement, and may again be exchanged or replaced. The Authentication Certificate shall be printed on each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Twenty-Seventh Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying

Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by the Vice Chancellor for Finance for the University System. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Twenty-Seventh Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Twenty-Seventh Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Twenty-Seventh Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Twenty-Seventh Supplement, and a certified copy of this Twenty-Seventh Supplement shall be delivered to each Paying Agent/Registrar.

(h) ***Book-Entry Only System.*** The Bonds sold to the Purchaser in a private placement may be subject to being held in a book-entry only system to the extent so provided in the applicable Bond Purchase Agreement.

The Bonds issued in exchange for the Bonds initially issued and delivered to the initial purchasers thereof in a competitive sale or to the Underwriters in a negotiated sale conducted as a public underwriting shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Twenty-Seventh Supplement to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Twenty-Seventh Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Twenty-Seventh Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Twenty-Seventh Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Twenty-Seventh Supplement shall refer to such new nominee of DTC.

(i) ***Successor Securities Depository; Transfers outside Book-Entry Only System.*** In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging

its responsibilities described herein and in the representation letter (as referred to in Section 24 of this Twenty-Seventh Supplement) of the Board to DTC or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Twenty-Seventh Supplement.

(j) ***Payments to Cede & Co.*** Notwithstanding any other provision of this Twenty-Seventh Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC.

(k) ***Notice of Redemption.*** In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts called of each maturity of the Bonds, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

With respect to any optional redemption of the Bonds, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on the Bonds to be redeemed before giving of a notice of redemption, the notice of redemption may state the Board may condition redemption on the receipt by the Paying Agent/Registrar of such funds on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice

of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the Board shall not redeem the Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Section 6. **FORM OF BONDS.** The form of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the initial purchasers thereof pursuant to this Twenty-Seventh Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Twenty-Seventh Supplement.

Section 7. **ESTABLISHMENT OF REVENUE FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS.** By adoption of the Master Resolution the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of the University, UNT-Dallas and the Health Science Center. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Twenty-Seventh Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that (i) it will have sufficient funds to meet the financial obligations of each Participant in the Financing System (currently the University, UNT-Dallas and the Health Sciences Center), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System and (ii) the University, UNT-Dallas and the Health Sciences Center each possess the financial capability to satisfy its respective Direct Obligation (as defined in the Master Resolution) after taking into account the debt service on the Bonds.

Section 8. **SECURITY.** The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Twenty-Seventh Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Board under this Section 8, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Board under this Section 8 is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security

interest in said pledge, the Board agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

Section 9. **PAYMENTS.** On or before each principal or interest payment date while any Bond is outstanding and unpaid, commencing on the first interest payment date for the Bonds as provided therein, the Board shall make available to the Paying Agent/Registrar money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.**

(a) **Replacement Bonds.** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered a new Bond of the same series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) **Application for Replacement Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) **Payment in Lieu of Replacement.** Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) **Charge for Issuing Replacement Bonds.** Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Twenty-Seventh Supplement

equally and proportionately with any and all other Bonds duly issued under this Twenty-Seventh Supplement.

(e) **Authority for Issuing Replacement Bonds.** In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement Bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(f) of this Twenty-Seventh Supplement for Bonds issued in exchange and replacement for other Bonds.

Section 11. **AMENDMENT OF SUPPLEMENT.** (a) **Amendments without Consent.** This Twenty-Seventh Supplement and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Twenty-Seventh Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Twenty-Seventh Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Twenty-Seventh Supplement, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Twenty-Seventh Supplement;

(iii) To supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by Section 19(c)(vi) of this Twenty-Seventh Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vii) To make such other changes in the provisions hereof, including, without limitation, extending the expiration date of the delegation of authority to issue Bonds as set forth in Section 3(e) of this Twenty-Seventh Supplement, as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) ***Amendments with Consent.*** Subject to the other provisions of this Twenty-Seventh Supplement, the owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Twenty-Seventh Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Twenty-Seventh Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by Outstanding Bonds;
- (3) Reduce the amount of the principal payable on Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) ***Notice.*** If at any time the Board shall desire to amend this Twenty-Seventh Supplement other than pursuant to subsection (a) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

(d) **Receipt of Consents.** Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) **Effect of Amendments.** Upon the adoption by the Board of any resolution to amend this Twenty-Seventh Supplement pursuant to the provisions of this Section, this Twenty-Seventh Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Twenty-Seventh Supplement, as amended.

(f) **Consent Irrevocable.** Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the registration books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 12. **TAX-EXEMPTION.** The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, shall designate those Bonds authorized to be sold pursuant to the terms of this Twenty-Seventh Supplement that the Issuer does intend to issue in a manner such that the Bonds would constitute obligations described in section 103 of the Code.

(a) **General Covenants.** With respect to such Bonds so designated by the Vice Chancellor for Finance for the University System, the Issuer covenants to refrain from any action which would adversely affect, or to take any action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of such Bonds or the projects financed or refinanced therewith (less amounts deposited to a

reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Twenty-Seventh Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on such Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of such Bonds or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of such Bonds (less amounts deposited into a reserve fund, if any), is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in such Bonds being treated as "private activity bonds" within the meaning of section 141(a) of the Code;

(e) to refrain from taking any action that would result in such Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of such Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of such Bonds, other than investment property acquired with -

(1) proceeds of such Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of such Bonds;

(g) to otherwise restrict the use of the proceeds of such Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that such Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(h) to refrain from using the proceeds of the Bonds or the proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of section 149(d) of the Code (relating to advance refundings); and

(i) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of such Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after such Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of such Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to such Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on such Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to such Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on such Bonds under section 103 of the Code. In furtherance of the foregoing, the Chair of the Board, the Chancellor of the University, and the Board Representative each may execute any certificates or other reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of such Bonds. In order to facilitate compliance with the above clause (i), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of such Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(b) ***Disposition of Project.*** The Board covenants that none of the property constituting a Project financed or refinanced with the proceeds of any Bonds, the interest on which is to be excluded from gross income under the Code, or the Refunded Bonds or the Refunded Commercial Paper Notes, as the case may be, will be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of such Bonds. For purposes of this subsection (b), the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation.

For purposes of this subsection (b), the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) **Written Procedures.** Written procedures have been established by the Vice Chancellor for Finance for the University System regarding private business use, remedial action, arbitrage and rebate and the application of the covenants set forth in this Section and the written procedures shall apply to the Bonds issued as obligations described in section 103 of the Code.

Section 13. **TAXABLE BONDS.** Without regard to Section 12 hereof, the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, shall designate those Bonds authorized to be sold pursuant to the terms of this Twenty-Seventh Supplement that the Issuer does not intend to issue in a manner such that the Bonds would constitute obligations described in section 103 of the Code and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

Section 14. **TWENTY-SEVENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Twenty-Seventh Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Twenty-Seventh Supplement by the Board and the covenants and agreements set forth in this Twenty-Seventh Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Twenty-Seventh Supplement.

Section 15. **SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 16. **PAYMENT AND PERFORMANCE ON BUSINESS DAYS.** Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Twenty-Seventh Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need

not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 17. **LIMITATION OF BENEFITS WITH RESPECT TO THE TWENTY-SEVENTH SUPPLEMENT.** With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twenty-Seventh Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Twenty-Seventh Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Seventh Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 18. **CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE.** The Vice Chancellor for Finance for the University System is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas. The Vice Chancellor for Finance for the University System is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds, in which case the Vice Chancellor for Finance for the University System also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The Vice Chancellor for Finance for the University System is hereby authorized, in connection with the submission to the Attorney General of the State of Texas of a transcript of proceedings for the approval of any series of the Bonds, to pay the fee for the examination of the transcript of proceedings in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to this Twenty-Seventh Supplement is hereby adopted and made a part of this Twenty-Seventh Supplement for all purposes. The Vice Chancellor for Finance for the University System is hereby authorized to purchase a municipal bond insurance policy from a municipal bond insurance provider that has an underlying rating of "AA" (or its equivalent) or better at the time Bonds are sold (the "Bond Insurer") as additional security for the Bonds. The printing of a legend describing the municipal bond insurance policy issued by the Bond Insurer is hereby authorized. The payment of the premium to the Bond Insurer in consideration for the issuance of said policy, should one be so obtained, is hereby approved. Any insurance commitment issued by the Bond Insurer shall be made a part hereof for all purposes. In addition, it is agreed that should such policy be obtained, the Board will comply with the conditions applicable to the Bonds, as set forth in any insurance commitment issued by the Bond Insurer, as if such conditions were incorporated in this Twenty-Seventh Supplement, and will pay to the Paying

Agent/Registrar for the Bonds so insured the debt service due on the Bonds so insured by the Bond Insurer not later than one Business Day prior to each principal or interest payment date of the Bonds. In the event such policy is obtained, the Vice Chancellor for Finance for the University System is hereby authorized to execute any agreements with the Bond Insurer in connection with the issuance of the municipal bond insurance policy. In the event such policy is obtained, the Vice Chancellor for Finance for the University System is hereby instructed to provide notice to the Bond Insurer in the event such payment is not made to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date; failure to make such payment to the Paying Agent/Registrar on or before the Business Day before the scheduled principal or interest payment date shall not constitute a default under the terms of this Twenty-Seventh Supplement.

Section 19. **COMPLIANCE WITH RULE 15c2-12.** (a) *Annual Reports.* The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2018, financial information and operating data with respect to the Board of the general type provided in accordance with the terms of the Twenty-Third Supplement. Promptly after filing such information with the MSRB, a copy of the information filed with the MSRB also shall be provided to a Purchaser in a format acceptable to the Purchaser, with respect to Bonds sold as a private placement. If the Board changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

(b) *Disclosure Event Notices.* The Board shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of any of the following events, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if

- material;
11. Rating changes;
  12. Bankruptcy, insolvency, receivership or similar event of the Board;
  13. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the University System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  14. Appointment of a successor Paying Agent/Registrar or change in name of the Paying Agent/Registrar, if material.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a) of this Section. As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the University System in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University System, or if jurisdiction has been assumed by leaving the Board and officials or officers of the University System in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University System.

(c) ***Limitations, Disclaimers, and Amendments.*** (i) The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice of any deposit made in accordance with this Twenty-Seventh Supplement or applicable law that causes the Bonds no longer to be Outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART

FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Board in observing or performing its obligations under this Section shall comprise a breach of or default under this Twenty-Seventh Supplement for purposes of any other provision of this Twenty-Seventh Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings or provide notices to entities other than the MSRB, the Issuer agrees to undertake such obligation in accordance with the Rule, as amended.

(vi) The provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Twenty-Seventh Supplement that authorizes such an amendment) of the Bonds then outstanding consent to such amendment or (b) a person that is unaffiliated with the Board (such as nationally-recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 20. **FURTHER PROCEDURES; OFFICIAL STATEMENT.** Each Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Twenty-Seventh Supplement, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, to prepare the Bidding Instructions and Official Bid Form, in the case of Bonds sold through a competitive sale, and to approve any Official Statement, or supplements thereto, in

connection with the Bonds. Any final Official Statement relating to the offering of any series of Bonds, either through a competitive sale or a negotiated sale conducted as a public underwriting, shall be approved by the Vice Chancellor for Finance for the University System. The Vice Chancellor for Finance for the University System is authorized to approve any supplement to the Official Statement incorporating the information contained in the Bond Purchase Agreement, in the case of a negotiated sale conducted as a public underwriting, and the Bidding Instructions and Official Bid Form, in the case of a competitive sale, and such additional information as deemed material consistent with the requirements of the Rule and to authorize the distribution of any such final Official Statement to the initial purchasers of the Bonds for their use in the sale of the Bonds to members of the general public. The use of any such final Official Statement in the offer and sale of the Bonds is hereby approved. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 21. **REFUNDING.** (a) ***Refunded Bonds.*** The principal amount of Bonds, if any, issued to refund all or any portion of the Refundable Bonds, and the Refunded Bonds to be refunded, shall be specifically identified in the certificate described in Section 3(b)(i) hereof. The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, may elect not to refund any or all of the Refundable Bonds, but in no event shall the Bonds be issued for the purpose of refunding Refunded Bonds if the refunding of the aggregate principal amount of the obligations selected for refunding does not result in the minimum amount of savings established in Section 2(b) hereof being achieved. Should Bonds be sold for the purpose of refunding the Refunded Bonds, on or before the date of delivery of the Bonds the Vice Chancellor for Finance for the University System shall execute and deliver to the Board a certificate stating that minimum amount of net present value savings and gross savings resulting from the refunding of the Refunded Bonds herein established has been exceeded. The determination of the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, relating to the issuance and sale of Bonds to refund Refunded Bonds in such principal amount as provided in the certificate to be executed by the Vice Chancellor for Finance of the University System as described in Section 3(b)(i) hereof shall have the same force and effect as if such determination were made by the Board. The Vice Chancellor for Finance for the University System is hereby directed to effect the prior redemption of any of the Refundable Bonds, and the redemption date or dates for the Refunded Bonds shall be set forth in the certificate to be executed by the Vice Chancellor for Finance of the University System as described in Section 3(b)(i) hereof.

(b) ***Refunded Commercial Paper Notes.*** The principal amount of Bonds, if any, issued to refund Refunded Commercial Paper Notes shall be specifically identified in a certificate to be executed by the Vice Chancellor for Finance for the University System in accordance with the provisions of Section 2(c) of this Twenty-Seventh Supplement. The Refunded Commercial Paper Notes are being refunded to convert interim financing into long-term fixed rate financing, as contemplated by the Board in the operation of the interim financing program for the University System. Therefore, the manner in which the refunding of the Refunded Commercial Paper Notes is being executed by the Board does not make it practicable to make the determinations required by subsection (a) of Section 1207.008, Texas Government Code. Concurrently with the delivery of

such Bonds, proceeds in the amount of the principal amount of the Refunded Commercial Paper Notes that are to be refunded and interest thereon with a portion of the proceeds from the sale of the Bonds shall be deposited to the credit of the designated account or accounts within the "Note Payment Fund", established in accordance with the provisions of the Tenth Supplement, with respect to the Series A Commercial Paper Notes, and the Twenty-Fourth Supplement, with respect to the Series B Commercial Paper Notes, to refund those Refunded Commercial Paper Notes designated by the Vice Chancellor for Finance for the University System to be refunded and retired with a portion of the proceeds of Bonds. The determination of the Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, relating to the issuance and sale of Bonds to refund Refunded Commercial Paper Notes shall have the same force and effect as if such determination were made by the Board.

Section 22. **ESCROW AGREEMENT.** The Board shall cause to be deposited with the Escrow Agent, from the proceeds received from the sale of the Bonds sold for such purpose and other available moneys of the Board, an amount sufficient to provide for the refunding of the Refunded Bonds in accordance with Chapter 1207, Texas Government Code, to the extent Bonds are sold for such purpose. The Vice Chancellor for Finance for the University System is hereby authorized, for and on behalf of the Board, to execute and deliver the Escrow Agreement to accomplish the establishing of firm banking arrangements in connection with the refunding of the Refunded Bonds, in the standard form previously approved by the Board, with such changes as the Vice Chancellor for Finance for the University System deems necessary to effect the sale of the Bonds issued for such purpose, and to take such other actions on behalf of the Board to effect the sale of the Bonds issued for such purpose, including, without limitation, causing the redemption of the Refunded Bonds in accordance with the terms of the Supplement authorizing their issuance.

Section 23. **REDEMPTION OF REFUNDED COMMERCIAL PAPER NOTES.** The Board authorizes a Board Representative, acting in accordance with the terms of the Twenty-Fourth Supplement, to cause the Series B Commercial Paper Notes refunded with proceeds of Bonds to be redeemed prior to their stated Extended Maturity Date (as such term is defined in the Twenty-Fourth Supplement), at a price of no less than par plus accrued interest, if any, to the date fixed for redemption.

Section 24. **DTC LETTER OF REPRESENTATION.** The previous execution and delivery of the DTC Blanket Letter of Representations with respect to obligations of the Board is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds.

Section 25. **COMPLIANCE WITH SECTION 2252.908, GOVERNMENT CODE.** The Vice Chancellor for Finance for the University System shall confirm that, to the extent required by Section 2252.908, Texas Government Code, each contracting party in connection with the issuance of Bonds either has made disclosure filings to the Texas Ethics Commission in accordance with Section 2252.908, Texas Government Code, or represents to the Vice Chancellor for Finance for the University System that it is exempt from making such disclosure filings under Section 2252.908(c)(4), Texas Government Code. Within thirty (30) days of receipt of the disclosure filings

from the contracting party, the Vice Chancellor for Finance for the University System will submit a copy of the disclosure filings with the Texas Ethics Commission.

Section 26. **REPEAL OF CONFLICTING RESOLUTIONS.** All resolutions and all parts of any resolutions (other than the Master Resolution) which are in conflict or inconsistent with this Twenty-Seventh Supplement, are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 27. **RULES OF CONSTRUCTION.** For all purposes of this Twenty-Seventh Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Twenty-Seventh Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Twenty-Seventh Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Twenty-Seventh Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Twenty-Seventh Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Twenty-Seventh Supplement shall be deemed to include the payment of mandatory sinking fund redemption payments. Any reference to "FORM OF BONDS" shall refer to the form of the Bonds set forth in Exhibit B to this Twenty-Seventh Supplement. References to the Vice Chancellor for Finance for the University System shall mean the person holding that position at the time Bonds are sold, whether acting, interim, or permanent.

Section 28. **PUBLIC NOTICE.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the meeting at which this Twenty-Seventh Supplement was adopted; that this Twenty-Seventh Supplement would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

## **SCHEDULE I**

### **REFUNDABLE BONDS**

All outstanding maturities of the following series of bonds are eligible to be refunded:

Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2010

Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2012A

Board of Regents of the University of North Texas System Revenue Financing System Bonds, Taxable Series 2012B

Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2015C

The Refundable Bonds may be refunded with the proceeds of tax-exempt bonds, taxable bonds, or a combination of tax-exempt bonds and taxable bonds, as determined by the Vice Chancellor for Finance for the University System, subject to the minimum savings requirement set forth in Section 2(b) of this Twenty-Seventh Supplemental Resolution.

## **EXHIBIT A DEFINITIONS**

As used in this Twenty-Seventh Supplement the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "*Authorized Denomination*" shall mean an Authorized Denomination as defined in Section 3(a) of this Twenty-Seventh Supplement.

The term "*Bidding Instructions*" shall mean the Notice of Sale and Bidding Instructions distributed to potential purchasers of Twenty-Seventh Series Bonds sold pursuant to a competitive sale.

The terms "*Board*" and "*Issuer*" shall mean the Board of Regents of the University System.

The term "*Board Representative*" shall mean the Vice Chancellor for Finance for the University System, the Associate Vice Chancellor for Treasury for the University System, or such other officials of the University or the Health Science Center appointed by the Board to carry out the functions of the Board specified herein.

The term "*Bond Purchase Agreement*" shall mean a bond purchase agreement (i) between the Board and the Underwriters, pertaining to the purchase of the Bonds by the Underwriters sold through a negotiated sale conducted as a public underwriting, and (ii) between the Board and the Purchaser, pertaining to the purchase of the Bonds by the Purchaser sold through a negotiated sale conducted as a private placement.

The term "*Bonds*" shall mean the Twenty-Seventh Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Twenty-Seventh Supplement; and the term "Bond" means any of the Bonds.

The term "*Business Day*" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "*Code*" means the Internal Revenue Code of 1986, as amended.

The term "*Commercial Paper Notes*" shall mean any Series A Commercial Paper Note and any Series B Commercial Paper Note.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Twenty-Seventh Supplement.

The term "*DTC*" shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term "*DTC Participant*" shall mean securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term "*Escrow Agent*" shall mean the financial institution named in an Escrow Agreement, as determined by the Vice Chancellor for Finance for the University System.

The term "*Escrow Agreement*" shall mean the Escrow Agreement, one or more, between the Board and the Escrow Agent, executed in connection with the refunding of Refunded Bonds.

The term "*Fifteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2012A and the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Taxable Series 2012B, authorized by the Fifteenth Supplement.

The term "*Fifteenth Supplement*" shall mean the resolution adopted by the Board on August 18, 2011, authorizing the authorizing the Fifteenth Series Bonds.

The term "*Fourteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2009A, the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2009B, and the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2010, authorized by the Fourteenth Supplement.

The term "*Fourteenth Supplement*" shall mean the resolution adopted by the Board of Regents on August 21, 2009, authorizing the Fourteenth Series Bonds.

The term "*Health Science Center*" shall mean the University of North Texas Health Science Center at Fort Worth.

The term "*MAC*" means the Municipal Advisory Council of Texas.

The term "*Master Resolution*" shall mean the "Amended and Restated Master Resolution Establishing the Revenue Financing System under the Authority and Responsibility of the Board of Regents of the University of North Texas", adopted by the Board on February 12, 1999.

The term "*Maturity*" shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

The term "*MSRB*" shall mean the Municipal Securities Rulemaking Board.

The term "*Official Bid Form*" shall mean the bid form prepared in accordance with the Bidding Instructions and submitted by potential purchasers of any Twenty-Seventh Series Bonds sold pursuant to a competitive sale.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent named in Section 5(a) of this Twenty-Seventh Supplement, or any successor to such agent.

The term "*Paying Agent/Registrar Agreement*" shall mean the master paying agent agreement between the Board and the Paying Agent/Registrar.

The term "*Purchaser*" shall mean the bank or other financial institution listed in a Bond Purchase Agreement executed in connection with a negotiated sale conducted as a private placement of Bonds.

The term "*Rating Agency*" shall mean, with respect to the Bonds, a nationally-recognized municipal securities rating agency.

The term "*Record Date*" shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term "*Refundable Bonds*" shall mean the outstanding bonds issued by the Board as shown in Schedule I attached to this Twenty-Seventh Supplement.

The term "*Refunded Bonds*" shall mean those Refundable Bonds selected by the Vice Chancellor for Finance for the University System to be refunded with the proceeds of Bonds authorized to be issued by this Twenty-Seventh Supplement, as more fully described in the certificate to be delivered by the Vice Chancellor for Finance for the University System in accordance with Section 3(b)(i) of this Twenty-Seventh Supplement.

The term "*Refunded Commercial Paper Notes*" shall mean those Commercial Paper Notes selected by the Vice Chancellor for Finance for the University System to be refunded with the proceeds of Bonds authorized to be issued by this Twenty-Seventh Supplement, as more fully described in the certificate to be delivered by the Vice Chancellor for Finance for the University System in accordance with Section 2(c) of this Twenty-Seventh Supplement.

The term "*Registration Books*" shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Twenty-Seventh Supplement.

The term "*Rule*" shall mean SEC Rule 15c2-12, as amended from time to time.

The term "*SEC*" shall mean the United States Securities and Exchange Commission.

The term "*Series A Commercial Paper Notes*" shall mean the Board of Regents of The University of North Texas Revenue Financing System Commercial Paper Notes, Series A (consisting of two sub-series, a tax-exempt sub-series and a taxable sub-series), issued pursuant to the provisions of the Master Resolution and the Tenth Supplement.

The term "*Series B Commercial Paper Notes*" shall mean the Board of Regents of The University of North Texas Revenue Financing System Commercial Paper Notes, Series B (consisting of two sub-series, a tax-exempt sub-series and a taxable sub-series), issued pursuant to the provisions of the Master Resolution and the Twenty-Fourth Supplement.

The term "*Sixteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2015A, and the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Taxable Series 2015B, authorized by the Sixteenth Supplement.

The term "*Sixteenth Supplement*" shall mean the resolution adopted by the Board of Regents on August 16, 2013, authorizing the Sixteenth Series Bonds.

The term "*Stated Maturity*", shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption of the Bonds.

The term "*Tenth Supplement*" shall mean the resolution adopted by the Board on May 8, 2008, as amended and restated by the resolution adopted by the Board on December 6, 2013, authorizing the Series A Commercial Paper Notes.

The term "*Thirteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2009, authorized by the Thirteenth Supplement.

The term "*Thirteenth Supplement*" shall mean the resolution adopted by the Board on November 20, 2008, authorizing the Thirteenth Series Bonds.

The term "*Twentieth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2015, authorized by the Twentieth Supplement.

The term "*Twentieth Supplement*" shall mean the resolution adopted by the Board on April 8, 2015, authorizing the Twentieth Series Bonds.

The term "*Twenty-First Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2015C, authorized by the Twenty-First Supplement.

The term "*Twenty-First Supplement*" shall mean the resolution adopted by the Board on October 6, 2015, authorizing the Twenty-First Series Bonds.

The term "*Twenty-Second Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Forward Delivery Series 2018, authorized by the Twenty-First Supplement.

The term "*Twenty-Second Supplement*" shall mean the resolution adopted by the Board on May 20, 2016, authorizing the Twenty-Second Series Bonds.

The term "*Twenty-Third Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2017A and the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Taxable Series 2017B, authorized by the Twenty-Third Supplement.

The term "*Twenty-Third Supplement*" shall mean the resolution adopted by the Board on August 19, 2016, authorizing the Twenty-Third Series Bonds.

The term "*Twenty-Fourth Supplement*" shall mean the resolution adopted by the Board of Regents on November 17, 2016, authorizing the Series B Commercial Paper Notes.

The term "*Twenty-Sixth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, in one or more series, authorized to be issued in accordance with the terms of the Twenty-Sixth Supplement.

The term "*Twenty-Sixth Supplement*" shall mean the resolution adopted by the Board on May 18, 2018, authorizing the Twenty-Sixth Series Bonds.

The term "*Twenty-Seventh Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, in one or more series, authorized by the Twenty-Seventh Supplement.

The term "*Twenty-Seventh Supplement*" shall mean this resolution authorizing the Bonds, in one or more series.

The term "*Underwriters*" shall mean the investment banking firms listed in a Bond Purchase Agreement executed in connection with a negotiated sale conducted as a public underwriting of Bonds.

The term "*University*" shall mean the University of North Texas.

The term "*University System*" shall mean the University of North Texas System.

The term "*UNT-Dallas*" shall mean the University of North Texas at Dallas.

All terms not herein defined shall have the meanings given to such terms by the Master Resolution or as otherwise defined in this Twenty-Seventh Supplement.

**EXHIBIT B**

**FORM OF BONDS**

This FORM OF BONDS may be revised as provided in Section 3(c) of the Twenty-Seventh Supplement to conform to the terms of the sale of the Bonds.

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM  
REVENUE FINANCING SYSTEM REFUNDING BOND,  
SERIES 201\_

<b>NO. R-__</b>			<b>PRINCIPAL AMOUNT</b>
			<b>\$_____</b>
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP</u>

REGISTERED OWNER:

PRINCIPAL AMOUNT:     DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM (the "Issuer"), hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Date of Delivery, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on \_\_\_\_\_ 15, 201\_, and semiannually on each \_\_\_\_\_ 15 and \_\_\_\_\_ 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office in Dallas, Texas

(the "Designated Trust Office") of BOKF, NA, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository.

THIS BOND is one of a Series of Bonds, dated as of \_\_\_\_\_, 201\_, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$\_\_\_\_\_, issued pursuant to a Twenty-Seventh Supplemental Resolution to the Master Resolution adopted August \_\_, 2018, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution"), FOR THE PURPOSE OF (i) REFUNDING THE REFUNDED BONDS, (ii) REFUNDING THE REFUNDED COMMERCIAL PAPER NOTES, AND (iii) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution.

ON APRIL 15, 20\_\_\_, or on any date thereafter, the Bonds of this Series maturing on and after April 15, 20\_\_\_ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Board (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at par and accrued interest to the date fixed for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

THE BONDS maturing on April 15 in each of the years \_\_\_\_ and \_\_\_\_, shall be subject to mandatory sinking fund redemption prior to their scheduled maturities in the following amounts, on April 15 in each of the years set forth below, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

<u>Year</u>	<u>Principal Amount (\$)</u>
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\*Final Maturity

The principal amount of the Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Issuer, by the principal amount of any Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Issuer, in either case at a price not exceeding the par or principal amount of such Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against mandatory sinking fund redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing such interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books on the 45th day prior to such redemption date. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

WITH RESPECT TO any optional redemption of this Bond, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on this Bond to be redeemed before giving of a notice of redemption, the notice of redemption may state the Issuer may condition redemption on the receipt by the Paying Agent/Registrar of such funds on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the Issuer shall not redeem this Bond and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that this Bond has not been redeemed.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment,

and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000 (an "Authorized Denomination"). As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Master Resolution; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations, are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues.

THE ISSUER has reserved the right, subject to the restrictions referred to in the Bond Resolution, (i) to issue additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond, and (ii) to amend the provisions of the Bond Resolution under the conditions provided in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

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Secretary, Board of Regents of the  
University of North Texas System

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Chair, Board of Regents of the  
University of North Texas System

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA,  
Paying Agent/Registrar

Dated

\_\_\_\_\_  
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

\_\_\_\_\_  
/ \_\_\_\_\_ /

(Assignee's Social Security or Taxpayer Identification Number)

\_\_\_\_\_  
(print or typewrite Assignee's name and address, including zip code)

\_\_\_\_\_  
and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

[FORM OF REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY  
THE BONDS UPON INITIAL DELIVERY]

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond and the proceedings authorizing its issuance have been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

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Comptroller of Public Accounts  
of the State of Texas

(COMPTROLLER'S SEAL)

Should the Bonds be insured by a Bond Insurer, a statement or legend describing the policy to be issued by the Bond Insurer may be printed on the Bonds so insured.



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**Title:** Amendment to Regents Rule 04.1000, *Retirement and Deferred Compensation Plans*

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**Background:**

State law requires UNT System employees to participate in a retirement plan, with two options based on eligibility:

- **Teacher Retirement System (TRS)**, a defined benefit or pension plan. This is the statewide retirement plan for teachers and higher education employees. Participation on the part of all employees is mandated by law, although certain employees may opt into the defined contribution plan. Contribution rates and employer match are set by statute.
- **Optional Retirement Plan (ORP)**, a defined contribution plan authorized under Section 403b of the Tax Code. Eligibility is based on job position, typically faculty and certain administrators. For those eligible, the program provides an optional one-time election in place of mandatory TRS participation; approximately 20% of employees participate in this plan. Contribution rates and employer match are set by statute. State law requires the System to offer investment options from at least four vendors.

Deferred compensation plans offered to faculty and staff include:

- **403(b) Voluntary Tax Sheltered Annuity Plan**, which is open to all faculty and staff. Contributions are voluntary.
- **457(b) Deferred Compensation Plan**, which is open to all faculty and staff and administered by the statewide Texa\$aver program. Contributions are voluntary.

As reported to the Board in August 2017, the System has underway a review of its ORP and deferred compensation plans. This project benefits employees by facilitating best practices for retirement plan administration, including:

- Improving the governance structure and plan administration,
- Reducing participant fees,
- Improving investment options and fund offerings, and
- Establishing regular reviews and updates.

Updates to the Regents Rules governing the System's retirement plan offerings are necessary to comply with law and best practice. The proposed changes are set forth in the attachment to this briefing and order. Key changes include:

- Section 04.1004 clarifies the delegation of non-fiduciary authority for business decisions related to the retirement plans and delegates fiduciary duties and responsibilities for administration of the retirement plans, and requires the fiduciary to adopt an investment policy to guide the selection of investment options and fund offerings.
- Section 04.1005 establishes a retirement plan advisory committee to assist with the review and analysis of the retirement plans and investment options.
- Section 04.1006 provides for investment managers and investment advisors to assist with fiduciary duties and decisions.

- Section 04.1007 provides indemnity, to the extent permitted by law, for employees that undertake a fiduciary role in administration of the retirement plans.
- The additional subsections to Section 04.1003 authorize the establishment of a 457(b) Deferred Compensation Plan. Upon adoption of plan documents by the Board, UNT System may request that all deferred amounts and investment income currently managed by the statewide TexaSaver program be transferred to the UNT System 457(b) Deferred Compensation Plan. Bringing the 457(b) voluntary plan under the administration of UNT System will provide for easier participant enrollment and will allow for better alignment across the board of all retirement and deferred compensation programs and investment options offered to employees. Upon transfer of all TexaSaver funds, the TexaSaver program would then cease to be an option available to UNT System faculty and staff.

The Board has authority to adopt these amendment under Texas Education Code § 105.101 which grants the Board the power to adopt rules and policies for the administration of the Board's powers and duties.

**Financial Analysis/History:**

There are no fiscal implications related to the adoption of this revised Regents Rule.

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
 DN: cn=Gary Rahlfs, o=UNT System,  
 ou=Vice Chancellor for Finance,  
 email=gary.rahlfs@untsystem.edu, c=US  
 Date: 2018.08.01 12:26:11 -05'00'  
 Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
 DN: cn=Nancy S. Footer, o=University of North Texas  
 System, ou=Office of General Counsel,  
 email=nancy.footer@untsystem.edu, c=US  
 Date: 2018.08.01 11:31:19 -05'00'  
 Vice Chancellor/General Counsel

**Schedule:**

Effective immediately upon Board approval.

**Recommendation:**

It is recommended that the Board adopt the amendments to Regents Rule 04.1000, *Retirement and Deferred Compensation Plans*.

**Recommended By:**

**Gary Rahlfs**  
 Vice Chancellor for Finance

Attachments Filed Electronically:

- Proposed Amendments to Regents Rule 04.1000, *Retirement and Deferred Compensation Plans*
- Amended Regents Rule 04.1000, *Retirement and Deferred Compensation Plans* (clean version as proposed for amendment)



## Board Order

**Title:** Amendment to Regents Rule 04.1000, *Retirement and Deferred Compensation Plans*

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

**Whereas**, amendment to Regents Rule 04.1000 is advisable to clarify delegation of non-fiduciary authority for business decisions related to the retirement plans and to delegate fiduciary duties and responsibilities,

**Whereas**, amendment to Regents Rule 04.1000 is advisable to establish an advisory committee and authorize investment managers and investment advisors to provide support and assistance with fiduciary duties and decisions,

**Whereas**, amendment to Regents Rule 04.1000 is advisable to allow for the establishment of a 457(b) voluntary deferred compensation plan, and

**Whereas**, amendment to Regents Rule 04.1000 is advisable to facilitate best practices in the administration of UNT System's retirement and deferred compensation plans,

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

1. Amendment to Regents Rule 04.1000, *Retirement and Deferred Compensation Plans*, as set forth in the attachment to this briefing and order.

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

### **BOARD ACTION:**

Attested By:

Approved By:

\_\_\_\_\_  
Rosemary R. Haggett, Secretary  
Board of Regents

\_\_\_\_\_  
Brint Ryan, Chairman  
Board of Regents

## Board of Regents Rules

## 04.1000 Retirement and Deferred Compensation Plans

04.1001 Optional Retirement Program.

1. Optional Retirement Program. As authorized by Chapter 830 of the Texas Government Code and Section 403(b) of the Internal Revenue Code, the Optional Retirement Program is available for employees eligible to participate under chapter 830 and rules adopted by the Texas Higher Education Coordinating Board.
2. Plan Document. The ~~Board~~System shall ~~adopt~~have a written plan document approved by the Board for the Optional Retirement Program in accordance with Section 403(b) of the Internal Revenue Code and consistent with Chapter 830 of the Texas Government Code.

~~Delegations of Authority. The Board delegates to the Chancellor the authority to sign and amend the Optional Retirement Program plan documents consistent with applicable law, provided the Board is given prior written notice of any amendment.~~3. Supplemental Employer Contribution Rate. The Board delegates to the Chancellor the authority to approve a supplemental employer contribution rate for the Optional Retirement Program in accordance with rules issued by the Texas Higher Education Coordinating Board, provided any approved supplemental employer contribution rate shall be uniform for all UNT System Administration and Institution Optional Retirement Program participants. ~~The Board delegates to the Chancellor the authority to select companies qualified to provide Optional Retirement Program investment products, and to sign agreements with selected companies for account management, remittance, and compliance services. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate the Optional Retirement Program consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Optional Retirement Program in accordance with Section 403(b) of the Internal Revenue Code and consistent with Chapter 830 of the Texas Government Code.~~

4. ~~List of Authorized Companies. The Vice Chancellor for Finance, through each Institution's human resources department, shall maintain a~~

~~listing of companies authorized to offer annuities or other investments under the Optional Retirement Program.~~

04.1002 Tax-Sheltered Annuities – Voluntary Section 403(b) Plan-

1. Establishment of Tax-Sheltered Annuity Program. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2, the Board has established a voluntary ~~program~~Tax-Sheltered Annuity Program pursuant to Section 403(b) of the Internal Revenue Code, for the benefit of all System employees; provided, however, an employee who is a student performing services described in Internal Revenue Code section 3121(b)(10) shall not be eligible to participate in the Plan.
2. Tax-Sheltered Annuity Program Plan Document. The ~~Board~~System shall ~~adopt~~have a written plan document approved by the Board for the Tax-Sheltered Annuity Program in accordance with Section 403(b) of the Internal Revenue Code.
- ~~3. Delegations of Authority. The Board delegates to the Chancellor the power and authority to sign and amend the Tax Sheltered Annuity Program plan documents consistent with applicable law, provided the Board is given prior written notice of any amendment. The Board delegates to the Chancellor the authority to select companies qualified to provide Tax Sheltered Annuity investment products, and to sign agreements with selected companies for account management, remittance, and compliance services. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and make all decisions and interpretations that may be necessary or appropriate to administer and operate the Tax Sheltered Annuity Program consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Tax Sheltered Annuity Program in accordance with Section 403(b) of the Internal Revenue Service Code and consistent with Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2.~~
- ~~4. List of Authorized Companies. The Vice Chancellor for Finance, through each Institution's human resources department, shall maintain a listing of companies authorized to offer annuities or other investments under the Tax Sheltered Annuity Program.~~

04.1003 Qualified~~457~~(b) Deferred Compensation Plan-

1. TexaSaver ~~Texa~~Saver Deferred Compensation Plan. As authorized by Chapter 609 of the Texas Government Code and Section 457(b) of the Internal Revenue Code, any eligible System employee may participate

in the ~~TexaSaver~~TexaSaver Deferred Compensation Plan administered by the Employees Retirement System of Texas.

~~04.1004~~ Non-Qualified Deferred Compensation Plan

2. Establishment of 457(b) Deferred Compensation Plan. As authorized by Chapter 609 of the Texas Government Code and Section 457(b) of the Internal Revenue Code, the Board approves the establishment of a voluntary 457(b) Deferred Compensation Plan for the benefit of all System employees; provided, however, an employee who is a student performing services described in Internal Revenue Code section 3121(b)(10) shall not be eligible to participate in the Plan.
3. 457(b) Deferred Compensation Plan Document. The System shall have a written plan document approved by the Board for the Deferred Compensation Plan in accordance with Section 457(b) of the Internal Revenue Code.
4. Transfer of TexaSaver Funds. Upon approval by the Board of the plan document, in accordance with Chapter 609, Section 515 of the Texas Government Code, the Board authorizes the System to accept a transfer of all deferred amounts and investment income from the TexaSaver Deferred Compensation Plan to the 457(b) Deferred Compensation Plan established herein. The Board delegates to the Chancellor the authority to make the request for transfer to the TexaSaver board of trustees and to take all actions necessary to complete the transfer. After the transfer of all deferred amounts and investment income, the authorization to participate in the TexaSaver Deferred Compensation Plan shall terminate.

04.1004 Delegations of Authority.

1. Delegation of Authority to the Chancellor. The Board delegates to the Chancellor the authority, upon the recommendation of the Vice Chancellor for Finance, to select companies qualified to provide Retirement and Deferred Compensation investment products, and to sign agreements with selected companies for account management, remittance, and compliance services.
2. Delegation of Authority to the Vice Chancellor for Finance. The Board delegates to the Vice Chancellor for Finance the authority to perform the following duties and responsibilities:
  - (a) To act as the named fiduciary for the 403(b) Optional Retirement Program, 403(b) Tax-Sheltered Annuity Program, and 457(b) Deferred Compensation Plan (collectively "Retirement Plans");

- (b) To appoint or replace additional members of the Retirement Plan Advisory Committee;
- (c) Upon advice from the Retirement Plan Advisory Committee, to adopt and amend a Retirement Plan Investment Policy establishing guidelines for designation of asset classes and selection of Retirement Plan investment options;
- (d) Upon advice from the Retirement Plan Advisory Committee, to select Retirement Plan investment options available for participants, providing a core set of investment options with different risk and return characteristics and keeping fees reasonable;
- (e) With advice from the Retirement Plan Advisory Committee, to monitor the performance of investment options, investment managers, investment advisors, trustees, and other investment fiduciaries according to the objectives described in the Retirement Plan Investment Policy;
- (f) With advice from the Retirement Plan Advisory Committee, to appoint, remove, or replace any investment manager, investment advisor, trustees, or any other fiduciary of the Retirement Plans in accordance with the plan documents;
- (g) To recommend to the Chancellor selected companies qualified to provide Retirement Plan investment products and account management, remittance, and compliance services;
- (h) To make such other decisions as are necessary and appropriate to manage prudently the Retirement Plan selection of investment options and investment-related services;
- (i) To perform, or cause to be performed, such record keeping functions as necessary or advisable to administer and maintain the Retirement Plans;
- (j) To maintain, through each Institution's human resources department, a listing of companies authorized to offer annuities or other investments under the Retirement Plans; and
- (k) To take all other actions and make all decisions and interpretations necessary or appropriate to administer and operate the Retirement Plans consistent with the plan documents and applicable law.

04.1005 Retirement Plan Advisory Committee.

1. The Retirement Plan Advisory Committee will be composed of five standing members and additional members as necessary or advisable. The standing members shall be the Vice Chancellor for Finance, the chief financial officer from each Institution, and the Associate Vice Chancellor for Treasury and Reporting. From time to time, the Vice

Chancellor for Finance may appoint additional members to serve on the Retirement Plan Advisory Committee, may increase or reduce the number of additional members, and may remove and replace additional members.

2. A majority of the standing and then appointed additional members of the Retirement Plan Advisory Committee shall constitute a quorum. Attendance at meetings may be in-person or by telephone or video conference. Any action by a majority of the members present at any meeting, or authorized by a majority of the member in writing without a meeting, shall constitute a recommendation of the Retirement Plan Advisory Committee.
3. The Retirement Plan Advisory Committee shall meet as often as deemed necessary or appropriate in the judgment of it or the Vice Chancellor for Finance, but not less than four times per fiscal year.
4. The Retirement Plan Advisory Committee shall keep written minutes of its meetings. Minutes and recommendations of the Retirement Plan Advisory Committee shall be maintained by the Office of the Vice Chancellor for Finance.
5. Unless a specific delegation of authority is given by the Board, the Retirement Plan Advisory Committee shall serve only in an advisory capacity.

04.1006 Investment Managers and Investment Advisors.

1. One or more investment managers may be appointed to manage all or a portion of the assets of a Retirement Plan in accordance with the terms of the Retirement Plan documents, the Retirement Plan Investment Policy, and applicable law and regulation.
2. An investment advisor, if employed, shall be charged with the responsibility of advising the Vice Chancellor for Finance and the Retirement Plan Advisory Committee on investment policy, designation of asset classes, selection of investment options, and selection of investment managers, and providing performance analysis and monitoring services. The Vice Chancellor for Finance may rely on the investment advisor in carrying out fiduciary duties for the Retirement Plans.

04.1007 Indemnity. To the extent permitted by law, the System shall indemnify the Vice Chancellor for Finance and each member of the Retirement Plan Advisory Committee, and any other employee of the System with duties under each Retirement Plan, against expenses (including claims paid)

reasonably incurred in connection with any claims made by reason of conduct in the performance of duties under the Retirement Plan, except in relation to acts or omissions made fraudulently or in bad faith. This right of indemnification shall be in addition to any other right that exists as a matter of law or otherwise.

04.1008 457(f) Deferred Compensation Plan.

1. Establishment of 457(f) Deferred Compensation Plan. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a), the Board ~~approves the establishment of~~has established a non-qualified deferred compensation plan pursuant to Section 457(f) of the Internal Revenue Code.
2. Purpose of the Plan. Section 457(f) deferred compensation plans provide financial incentives in recruiting highly qualified candidates for employment and encouraging existing qualified employees to continue to devote their best efforts to the service of the System, System Administration, and Institutions. Such plans may be made available for the benefit of a select group of employees as determined solely by the Board. Each participant in the plan shall enter into a separate deferred compensation agreement with the Board.
3. 457(f) Plan Documents. The ~~Board~~System shall ~~adopt~~have a master plan document approved by the Board for the 457(f) deferred compensation plan.
4. ~~Delegations of Authority. The Board delegates to the Chancellor the authority to sign and amend the 457(f) deferred compensation master plan document consistent with applicable law, provided the Board is given prior written notice of any amendment.~~Delegation of Authority. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and to make all decisions and interpretations that may be necessary or appropriate to administer and operate the 457(f) deferred compensation plan consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain such Plan in accordance with Sections 457(f) and 409A of the Internal Revenue Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a).
5. ~~5.—Not Eligible for Retirement Benefits.~~ 457(f) deferred compensation is not part of an employee's base salary and shall be reported as a separate element of the employee's cash compensation. Deferred compensation is not eligible for Teacher Retirement System or Optional

Retirement Program retirement benefits or other retirement benefits.  
~~04.1005~~

~~04.1005~~1009 Adoption of Additional Plans. The adoption of any type of retirement benefit or deferred compensation plan not listed in this Rule or mandated by State law requires the approval of the Board.

Adopted: August 20, 2009  
Effective: August 20, 2009  
Revised:

Board of Regents Rules

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04.1000 Retirement and Deferred Compensation Plans

04.1001 Optional Retirement Program.

1. Optional Retirement Program. As authorized by Chapter 830 of the Texas Government Code and Section 403(b) of the Internal Revenue Code, the Optional Retirement Program is available for employees eligible to participate under chapter 830 and rules adopted by the Texas Higher Education Coordinating Board.
2. Plan Document. The System shall have a written plan document approved by the Board for the Optional Retirement Program in accordance with Section 403(b) of the Internal Revenue Code and consistent with Chapter 830 of the Texas Government Code.
3. Supplemental Employer Contribution Rate. The Board delegates to the Chancellor the authority to approve a supplemental employer contribution rate for the Optional Retirement Program in accordance with rules issued by the Texas Higher Education Coordinating Board, provided any approved supplemental employer contribution rate shall be uniform for all UNT System Administration and Institution Optional Retirement Program participants.

04.1002 Tax-Sheltered Annuities – Voluntary Section 403(b) Plan.

1. Establishment of Tax-Sheltered Annuity Program. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Sections 1 and 2, the Board has established a voluntary Tax-Sheltered Annuity Program pursuant to Section 403(b) of the Internal Revenue Code, for the benefit of all System employees; provided, however, an employee who is a student performing services described in Internal Revenue Code section 3121(b)(10) shall not be eligible to participate in the Plan.
2. Tax-Sheltered Annuity Program Plan Document. The System shall have a written plan document approved by the Board for the Tax-Sheltered Annuity Program in accordance with Section 403(b) of the Internal Revenue Code.

04.1003 457(b) Deferred Compensation Plan.

1. TexaSaver Deferred Compensation Plan. As authorized by Chapter 609 of the Texas Government Code and Section 457(b) of the Internal Revenue Code, any eligible System employee may participate in the TexaSaver Deferred Compensation Plan administered by the Employees Retirement System of Texas.
2. Establishment of 457(b) Deferred Compensation Plan. As authorized by Chapter 609 of the Texas Government Code and Section 457(b) of the Internal Revenue Code, the Board approves the establishment of a voluntary 457(b) Deferred Compensation Plan for the benefit of all System employees; provided, however, an employee who is a student performing services described in Internal Revenue Code section 3121(b)(10) shall not be eligible to participate in the Plan.
3. 457(b) Deferred Compensation Plan Document. The System shall have a written plan document approved by the Board for the Deferred Compensation Plan in accordance with Section 457(b) of the Internal Revenue Code.
4. Transfer of TexaSaver Funds. Upon approval by the Board of the plan document, in accordance with Chapter 609, Section 515 of the Texas Government Code, the Board authorizes the System to accept a transfer of all deferred amounts and investment income from the TexaSaver Deferred Compensation Plan to the 457(b) Deferred Compensation Plan established herein. The Board delegates to the Chancellor the authority to make the request for transfer to the TexaSaver board of trustees and to take all actions necessary to complete the transfer. After the transfer of all deferred amounts and investment income, the authorization to participate in the TexaSaver Deferred Compensation Plan shall terminate.

04.1004 Delegations of Authority.

1. Delegation of Authority to the Chancellor. The Board delegates to the Chancellor the authority, upon the recommendation of the Vice Chancellor for Finance, to select companies qualified to provide Retirement and Deferred Compensation investment products, and to sign agreements with selected companies for account management, remittance, and compliance services.
2. Delegation of Authority to the Vice Chancellor for Finance. The Board delegates to the Vice Chancellor for Finance the authority to perform the following duties and responsibilities:

- (a) To act as the named fiduciary for the 403(b) Optional Retirement Program, 403(b) Tax-Sheltered Annuity Program, and 457(b) Deferred Compensation Plan (collectively “Retirement Plans”);
- (b) To appoint or replace additional members of the Retirement Plan Advisory Committee;
- (c) Upon advice from the Retirement Plan Advisory Committee, to adopt and amend a Retirement Plan Investment Policy establishing guidelines for designation of asset classes and selection of Retirement Plan investment options;
- (d) Upon advice from the Retirement Plan Advisory Committee, to select Retirement Plan investment options available for participants, providing a core set of investment options with different risk and return characteristics and keeping fees reasonable;
- (e) With advice from the Retirement Plan Advisory Committee, to monitor the performance of investment options, investment managers, investment advisors, trustees, and other investment fiduciaries according to the objectives described in the Retirement Plan Investment Policy;
- (f) With advice from the Retirement Plan Advisory Committee, to appoint, remove, or replace any investment manager, investment advisor, trustees, or any other fiduciary of the Retirement Plans in accordance with the plan documents;
- (g) To recommend to the Chancellor selected companies qualified to provide Retirement Plan investment products and account management, remittance, and compliance services;
- (h) To make such other decisions as are necessary and appropriate to manage prudently the Retirement Plan selection of investment options and investment-related services;
- (i) To perform, or cause to be performed, such record keeping functions as necessary or advisable to administer and maintain the Retirement Plans;
- (j) To maintain, through each Institution’s human resources department, a listing of companies authorized to offer annuities or other investments under the Retirement Plans; and
- (k) To take all other actions and make all decisions and interpretations necessary or appropriate to administer and operate the Retirement Plans consistent with the plan documents and applicable law.

04.1005 Retirement Plan Advisory Committee.

1. The Retirement Plan Advisory Committee will be composed of five standing members and additional members as necessary or advisable. The standing members shall be the Vice Chancellor for Finance, the chief financial officer from each Institution, and the Associate Vice Chancellor for Treasury and Reporting. From time to time, the Vice Chancellor for Finance may appoint additional members to serve on the Retirement Plan Advisory Committee, may increase or reduce the number of additional members, and may remove and replace additional members.
2. A majority of the standing and then appointed additional members of the Retirement Plan Advisory Committee shall constitute a quorum. Attendance at meetings may be in-person or by telephone or video conference. Any action by a majority of the members present at any meeting, or authorized by a majority of the member in writing without a meeting, shall constitute a recommendation of the Retirement Plan Advisory Committee.
3. The Retirement Plan Advisory Committee shall meet as often as deemed necessary or appropriate in the judgment of it or the Vice Chancellor for Finance, but not less than four times per fiscal year.
4. The Retirement Plan Advisory Committee shall keep written minutes of its meetings. Minutes and recommendations of the Retirement Plan Advisory Committee shall be maintained by the Office of the Vice Chancellor for Finance.
5. Unless a specific delegation of authority is given by the Board, the Retirement Plan Advisory Committee shall serve only in an advisory capacity.

04.1006 Investment Managers and Investment Advisors.

1. One or more investment managers may be appointed to manage all or a portion of the assets of a Retirement Plan in accordance with the terms of the Retirement Plan documents, the Retirement Plan Investment Policy, and applicable law and regulation.
2. An investment advisor, if employed, shall be charged with the responsibility of advising the Vice Chancellor for Finance and the Retirement Plan Advisory Committee on investment policy, designation of asset classes, selection of investment options, and selection of investment managers, and providing performance analysis and monitoring services. The Vice Chancellor for Finance may rely on the

investment advisor in carrying out fiduciary duties for the Retirement Plans.

04.1007 Indemnity. To the extent permitted by law, the System shall indemnify the Vice Chancellor for Finance and each member of the Retirement Plan Advisory Committee, and any other employee of the System with duties under each Retirement Plan, against expenses (including claims paid) reasonably incurred in connection with any claims made by reason of conduct in the performance of duties under the Retirement Plan, except in relation to acts or omissions made fraudulently or in bad faith. This right of indemnification shall be in addition to any other right that exists as a matter of law or otherwise.

04.1008 457(f) Deferred Compensation Plan.

1. Establishment of 457(f) Deferred Compensation Plan. As authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a), the Board has established a non-qualified deferred compensation plan pursuant to Section 457(f) of the Internal Revenue Code.
2. Purpose of the Plan. Section 457(f) deferred compensation plans provide financial incentives in recruiting highly qualified candidates for employment and encouraging existing qualified employees to continue to devote their best efforts to the service of the System, System Administration, and Institutions. Such plans may be made available for the benefit of a select group of employees as determined solely by the Board. Each participant in the plan shall enter into a separate deferred compensation agreement with the Board.
3. 457(f) Plan Documents. The System shall have a master plan document approved by the Board for the 457(f) deferred compensation plan.
4. Delegation of Authority. The Board delegates to the Vice Chancellor for Finance the authority to take all actions and to make all decisions and interpretations that may be necessary or appropriate to administer and operate the 457(f) deferred compensation plan consistent with the plan documents. The Vice Chancellor for Finance will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain such Plan in accordance with Sections 457(f) and 409A of the Internal Revenue Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a).
5. Not Eligible for Retirement Benefits. 457(f) deferred compensation is not part of an employee's base salary and shall be reported as a separate element of the employee's cash compensation. Deferred compensation

is not eligible for Teacher Retirement System or Optional Retirement Program retirement benefits or other retirement benefits.

04.1009 Adoption of Additional Plans. The adoption of any type of retirement benefit or deferred compensation plan not listed in this Rule or mandated by State law requires the approval of the Board.

Adopted: August 20, 2009

Effective: August 20, 2009

Revised:



### Title: Approval to Restructure and Renew UNT System's Existing Converged Computer Infrastructure

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#### Background:

In FY15, UNT System, upon approval of the recommendation of IT Shared Services (ITSS), entered into a five year lease agreement with Key Government Finance, Inc. to replace the aging servers and storage systems that provide productions systems (e.g., financial, student systems, virtual servers, etc.). Instead of replacing the systems, an alternate strategy of converged infrastructure was designed and created. The converged infrastructure strategy incorporates computing, memory, storage and automation in pre-built integrated racks, while providing better performance, higher availability and better overall management.

ITSS recommends the restructure and renewal of the current five year lease to capitalize on acquiring and utilizing new equipment while increasing our memory, storage, and computing capacity. This lease restructure also includes adding the converged infrastructure equipment at Discovery Park (DP), while refreshing the infrastructure in the Data Center within the General Academic Building (GAB).

ITSS is seeking approval to enter into a restructured renewal of our five-year lease with Dell Financial Services LLC. This lease would continue our fixed costs to the UNT System during the entire lease term (five-year) without an increase. At the end of the lease period, ITSS will have the option to purchase this equipment for \$1 or replace with Next Generation Systems or Cloud based solutions.

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#### Financial Analysis/History:

This project will continue and expand the efforts of ITSS to streamline operations while keeping the yearly lease payment unchanged. The current annual lease payment of \$1,336,435.80 will remain the same with a five-year cost of \$6,682,179.00.

The lease will not require an increase in budget allocations for FY19 as the cost fits within the operating budget for ITSS.

ITSS will trade in old equipment as part of this procurement. In addition, this new infrastructure will help us avoid replacing end of life servers at DP. That is a cost avoidance of roughly \$875K.

During review of alternatives to this proposal, no other provider was found to match or beat this figure while including the equipment at DP in addition to the GAB. Costs of a cloud platform from Google, Amazon and Microsoft were compared to this project and it was determined to cost 30-67% more than the proposed on premise hybrid solution.

**Gary Rahlfs** Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlf@untsystem.edu, c=US  
Date: 2018.07.31 15:18:44 -05'00'

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer** Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:34:04 -05'00'

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Vice Chancellor/General Counsel

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**Schedule:**

If approved, the lease restructure and renewal would be completed By November of 2018 (date of next lease payment).

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**Recommendation:**

It is recommended that the Board of Regents approve the restructure and renewal of the existing UNT System Converged Computing Infrastructure lease.

**Recommended By:**

**Rama Dhuwaraha**  
Chief Information Officer

**Lesla B. Roe** Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, o=UNT System, ou=Office of the  
Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:33:32 -05'00'

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Chancellor



## Board Order

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**Title:** Approval to Restructure and Renew UNT System's Existing Converged Computer Infrastructure

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, UNT System recommends the restructure and renewal of the Converged Infrastructure contract, and

**Whereas**, entering into a restructured contract with Dell Financial Systems, LLC will benefit UNT System and Institutions for new equipment with increased capacity, and

**Whereas**, entering into a restructured and renewed contract will provide fixed costs with no increase in operations costs and additional cost avoidance of \$875K to replace existing end of life equipment at Discovery Park,

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

1. The Chancellor or her designee to execute a lease agreement with Dell Financial Systems, LLC for a term of five years to be paid in five equal annual increments totaling not more than \$6,682,179 with an option to purchase the equipment for \$1.00 at the end of the lease term.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

## Board Briefing

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Committee: Finance & Facilities

Date Filed: June 26, 2018

**Title:** Extension of Eagle Post Operating Agreement

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### Background:

The University of North Texas contracted with Novitex Enterprise Solutions, Inc., effective January 1, 2016, for Novitex (now, Exela Enterprise Solutions) to operate the Eagle Post in the UNT University Union. The Operating Agreement terminates August 1, 2018, with five one-year options to renew. The University seeks approval to exercise the five optional years. The revenue needed for this service is generated through mailbox rentals and other postal fees. Exela provides mail and package intake and distribution services that benefit UNT and its students.

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### Financial Analysis/History:

The original contract value was \$835,633.90. The first optional year will place the total contract value over \$1,000,000, requiring Board approval.

**Bob Brown**

Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 16:02:27 -05'00'

Institution Chief Financial Officer

**Gary Rahfs**

Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System, ou=Vice Chancellor for Finance, email=gary.rahfs@untsystem.edu, c=US  
Date: 2018.07.31 15:19:46 -05'00'

Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer**

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel, email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:34:41 -05'00'

Vice Chancellor/General Counsel

### Schedule:

The first extension will be effective upon the expiration of the original contract on August 1, 2018.

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**Recommendation:**

The President recommends that the Board of Regents authorize and approve the attached board order.

**Recommended By:**

Elizabeth With  
Vice President for Student Affairs

Neal Smatresk  
Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University  
of North Texas, ou=President,  
email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.27 09:10:37 -05'00'

President

Lesla B. Roe  
Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:34:19 -05'00'

Chancellor



## Board Order

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**Title:** Extension of Eagle Post Operating Agreement

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, the Eagle Post Operating Agreement terminates August 31, 2018, with five one-year options to renew, and

Whereas, under the Operating Agreement, Exela provides valuable mail/package intake and distribution services to the campus community in the UNT Union.

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

1. The Chancellor or her designee to extend the Eagle Post Operating Agreement for up to five additional years.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



**Title:** Honoring Naming of the Student Exhibition Gallery in the College of Visual Arts and Design (CVAD, Room C105) as "The Paul Voertman Gallery"

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### Background:

Regents Rule 09.200, *Naming of Property, Programs and Academic Positions*, specifically 09.203 *Naming Opportunities and Necessary Approvals*, Item 1 *Honorific Namings*, requires Board of Regents approval for all honorific namings. This item requests an honorific naming under this Rule and is brought to the Board for review and approval.

Paul Russell Voertman was born in Denton on April 30, 1929. He grew up near the University of North Texas campus, where his parents ran Voertman's Bookstore. He attended UNT for two years before transferring to the University of Texas at Austin, where he received a bachelor's degree in economics. After his father passed away, Paul took over the family business and remained at the helm for 38 years.

Paul was deeply committed to and passionate about UNT. He established The Voertman Student Art Competition in 1960; endowed the Voertman / Academy of American Poets prize in 2013; and honored his late partner, Richard Ardoin, with a \$1.5 million gift for the Richard Ardoin-Paul Voertman Concert Organ.

Paul passed away on June 21, 2017. As a result of his generosity, UNT received its largest-ever bequest from his estate. The gift is projected at more than \$10M, of which \$9.3M has already been received. This bequest is shared equally among the Colleges of Visual Arts and Design, Music, and Liberal Arts and Social Sciences. Paul's gift will result in monumental impact for UNT students, faculty, and programs for generations to come. UNT is also the recipient of a \$1.4M Charitable Remainder Unitrust established by Paul's late partner, Richard Ardoin.

Paul was the very embodiment of academic and artistic values, impeccable taste, generosity of heart and mind, and abiding commitment to student success. His philanthropic benevolence has and will continue to make a distinct difference for current and future generations of UNT students. In honor of Paul's vision for and investment in the arts at UNT, it is recommended that the student exhibition gallery in the College of Visual Art and Design's Art Building (Room C105) be named The Paul Voertman Gallery.

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### Financial Analysis/History:

There is no financial implication in the naming of this gallery.

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 16:02:57 -05'00'

Institution Chief Financial Officer

**Gary Rahlfs** Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 15:21:51 -05'00'

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer** Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:43:52 -05'00'

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Vice Chancellor/General Counsel

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**Schedule:**

The formal naming of the gallery will occur at the dedication of the new College of Visual Arts and Design building project expected to take place in early 2019.

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**Recommendation:**

The President recommends that the Board of Regents authorize and approve the board order.

**Recommended By:**

**David F. Wolf**  
Vice President of Advancement

**Neal Smatresk** Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University of  
North Texas, ou=President,  
email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.27 09:11:23 -05'00'

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President

**Lesa B. Roe** Digitally signed by Lesa B. Roe  
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the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:35:34 -05'00'

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Chancellor



## Board Order

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**Title:** Honoring Naming of the Student Exhibition Gallery in the College of Visual Arts and Design (CVAD, Room C105) as "The Paul Voertman Gallery"

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, Paul Voertman exhibited extraordinary commitment, passion, support, and generosity towards the arts at the University of North Texas;

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

1. The honoring naming of the student exhibition gallery in the College of Visual Arts and Design's Art Building (Room C105) as The Paul Voertman Gallery.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



**Title:** Delegation of Authority to the University of North Texas Health Science Center President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2019 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver)

---

**Background:**

At the November 2012 quarterly meeting, the UNT System Board of Regents approved UNT Health Science Center (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 1115 Transformation Waiver has two funding pools, one for Uncompensated Care (UC), and the other for Delivery System Reform Incentive Payments (DSRIP).

1. UC Pool Payments are designed to help offset the costs of otherwise uncompensated care provided to patients by hospitals or other providers.
2. DSRIP Pool Payments are incentive payments to hospitals and other providers that develop programs or strategies to enhance access to health care, increase the quality of care, and improve cost-effectiveness of care provided and the health of the patients and families served.

Under the 1115 Transformation Waiver, eligibility to receive UC or DSRIP payments requires participation in a regional healthcare partnership (RHP). UNTHSC is a participant in RHP 10 that includes Tarrant, Ellis, Erath, Hood, Johnson, Navarro, Parker, Somervell, and Wise Counties. Tarrant County Hospital District (d/b/a JPS Health Network) is the anchor for RHP 10.

Under the 1115 Transformation Waiver, certain governmental entities may make Intergovernmental Transfers (IGT) of eligible state and local funds, which then receive a federal match to fund UC or DSRIP payments to the governmental entity.

At the August 17-18, 2017 meeting, the UNT System Board of Regents approved the delegation of authority for the Chancellor to approve UNTHSC IGTs for FY 2018 totaling an estimated \$24.5 million in order to receive an estimated \$33.6 million in federal matching funds.

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**Financial Analysis/History:**

In September 2017, for the 1115 Transformation Waiver Program, UNTHSC sent an IGT of \$1,415,294 related to UC and received a federal match of \$1,814,497. In October 2017, UNTHSC sent an IGT of \$211,904 related to UC and received a federal match of \$271,674. In January 2018, UNTHSC sent an IGT of \$12,326,704 related to DSRIP and received a federal match of \$16,260,272. In February 2018, UNTHSC sent an IGT of \$1,192,166 related to UC and received a

federal match of \$1,572,598. In June 2018 UNTHSC sent an IGT in the amount of \$42,820 for Waiver monitoring and an IGT of \$2,429,073 related to DSRIP and received a federal match of \$3,204,213.

During FY 2019, UNTHSC expects to IGT as much as \$10.7 million to receive federal matching funds totaling as much as \$14.3 million related to DSRIP projects. The timing and amounts of these IGTs will be directed by HHSC and could vary slightly depending on subsequent project valuation modifications by the federal Centers for Medicare and Medicaid Services and project performance by UNTHSC.

For UC, UNTHSC expects to IGT as much as \$1.4 million to receive a federal match totaling as much as \$1.9 million during FY 2019.

**Gregory R. Anderson**  
Institution Chief Financial Officer

Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health Science Center, ou=Office of Finance and Operations,  
email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:39:02 -0500'

**Gary Rahlfs**  
Vice Chancellor for Finance

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System, ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 15:26:32 -0500'

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### Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Vice Chancellor/General Counsel

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:44:26 -0500'

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### 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.

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### 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, as much as \$12.1 million, as outlined above, in order to receive as much as \$16.2 million in federal matching funds under the DSRIP and UC payment pools of the 1115 Transformation Waiver.

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### Recommended By:

**Gregory R. Anderson**  
Institution Chief Financial Officer

**Michael R. Williams**  
President

Digitally signed by Michael R. Williams  
DN: cn=Michael R. Williams,  
Williams  
email=michael.williams@unthsc.edu, ou=President,  
c=US  
Date: 2018.07.26 20:26:41

**Lesa B. Roe**  
Chancellor

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of the Chancellor,  
email=lchancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:51:30 -0500'



## Board Order

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**Title:** Delegation of Authority to the University of North Texas Health Science Center President for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2019 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver)

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**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 2019 in order to receive federal matching funds under the DSRIP and UC payment pools for 1115 Transformation Waiver program.
  2. Combined IGT submissions for DSRIP and UC not to exceed \$12.1 million, without additional approval of the Board.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

## Board Briefing

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Committee: Finance & Facilities

Date Filed: June 28, 2018

**Title:** Naming of the Old Dallas City Hall (106 S. Harwood Street) as "UNT Dallas Law Center"

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### Background:

Regents Rule 09.200, Naming of Property, Programs and Academic Positions, requires approval of the Board of Regents for the naming of all buildings.

With support from the City of Dallas and approval of State of Texas Tuition Revenue Bond funding, the University of North Texas System committed to the \$56 million interior rehabilitation and historic restoration of the Old Dallas City Hall (located at 106 S. Harwood Street in downtown Dallas) as the permanent home for the UNT Dallas College of Law.

UNT System and UNT Dallas leadership wish to rename the building "UNT Dallas Law Center" when the renovation is complete in 2019. This name clearly identifies the new purpose of this historic architectural treasure.

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### Financial Analysis/History:

There is no financial implication in the naming of this building.

James E. Main

Digitally signed by James E. Main  
DN: cn=James E. Main, o=UNT Dallas,  
ou=Finance & Administration,  
email=James.Main@untdallas.edu, c=US  
Date: 2018.07.31 11:42:32 -05'00'

Institution Chief Financial Officer

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Gary Rahlfs

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System, ou=Vice  
Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 15:27:54 -05'00'

Vice Chancellor for Finance

---

### Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:45:03 -05'00'

Vice Chancellor/General Counsel

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### Schedule:

Effective when UNT Dallas assumes ownership of the building.

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**Recommendation:**

UNT Dallas recommends that the Board approve the naming of this facility as the "UNT Dallas Law Center".

**Recommended By:**

**Bob  
Mong** Digitally signed by Bob Mong  
DN: cn=Bob Mong, o=UNT  
Dallas, ou=Office of the  
President,  
email=bob.mong@untdallas.edu  
, c=US  
Date: 2018.07.31 12:53:55 -05'00' **Bob Mong**  
\_\_\_\_\_  
President

**Lesa B. Roe** Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 16:52:54 -05'00'  
\_\_\_\_\_  
Chancellor



## Board Order

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**Title:** Naming of the Old Dallas City Hall (106 S. Harwood Street) as "UNT Dallas Law Center"

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, Regents Rule 09.200, Naming of Property, Programs and Academic Positions, requires approval of the Board of Regents for the naming of buildings, and

Whereas, this facility has not previously received Board of Regents approval for naming.

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

1. Renaming the Old Dallas City Hall (106 S. Harwood Street) as UNT Dallas Law Center when UNT Dallas assumes ownership of the building.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



## Board Order

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**Title:** Approval of the Minutes of the May 17-18, 2018, Board Meeting

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, the minutes of the May 17-18, 2018, Board Meeting have been prepared by the Board Secretary and are attached here for Board approval,

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

1. The minutes of the May 17-18, 2018, Board Meeting.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



**MINUTES**  
**BOARD OF REGENTS**  
**May 17-18, 2018**

**Thursday, May 17, 2018**

The University of North Texas System Board of Regents convened on Thursday, May 18, 2018 in Room 712 of the Lee F. Jackson Building, 1901 Main St., Dallas, Texas, with the following Regents in attendance: Brint Ryan, Milton Lee, A.K. Mago, Don Potts, Rusty Reid, Gwyn Shea, Glen Whitley, Laura Wright, and Haley Leverett. In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Brint Ryan called the meeting to order at 9:02 a.m.

Chairman Ryan recognized Chancellor Roe who made remarks about **progress since the last quarterly meeting**. Following the Chancellor's remarks, the Board heard from each of the institutional Presidents. President Smatresk shared a UNT update and addressed **Infrastructure, Students, and Academics**. President Williams shared a UNTHSC update and addressed **MD School Updates, Leadership Searches, and New Funding**. Finally, President Mong shared a UNT Dallas update and addressed **College of Law, Key Campus Visits, and Significant Accomplishments**.

For this meeting's **Spotlight on Students**, Student Regent Haley Leverett introduced five students, Barrett Cole (UNT), Yarelli Jasso (UNTD), Lindsey Graff (UNTHSC), Busola Okunnu (UNTHSC), and Zachary Denais (UNTHSC), representing Student Government Associations across UNT, UNTHSC, and UNT Dallas. The students introduced themselves to the Board and shared their position of leadership in student government. The conversation was then panel-style, with students answering questions asked by Student Regent Leverett and also entertaining questions from the Board of Regents.

This being Regent Haley Leverett's last Board meeting, Chairman Ryan presented on behalf of the Board of Regents a **Certificate of Appreciation** to Regent Haley Leverett for her service as Student Regent for the 2017-2018 academic year. Regent Leverett made brief remarks, thanking the Board.

At 10:16 a.m., Chairman Ryan recessed the Board for the meetings of the Strategic and Operational Excellence, Academic Affairs and Student Success, Audit, and Finance and Facilities Committees.

Following Committee meetings, the Board reconvened at 3:30 p.m. to go into Executive Session to consider matters noted on the Executive Session agenda in accordance with Texas Government Code Section 551.071 and 551.074.

The Board reconvened in open session at 4:18 p.m. with one action item coming out of Executive Session.

**2018-26 UNTS      Delegation of Authority to Enter Into a Settlement Agreement with Beck Warrior, a Joint Venture**

Pursuant to a motion by Regent A.K. Mago seconded by Regent Milton Lee the Board approved the above item. The motion was approved on an 8-0 vote.

There being no further business, the Board meeting was recessed at 4:20 p.m. on Thursday, May 17, 2018, to be reconvened at 9:00 am on Friday, May 18, 2018, at the Lee F. Jackson Building, 1901 Main St, Dallas.

## Friday, May 18, 2018

The University of North Texas System Board of Regents reconvened on Friday, May 18, 2018 in Room 712 at the Lee F. Jackson Building, 1901 Main St, Dallas, Texas, with the following Regents in attendance: Brint Ryan, Milton Lee, A.K. Mago, Don Potts, Rusty Reid, Gwyn Shea, Glen Whitley, Laura Wright, and Haley Leverett. There being a quorum established, Chairman Brint Ryan reconvened the Board meeting at 9:02 a.m.

Chairman Ryan recessed the Board for meetings of the Academic Affairs and Student Success Committee and the Finance and Facilities Committee.

Following the Committee meetings, the Board reconvened at 9:40 a.m.

The Board considered the following items of the Consent Agenda:

<b>2018-27 UNTS</b>	<b>Approval of the Minutes of the February 22-23, 2018, Board Meeting and March 3, 2018, and May 1, 2018, Special Called Board Meetings</b>
<b>2018-28 UNTS</b>	<b>FY20 Holiday Schedule for the UNT System Administration, UNT, UNTHSC and UNT Dallas</b>
<b>2018-29 UNT</b>	<b>Approval of UNT Recommendations for New and Continued Regents Professor Designation</b>
<b>2018-30 UNT</b>	<b>Approval of Tenure for New UNT Faculty Appointees</b>
<b>2018-31 UNTHSC</b>	<b>Approval of UNTHSC Emeritus Professor Recommendation</b>
<b>2018-32 UNTD</b>	<b>Approval of UNT Dallas Emeritus Recommendation</b>
<b>2018-33 UNTD</b>	<b>Approval of Tenure for a New UNT Dallas Faculty Appointee</b>
<b>2018-34 UNTHSC</b>	<b>Approval of Sub-award to Tarrant County under CDC agreement 200-2011-41271</b>

Regent Whitley recused himself from consideration of item 2018-34 on the Consent Agenda. Therefore, the Consent Agenda was considered in two motions. Pursuant to a motion by Regent Glen Whitley seconded by Regent Rusty Reid the Board approved the first seven items (2018-27 through 2018-33) on the Consent Agenda. The motion was approved on an 8-0 vote. Pursuant to a motion by Regent Rusty Reid seconded by Regent Don Potts the Board approved the last item on the Consent Agenda (2018-34). The motion was approved on a 7-0 vote, with Regent Whitley recused.

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

### ***Audit Committee Item***

<b>2018-35 UNTS</b>	<b>Approval of Revisions to the Audit Committee Charter</b>
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Pursuant to a motion by Regent Glen Whitley seconded by Regent Laura Wright the Board approved the above Audit Committee agenda item. The motion was approved on an 8-0 vote.

### ***Academic Affairs Committee Items***

- |                       |  |
|-----------------------|--|
| <b>2018-36 UNTS</b>   | <b>Approval and Ratification of UNT System Institution Admission Standards for Students Admitted for Matriculation Beginning in 2019</b> |
| <b>2018-37 UNT</b>    | <b>Approval of UNT Tenure Recommendations</b>  |
| <b>2018-38 UNT</b>    | <b>Approval of UNT Review of Tenured Faculty Policy</b>  |
| <b>2018-39 UNT</b>    | <b>Update of University of North Texas Mission Statement</b>   |
| <b>2018-40 UNTHSC</b> | <b>Approval of UNTHSC Tenure Recommendations</b>   |
| <b>2018-41 UNTHSC</b> | <b>Approval to Add Master of Science in Lifestyle Health Sciences and Coaching</b>   |
| <b>2018-42 UNTD</b>   | <b>Approval of UNT Dallas Tenure Recommendations</b>   |

Pursuant to a motion by Regent Gwyn Shea seconded by Regent Milton Lee the Board approved the above Academic Affairs and Student Success Committee agenda items. The motion was approved on an 8-0 vote. Note: Item #15 on the agenda, *Approval of UNTHSC Post Tenure Review Policy*, was withdrawn by UNTHSC for possible consideration at a future meeting.

### ***Finance and Facilities Committee Items***

- |                     |   |
|---------------------|---|
| <b>2018-43 UNTS</b> | <b>Amendment to Twenty-Sixth 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</b> |
| <b>2018-44 UNTS</b> | <b>Resolution Limiting the Issuance of University of North Texas System Revenue Financing System Commercial Paper Notes, Series A</b>   |
| <b>2018-45 UNTS</b> | <b>Amendment to Regents Rule 10.300, Debt Management</b>  |
| <b>2018-46 UNTS</b> | <b>Selection of Depository Institution and Delegation of Authority to Enter into Bank Depository Agreement</b>  |
| <b>2018-47 UNT</b>  | <b>Approval of Interlocal Cooperation Agreement with Denton County Transportation Authority to Renew Campus Shuttle Bus Service</b>   |
| <b>2018-48 UNT</b>  | <b>Naming of UNT New Residence Hall for Joe Greene</b>  |

Pursuant to a motion by Regent Rusty Reid seconded by Regent Glen Whitley the Board approved the above Finance and Facilities agenda items. The motion was approved on an 8-0 vote.

The following Background Material was shared with the Board through its committees:

- Quarterly Operations Report
- Quarterly Academic Measures
- UNT System Consolidated Quarterly Compliance Report, December 2017 through February 2018

There being no further business, the Board meeting was adjourned at 9:44 am on Friday, May 18, 2018.

Submitted By:

Approved By:

Rosemary R. Haggett  
Rosemary R. Haggett, Board Secretary  
Board of Regents

\_\_\_\_\_  
Brint Ryan, Chairman  
Board of Regents

Date: May 31, 2018

Date: \_\_\_\_\_

# Board Briefing

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**Committee:** Consent

**Date Filed:** July 10, 2018

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**Title:** Approval of Intercomponent Transfers of State Appropriations

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## Background:

With the approval of the governing board, transfers of appropriations may be made between academic components within a system, between health science centers within a system, and between system administrations and component institutions.

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## Financial Analysis/History:

This item is intended to provide the approval necessary for appropriations transfers made throughout the year.

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 15:57:32 -0500  
UNT Chief Financial Officer

**Gregory R. Anderson**  
Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health Science Center, ou=Office of Finance and Operations, email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:27:37 -0500  
UNT Health Science Center Chief Financial Officer

**James E. Main**  
Digitally signed by James E. Main  
DN: cn=James E. Main, o=UNT Dallas, ou=Finance & Administration, email=James.Main@untdallas.edu, c=US  
Date: 2018.07.31 12:06:11 -0500  
UNT Dallas Chief Financial Officer

**Gary Rahfs**  
Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System, ou=Vice Chancellor for Finance, email=gary.rahfs@untssystem.edu, c=US  
Date: 2018.07.31 14:34:23 -0500  
Vice Chancellor for Finance

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## Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel, email=nancy.footer@untssystem.edu, c=US  
Date: 2018.08.01 10:58:08 -0500  
Vice Chancellor/General Counsel

---

**Schedule:**

Transfers will be made after approval of the Board of Regents and upon implementation of the FY2019 budget beginning September 1, 2018.

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**Recommendation:**

It is recommended that the Board approve intercomponent transfers of FY2019 appropriations.

**Recommended By:**

Gary Rahlfs  
Vice Chancellor for Finance

Les a B. Roe Digitally signed by Les a B. Roe  
DN: cn=Les a B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:34:16 -05'00'

Chancellor



## Board Order

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**Title:** Approval of Intercomponent Transfers of State Appropriations

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, state law requires governing board approval of intercomponent transfers of appropriations,

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

1. The request to the State Comptroller, pursuant to the appropriate transfer provisions of the General Appropriations Act of the 85th Legislature, to make necessary transfers within the Legislative Appropriations (and/or Informational Items of Appropriation) from the General Revenue Fund as authorized by the Chief Financial Officer of each entity as follows:

The University of North Texas  
The University of North Texas Health Science Center at Fort Worth  
The University of North Texas at Dallas  
The University of North Texas System Administration

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VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



**Title:** Approval to Request to Exceed the Full-time Equivalent Limitation for FY19

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**Background:**

Limitations on full-time equivalent (“FTE”) employees paid by appropriated funds (“FTE cap”) are established every two years by the State Legislature in the General Appropriations Act (“GAA”). Components of the UNT System operate using both appropriated funds and non-appropriated funds and pay employees out of both, but FTE caps were not adjusted to reflect the mix and use of different sources of funding.

Article IX, Section 6.10 of the General Appropriations Act requires a governing board to submit a request to the Governor and Legislative Budget Board annually if a component of the System anticipates exceeding the FTE cap by the lesser of 110 percent or 50 FTE.

UNT Dallas anticipates exceeding its FTE cap by 41.0 in FY2019. The addition is due to the rapidly growing student body outpacing estimates and producing more General Revenue – Dedicated (GR-D) funding than anticipated. The FTE cap in the GAA was not adjusted to reflect the increase in GR-D funding. The expected increase in FTEs is primarily a result of the increased funding items that support Instruction.

---

**Financial Analysis/History:**

The recommendation to report and request to exceed FTE caps has no fiscal impact; exceeding FTE limitations is a product of existing state appropriations.

**Gary Rahlfis**

Digitally signed by Gary Rahlfis  
DN: cn=Gary Rahlfis, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfis@untssystem.edu, c=US  
Date: 2018.07.31 14:35:21 -05'00'

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Vice Chancellor for Finance

---

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untssystem.edu, c=US  
Date: 2018.08.01 10:58:50 -05'00'

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Vice Chancellor/General Counsel

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**Schedule:**

A letter will be sent to the Governor and Legislative Budget Board immediately upon approval.

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**Recommendation:**

That the Board of Regents approve the request to exceed the FTE cap in FY 2019.

**Recommended By:**

Gary Rahlfs

---

Vice Chancellor for Finance

**Lesla B. Roe** Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, o=LINT System, ou=Office  
of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:35:31 -0500

---

Chancellor

**Attachments Filed Electronically:**

- Fiscal Year 2019 Request to Exceed Full-time Equivalent (FTE) Limitation on Appropriated Funds



## Board Order

**Title:** Approval to Request to Exceed the Full-time Equivalent Limitation for FY19

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

**Whereas**, state law requires a governing board to submit a request to exceed the General Appropriations Act limitation on full-time equivalent employees paid by appropriated funds to the Governor and Legislative Budget Board if it is anticipated that the limitation will be exceeded,

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

1. Submission of a request to the Governor and Legislative Budget Board detailing UNT Dallas's anticipated exceeding the fiscal year 2019 limitation on full-time equivalent employees paid by appropriated funds.

VOTE: \_\_\_\_ ayes    \_\_\_\_ nays    \_\_\_\_ abstentions

### **BOARD ACTION:**

Attested By:

Approved By:

\_\_\_\_\_  
Rosemary R. Haggett, Secretary  
Board of Regents

\_\_\_\_\_  
Brint Ryan, Chairman  
Board of Regents

## Board Briefing

---



**Committee:** Consent

**Date Filed:** July 13, 2018

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

---

### Background:

For the University of North Texas System (the "System") to proceed with the design, planning, acquisition and/or construction of various capital projects, costs (not to exceed \$356,000,000) 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 2019 and described as being debt financed. Projects may change in scope and cost.

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:36:11 -05'00'

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Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 10:59:36 -05'00'

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Vice Chancellor/General Counsel

### Schedule:

Effective upon approval by the Board of Regents.

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**Recommendation:**

It is recommended that the Board of Regents authorize UNT System institutions to reimburse themselves for costs (not to exceed \$356,000,000) incurred prior to the issuance of debt obligations or other method of project financing.

**Recommended By:**

James Mauldin

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Associate Vice Chancellor for Treasury

Lesa B. Roe

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office  
of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:36:46 -0500

---

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 9-10 2018, 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 2019 (collectively, the "Project") prior to the issuance of obligations by the System in connection with the financing of the Project from available funds, 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 its 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 \$356,000,000, 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 Statement 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 Statement 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:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



**Title:** Approval of Broker/Dealer List for FY19

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**Background:**

In accordance with System Regulation 08.2005.11, *Authorized Broker/Dealers*, "The Board of Regents must annually review and adopt a list of financial institutions and broker/dealers qualified and authorized to engage in investment transactions with and for the System."

The system reviewed the existing list of broker/dealers and desires to reapprove the list of firms represented. The list continues to emphasize competition and local participation. The selection of the firms represented by the attached list is based on reputation in the industry, applicable licenses, and Broker Check by FINRA. Broker/Dealers on the provided list review the Investment Policy and any amendments as provided by System staff and provide a certification that they are registered under the rules of the National Association of Securities Dealers, have received and reviewed the Investment Policy and certify that they will use best efforts to not offer investments other than those authorized in the Investment Policy.

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**Financial Analysis/History:**

There is no cost associated with this action.

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:37:31 -05'00'  
Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:00:08 -05'00'  
Vice Chancellor/General Counsel

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**Schedule:**

Approval would be effective immediately.

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**Recommendation:**

The Associate Vice Chancellor for Treasury recommends that the Board of Regents approve the attached list of broker/dealers, authorizing them to engage in investment transactions with and for the System.

**Recommended By:**

James Mauldin  
\_\_\_\_\_  
Associate Vice Chancellor for Treasury

Lesa B. Roe Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office  
of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:37:54 -05'00'  
\_\_\_\_\_  
Chancellor

Attachments Filed Electronically:

- List of Recommended Broker/Dealers



## Board Order

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**Title:** Approval of Broker/Dealer List for FY19

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, §2256.025 of the Government Code states, "The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity", and

**Whereas**, System Regulation 08.2005 states, "The Board of Regents must annually review and adopt a list of financial institutions and broker/dealers qualified and authorized to engage in investment transactions with and for the System",

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

1. The attached list of broker/dealers, enabling them to engage the System in investment transactions.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

# List of Broker/Dealers Recommended for Approval

July 9, 2018

Firm	Office Location
Wells Fargo Securities, LLC	Dallas, TX
Mizuho Securities USA, Inc.	New York, NY
Raymond James Financial, Inc.	Fort Worth, TX
FTN Financial	Houston, TX
Rice Financial Products Company	New York, NY
BOK Financial Services, Inc.	Dallas, TX
Stifel Investment Services	Dallas, TX

## Board Briefing

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Committee: Consent

Date Filed: July 13, 2018

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**Title:** Approval of UNT System Regulation 08.2000, Investment of System Funds

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### 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.

There are no changes in the policy being recommended for adoption. Per this policy, it should be reviewed and adopted annually by the Board. While it is anticipated that a revamped investment policy will be brought to the Board again in November of this year, it is being recommended for adoption in August 2018 to remain compliant with the requirement for annual adoption (fiscal year to fiscal year).

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### Financial Analysis/History:

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

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Gary Rahlfs

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:38:30 -05'00'

Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

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DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:00:48 -05'00'

Vice Chancellor/General Counsel

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### Schedule:

Collaborative work is ongoing between system staff, member CFO's, and our external Outsourced Chief Investment Officer (OCIO) to bring a new investment policy statement to the Board for consideration at the November, 2018 meeting.

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### Recommendation:

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

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**Recommended By:**

James Mauldin  

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Associate Vice Chancellor for Treasury

**Lesla B. Roe** Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, ou=UNT System, ou=Office of the  
Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:40:02 -05'00'

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Chancellor

Attachments Filed Electronically:

- UNT System Investment Regulation



## Board Order

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**Title:** Approval of UNT System Regulation 08.2000, Investment of System Funds

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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Whereas, it is recommended that review and adoption of the UNT System Regulation 08.2000, Investment of System Funds, be done on an annual basis; and

Whereas, there are no recommended changes to the system regulation.

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

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

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

Regulations of the University of North Texas System	Chapter 08 Fiscal Management
<b>08.2000 Investment of System Funds</b>	

**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. Investment Strategy. The investment management objective for the System is to retain appropriate liquidity to meet daily operating demands and Commercial Paper self-liquidity coverage requirements while seeking higher yield on available funds through an appropriately diversified investment portfolio. All 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 and shall be managed through the Short Term Pool (STP), Intermediate Investment Pool (IIP), and the Long Term Pool (LTP) to meet short, intermediate, and long term investment objectives. All UNTHSC medical professional liability self-insurance plan funds shall be invested pursuant to a Prudent Person Standard. All other System Funds shall be deposited in an approved depository bank, invested pursuant to the Public Funds Investment Act, or deposited in the State Treasury as prescribed by Texas Education Code § 51.008.
  
2. Short Term Pool (STP). Short term working capital funds are needed for daily liquidity requirements and thus shall generally be held in accounts or investments providing daily liquidity. The objective of this pool is to provide sufficient daily liquidity while meeting or exceeding the results of the Bloomberg Barclays US 1-3 Month T-bill index. No investments held in the STP will have a maturity date greater than ninety (90) days from the settlement date and the pool shall have a maximum weighted average maturity of thirty (30) days. System-wide, the combined balances that comprise the STP should be no less than 10% and no more than 20% of the sum total of all three investment pools. It is understood that fluctuations in market value and the timing of cash flows can cause temporary swings in these percentages that might exceed the established boundaries. Consideration will be given to credit and liquidity risks when determining the diversification of accounts and investments.
  - a. Authorized Investments.
    - i. fully collateralized repurchase agreements or demand accounts deposited with an approved depository institution;
    - ii. money market mutual funds;
    - iii. approved Local Government Investment Pools;

- iv. certificates of deposit guaranteed by the FDIC or properly collateralized;
    - v. commercial paper that is rated not less than A-1 or P-1 by a nationally recognized investment rating firm (no issuer in this category may constitute more than ten percent of the Short Term Pool balance).
  - b. Self-Liquidity. In accordance with System self-liquidity coverage, UNT Institutions shall maintain a combined amount of liquidity, as calculated by the rating agencies covering the commercial paper program, in the Short Term Pool (net of bond proceeds) and the Intermediate Investment Pool, of at least 1.2x the amount of outstanding debt issued through the System commercial paper program.
  - c. Investment Objectives.
    - i. Safety of Principal
    - ii. Liquidity
    - iii. Current Income
    - iv. Appreciation
    - v. Diversification
- 3. Intermediate Investment Pool. Excess cash that may on occasion be needed for liquidity purposes shall be invested in the Intermediate Investment Pool ("IIP"). The objective of this pool is to put dormant cash to work in higher yielding investments than the STP while still prioritizing safety of principal and liquidity, and meeting or exceeding the results of the Bloomberg Barclays U.S. Universal 1-5 Year Index. Investments in this pool shall not have a maturity date that exceeds seven (7) years and the maximum duration of the pool shall not exceed three (3) years. The balance in this pool should generally be at least 20% but not more than 60% of the sum total of all three investment pools. It is understood that fluctuations in market value and the timing of cash flows can cause temporary swings in these percentages that might exceed the established boundaries.
- a. Authorized Investments. Investments in the IIP may be invested in any authorized vehicle available to the Short-Term Pool plus the following:
  - i. Bond mutual funds;
  - ii. Asset-backed securities (ABS);
  - iii. Obligations of the United States, its agencies, states, counties, cities, and any other subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than BBB or its equivalent;
  - iv. U.S. Agency and Government-Sponsored Enterprise (GSE) backed mortgage securities (MBS);

- v. Bank loans;
  - vi. Corporate bonds rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent
- b. Portfolio Asset Allocation. The IIP shall allocate its investments in such a way that liquidity may be accessed within three days, if needed. In addition, no individual issuer other than the United States government shall represent more than 10% of the IIP balance.
- c. Portfolio Asset Selection. Selection of the underlying assets within each portfolio shall remain the discretion of the Managing Entity, within the guidelines established in the portfolio asset allocation set forth above and the investment management contract.
- d. Investment Objectives.
- i. Safety of principal
  - ii. Liquidity
  - iii. Current Income
  - iv. Appreciation
  - v. Diversification
4. Long Term Investment Pool. Long Term Investment Pool is established to provide an investment vehicle for growth and distribution of funds available, as appropriate, for longer term institutional mission to include financial viability and revenue diversity. Long term cash reserves shall generally constitute at least 25% but not more than 60% of the sum total of all three investment pools. It is understood that fluctuations in market value and the timing of cash flows can cause temporary swings in these percentages that might exceed the established boundaries.

The purpose of the following objectives is to facilitate the discussion and evaluation of the LTP performance:

- Outperform the weighted strategic benchmark over rolling five year periods.
  - Total return goal for the LTP is to exceed the Consumer Price Index plus 4% over rolling ten year periods or as adjusted by the strategic allocation.
  - Each investment manager will be evaluated by the managing entity versus a benchmark and/or a peer universe.
  - Rank in the top half of the NACUBO universe, defined as peers with portfolios ranging from \$100 million to \$500 million over rolling five-year periods.
- a. Authorized Investments. The investment vehicle for Long Term Pool cash reserves shall be the UNT System Long Term Pool (“UNTS-LTP”). The UNTS-LTP shall be held and invested pursuant to a Prudent Person Standard.

- b. Portfolio Asset Allocation. The UNTS-LTP portfolio asset allocation shall be monitored on an ongoing basis, maintained within the tactical range shown below, and reviewed no less than quarterly in connection with the required quarterly report to the Board of Regents.

	Strategic Target	
	Policy Allocation	Tactical Range
Growth Assets	65%	55 – 75%
Risk Reduction Assets	25%	15 – 35%
Inflation Protection Assets	10%	5 – 15%

The Managing Entity, by and through its investment manager, will be responsible for monitoring the UNTS-LTP’s strategic target policy allocation and tactical range. The Managing Entity and its investment manager may make allocation changes within the tactical ranges shown above as warranted under a Prudent Person Standard. Any allocation changes that would exceed the tactical ranges must be pre-approved by the System Investment Advisory Committee.

- c. Portfolio Asset Selection. Selection of the underlying assets within each portfolio shall remain the discretion of the Managing Entity, within the guidelines established in the portfolio asset allocation set forth above and the investment management contract.
- d. Strategic Benchmark. The strategic benchmark for the LTP shall be defined as follows: Russell 3000 Index (35%); MSCI ACWI ex USA IMI (30%); Barclays US Aggregate Bond Index (15%); Barclays US Long Credit Index (10%); Dow Jones U.S. Real Estate Index (5%); and S&P Materials Select Sector Index (5%).
- e. UNT System Investment Advisory Committee. Members of the UNT System Investment Advisory Committee shall be the Vice Chancellor for Finance, the Associate Vice Chancellor for Treasury and Reporting, and the chief financial officers from each UNT Institution. The UNT System Investment Advisory Committee shall have oversight of investments in the UNTS-LTP and IIP, and maintain an active role in advising Managing Entities. The Vice Chancellor for Finance shall represent the System Investment Advisory Committee for all approvals that may be necessary or advisable in connection with the UNTS-LTP to provide to a Managing Entity.
- f. Investment Objectives.
- i. Appreciation

- ii. Current Income
  - iii. Diversification
  - iv. Liquidity
  - v. Safety of Principal
- 5. Bond Proceeds. Bond proceeds and reserves may be invested in a manner consistent with the requirements and restrictions stated in the applicable Bond Covenants.
  - a. Investment Objectives.
    - i. Safety of Principal
    - ii. Liquidity
    - iii. Current Income
    - iv. Appreciation
- 6. Endowed 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 UNTS-LTP
    - 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 shall be invested in any combination of the UNT System Long Term Pool 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 section V – Endowed Funds. A separate accounting of the fund balance and transactions must be maintained and provided to the UNT System Board of Regents at least annually.

a. Investment Objectives.

- i. Preservation of Capital
- ii. Appreciation
- iii. Liquidity

8. Investment Management.

a. Managing Entity. All System investments shall be held, invested, and managed by a Managing Entity pursuant to a Prudent Person Standard. Only those entities named or otherwise approved as a Managing Entity under this Regulation may provide investment management services for and on behalf of the System.

b. Investment Management Agreement. 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 designee; (iii) on behalf of a UNT Institution, to the UNT Institution’s President or his/her designee.

- c. Investment Liaison. Each Investment Management Agreement shall designate an Investment Liaison to serve as the liaison between the Managing Entity and the Board of Regents, and may also designate the Investment Liaison to serve as either a voting or ex-officio member of the Managing Entity's board of directors.
9. Insurance or Collateral. 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 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.
10. Safekeeping and Custody. Assets shall be settled on a delivery versus payment basis when appropriate, and secured through independent third-party custody and safekeeping procedures. Safekeeping procedures shall be reviewed annually by the Internal Auditor. Periodic surprise audits of safekeeping and custodial systems shall be conducted annually by the Internal Auditor.
11. Authorized Broker/Dealers. The Board of Regents must annually review and adopt a list of broker/dealers qualified and authorized to engage in investment transactions with and for the System. 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.
12. Investment Responsibilities. The System Investment Advisory Committee shall be responsible for investing System funds and must comply with the following:
  - a. Prudent Person Standard. The Investment Officers shall exercise a Prudent Person Standard at all times with regard to all funds.

- b. Personal Business Relationship. 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 Vice Chancellor for Finance is responsible for collecting these confirmations and providing them to the Office of General Counsel for reporting to the Board.
- c. Training. 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.

### 13. Reporting.

- a. Audit. The System’s Internal Audit department shall perform an annual compliance audit of management controls and adherence to this policy. The results will be reported to the Board of Regents and the State Auditor’s Office.
- b. Quarterly Reports. The Vice Chancellor for Finance shall prepare a quarterly investment report which includes endowments and submit it to the Board of Regents through the Chancellor. The report will be prepared in compliance with generally accepted accounting principles and will detail, by asset and fund type, changes in book and market values, dates of maturity, and accrued interest. The quarterly reports are to be formally reviewed at least annually by the System’s Internal Audit department in conjunction with the annual compliance audit, and the result of the review shall be reported to the Board of Regents.

- c. Annual Report. At the end of each fiscal year, the System will prepare a report of investment performance for the year and submit it to the Board of Regents at its first regularly scheduled board meeting following the end of the fiscal year.

**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



### Title: Approval of Tenure for New UNT Faculty Appointees

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#### Background:

In accordance with UNT Policy 06.004, *Faculty Reappointment, Tenure, and Promotion, I.B.*, Maximum Probationary Period:

"The maximum probationary period for a faculty member appointed as an assistant professor is the equivalent of six (6) years of full-time service. This period shall be specified for each individual at the time of his or her initial appointment, and these provisions do not preclude a recommendation for the granting of tenure at any time prior to the expiration of the maximum probationary period."

And 06.004, V.I., Review of Dossier by the Provost:

"The provost's recommendation is sent to the president. The president's recommendations regarding the candidates for tenure are then sent to the Board of Regents for final approval."

**Sharon Bowland** will join the College of Health and Public Service as associate professor and department chair of Social Work in August 2018. Dr. Bowland received a BSW (1978) and a MSW (1979) from the University of Illinois, a Master of Pastoral Studies (1993) from Mundelein College, and a PhD (2008) in Social Work from Washington University. She most recently served as a professor of Social Work and director of the Center for Aging Studies at Eastern Washington University. Dr. Bowland was promoted to associate professor with tenure in 2013 and professor in 2017 at Eastern Washington University. Dr. Bowland served as the director of the Gerontology specialization at the Kent School of Social Work at the University of Louisville from 2008-2013.

**David Childs** will join the College of Music, division of Instrumental Studies, as a professor in August 2018. Dr. Childs received a BM (2003) from the Royal Northern College of Music in Manchester England; a MM (2004) from the Royal Welsh College of Music and Drama in Cardiff, Wales; and he is completing a PhD in Sonic Arts from Queen's University in Belfast City. His MM is considered a terminal degree in the United Kingdom. Mr. Childs is currently serving as euphonium professor at the Royal Welsh College of Music and Drama (2003-present). He has served as the director of the North American brass band summer school since 2014. Mr. Childs also served as euphonium professor at the Birmingham Conservatoire from 2004-2014.

**Junhua Ding** will join the College of Information, department of Information Science, as a professor in August 2018. Dr. Ding received a BS (1994) in Computer Science from the China University of Geosciences, in Wuhan, Hubei, China; a MEng (1997) in Computer Science from Nanjing University in Najing, Jiangsu, China; a MS (2000) in Computer Science from Florida International University; and a PhD (2004) in Computer Science from Florida International University. Dr. Ding is currently an associate professor in the department of Computer Science at East Carolina University (ECU), where he received tenure in 2013. Prior to his faculty positions

at ECU, he served as a senior engineer at Johnson & Johnson Ortho Clinical Diagnostics from 2006-2007 and a senior software engineer at Beckman Coulter Inc. from 2000-2006.

**Hae Jin Gam** will join the College of Visual Arts and Design, department of Design, as an associate professor in August 2018. Dr. Gam received a BS (1998) in Computer Sciences from Seoul Women's University in Seoul, South Korea; a MS (2002) in Clothing and Textiles from Chung-Ang University, in Seoul, South Korea; and a PhD (2007) in Human Environmental Sciences from Oklahoma State University. Dr. Gam is currently the Graduate Program Coordinator and an associate professor in the department of Family and Consumer Sciences, at Illinois State University where she received tenure with her promotion to associate professor in 2013. Prior to her academic appointments, she served as a knitwear design director for Songzio Homme in Seoul, South Korea from 2000-2002.

**Jana Hawley** joined UNT as the dean of the College of Merchandising, Hospitality, and Tourism, and professor in Merchandising and Digital Retailing on August 1, 2018. Dr. Hawley received a BS (1975) in Home Economics Vocational Secondary Education from Fort Hays State University, a MS (1990) in Clothing and Textiles Management from Oklahoma State University, and a PhD (1993) in the Textile and Apparel Management from the University of Missouri. She most recently served as professor, PetSmart endowed chair, and director of the John and Doris Norton School of Family and Consumer Sciences at the University of Arizona. Previously, she held the position of department chair and professor at the University of Missouri from 2010 to 2014. Dr. Hawley received tenure with promotion to associate professor at the University of Missouri in 2006 and was promoted to professor at Kansas State University in 2007. Dr. Hawley is internationally recognized for her work surrounding ethical sustainability for the apparel industry, service learning, and global initiatives.

**Takeshi Nishikawa** will join the College of Business, department of Finance, Insurance, Real Estate, and Law in August 2018 as an associate professor. Dr. Nishikawa received a BS (1995) in Restaurant, Hotel, and Institutional Management from Georgia Southern University, and a MS (1998) and PhD (2003) in Finance from Texas Tech University. He has served at the University of Colorado Denver since 2010, achieving tenure and promotion to associate professor in 2015. From 2004-2010, he served as an assistant professor of Finance at St. John's University.

**Priyali Rajagopal** joined the College of Business, department of Marketing, Logistics, and Operations as an associate professor in July 2018. Dr. Rajagopal received a Bachelor of Commerce (1992) from Narsee Monjee College in Mumbai, India; a MBA (1994) from the Indian Institute of Management in Ahmedabad, India; and a PhD in Marketing (2004) at The Ohio State University. She most recently served as an associate professor of Marketing in the Moore School of Business at the University of South Carolina, where she received tenure in 2013. Prior to that, Dr. Rajagopal served as an assistant professor at the Cox School of Business at Southern Methodist University from 2004-2013 and as an instructor at the Fisher College of Business at The Ohio State University from 2000-2003.

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### **Financial Analysis/History:**

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

**Bob Brown**

Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 15:58:10 -05'00'

Institution Chief Financial Officer

**Gary Rahfs**

Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System, ou=Vice Chancellor for Finance, email=gary.rahfs@untsystem.edu, c=US  
Date: 2018.07.31 14:39:20 -05'00'

Vice Chancellor for Finance

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel, email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:01:29 -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:

- Sharon Bowland
- David Childs
- Junhua Ding
- Hae Jin Gam
- Jana Hawley
- Takeshi Nishikawa
- Priyali Rajagopal

**Recommendation:**

The president recommends that the Board of Regents authorize and approve the award of tenure for Sharon Bowland, David Childs, Junhua Ding, Hae Jin Gam, Jana Hawley, Takeshi Nishikawa, and Priyali Rajagopal.

**Recommended By:**

Jennifer Cowley

Provost and VPAA

**Neal Smatresk**

Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University of North Texas, ou=President, email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.26 16:06:40 -05'00'

President

**Rosemary R. Haggett, Ph.D.**

Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT System, ou=, email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:12:11 -05'00'

Vice Chancellor

**Lesla B. Roe**

Digitally signed by Lesla B. Roe  
DN: cn=Lesla B. Roe, o=UNT System, ou=Office of the Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:44:47 -05'00'

Chancellor



## Board Order

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**Title:** Approval of Tenure for New UNT Faculty Appointees

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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*Whereas*, in accordance with UNT Policy 06.004, *Faculty Reappointment, Tenure, and Promotion*:

"The maximum probationary period is defined as the maximum amount of time a faculty member may be appointed in probationary ranks in the university," and

*Whereas*, "this period shall be specified for each individual at the time of his or her initial appointment," and

*Whereas*, "these provisions do not preclude a recommendation for the granting of tenure at any time prior to the expiration of the maximum probationary period," and

*Whereas*, Sharon Bowland, David Childs, Junhua Ding, Hae Jin Gam, Jana Hawley, Takeshi Nishikawa, and Priyali Rajagopal were awarded tenure at their previous institutions, and

*Whereas*, Sharon Bowland, David Childs, Junhua Ding, Hae Jin Gam, Jana Hawley, Takeshi Nishikawa, and Priyali Rajagopal have the credentials and experience to be awarded tenure as confirmed by their department, college, and provost, and

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

1. 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: Sharon Bowland, David Childs, Junhua Ding, Hae Jin Gam, Jana Hawley, Takeshi Nishikawa, and Priyali Rajagopal.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents



**Title:** Award of Honorary Degree

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**Background:**

From time to time, UNT awards honorary bachelor's degrees to recognize individuals for meritorious public service, national recognition and contributions that have enhanced society as a whole and for those who have a noteworthy relationship with UNT. In accordance with UNT Policy 4.003 Honorary Degree Awards, Mr. James F. McIngvale's nomination was proposed by the Division of Advancement and forwarded to the President's Cabinet who served as the Honorary Degree Committee for this review. The committee recommended the award of an honorary bachelor's degree to the President.

An honorary Bachelor of Arts degree is recommended for Mr. McIngvale during UNT's Spring 2019 Commencement or an appropriate alternate event.

James Franklin McIngvale (born February 11, 1951) is a businessman and philanthropist from Houston, Texas. He attended UNT from 1972-1974, where he was linebacker and North Texas football letterman under Coach Hayden Fry.

McIngvale began the Gallery Furniture with nothing more than \$5,000, an old pick-up truck and roadside tents. McIngvale's success has allowed him to become a major philanthropist to UNT, the Houston community and the world. In 2005, he made a transformational commitment of \$1,000,000 for a new athletic center, spurring the renovation of the athletic complex. Jim stated, "I believe in UNT and what it has done for literally hundreds of thousands of students over the years...I wanted to do something to help the athletic department."

He has established a fund to assist Santa Fe High School; provided more than 500 families with furniture each Christmas for the past 30 years; collaborated with ACE Scholarships to provide children of low-income families with tuition assistance for Houston-area private schools; and furnished United Service Organizations (U.S.O.s) around the world.

When his Houston community was devastated by the catastrophic flooding of Hurricane Harvey, McIngvale opened his stores to provide meals and shelter to hundreds of evacuated residents. At this time, McIngvale was displaced from his own home, but he stayed to help others impacted by the flooding. North Texas athletics partnered with McIngvale to rally the local Mean Green community to donate funds and bottled water to affected Houston residents and received national news coverage.

McIngvale's generosity at UNT, in the Houston community, the United States and worldwide is a shining example of hard work, a good education and a philanthropic heart. In recognition of his generosity, business achievements, and philanthropic efforts, it is recommended that an honorary bachelor's degree be awarded to for Mr. McIngvale.

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## Financial Analysis/History:

There are no fiscal implications.

**Bob Brown**  
Digitally signed by Bob Brown  
DN: cn=Bob Brown, o=Senior VP for Finance & Administration, ou=University of North Texas, email=Bob.Brown@unt.edu, c=US  
Date: 2018.07.26 15:58:44 -05'00'  
Institution Chief Financial Officer

**Gary Rahfs**  
Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System, ou=Vice Chancellor for Finance, email=gary.rahfs@untsystem.edu, c=US  
Date: 2018.07.31 14:42:48 -05'00'  
Vice Chancellor for Finance

## Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel, email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:02:07 -05'00'  
Vice Chancellor/General Counsel

## Schedule:

The Honorary Bachelor of Arts degree will be awarded to Mr. James F. McIngvale during the 2019 Spring Commencement or at an appropriate alternative event.

## Recommendation:

The President recommends, with the concurrence of the Chancellor, that the Board of Regents approve the award of this University of North Texas honorary degree, Bachelor of Arts, to Mr. James F. McIngvale.

## Recommended By:

**David F. Wolf**  
Vice President for Advancement

**Neal Smatresk**  
Digitally signed by Neal Smatresk  
DN: cn=Neal Smatresk, o=University of North Texas, ou=President, email=neal.smatresk@unt.edu, c=US  
Date: 2018.07.27 08:46:24 -05'00'  
President

**Rosemary R. Haggett, Ph.D.**  
Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT System, ou=Chancellor, email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:13:10 -05'00'  
Vice Chancellor

**Lesa B. Roe**  
Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of the Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:47:06 -05'00'  
Chancellor



## Board Order

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**Title:** Award of Honorary Degree

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, from time to time, University of North Texas awards honorary bachelor's degrees to recognize individuals for meritorious public service, national recognition and contributions that have enhanced society as a whole and who have a noteworthy relationship with UNT;

**Whereas**, Mr. James F. McIngvale's considerable philanthropy, contributions to UNT, and his generosity to worldwide humanitarian efforts are deserving of an honorary bachelor's degree;

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

1. That Mr. James F. McIngvale be awarded an Honorary Bachelor of Arts degree from the University of North Texas,
  2. That this degree be conferred to Mr. McIngvale during UNT's Spring 2019 Commencement Ceremony or at an appropriate alternative event.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

### **BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

**Title:** Approval of UNTHSC Regents' Professor Recommendations

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**Background:**

In accordance with Regents Rule 06.304, *Regents' Professors*:

The Board may award the designation of "Regents' Professor" to provide recognition and salary support to a tenured full professor who has performed outstanding teaching, research and service to the profession, and who has achieved a high level of national and international recognition. To be considered, a candidate must meet the eligibility requirements set by the Institution and be recommended to the Board following the Institution's selection procedures. The Institution shall review Regents' Professors as required by Institution policy to determine continued eligibility for the position.

In accordance with UNT Health Science Center (UNTHSC) Policy 6.102, *Regents' Professor, Emeritus Professor, Emeritus Regents' Professor, and Emeritus Administrator Designations*,

The purpose of the Regents' Professor award at UNTHSC is to provide recognition and salary support for individuals at the rank of professor who have performed outstanding teaching, research and service to the profession, and who have achieved a high level of national and international recognition. To be eligible for this award, an individual must: 1) be a full-time, tenured professor; 2) have a distinguished record of teaching, research, and service to UNTHSC and to the profession, and a high level of national and international recognition; and 3) demonstrate evidence of the potential for continued distinguished performance. Candidates must submit, or have submitted on their behalf, at least four letters of support from full professors at the UNTHSC and two letters from scholars outside UNTHSC attesting to their national and international reputation. Nominations for the designation of Regents' Professor shall be made by the department chair to the appropriate school/college promotion and tenure committee. The promotion and tenure committee will conduct its review of the Regents' Professor candidate utilizing the promotion/tenure criteria for full professors within that school/college and submit their recommendation to the appropriate dean. The dean will then review the Regents' Professor candidate's packet and forward his/her recommendation to the Provost and Executive Vice President for Academic Affairs (Provost). Pending his/her review and support to continue the nomination, the Provost will forward his/her recommendation to the President for recommendation to the UNT System Board of Regents for approval. Only the Board of Regents may award the designation of Regents' Professor. Review of continued eligibility shall occur in the sixth year following the year of a Regents' Professor's appointment to the designation.

Having met the above eligibility requirements and selection procedures, the designation of "Regents' Professor" is recommended for the following individuals:

**Dr. Jerry Simecka for Regents' Professor**

Dr. Jerry Simecka, a full-time tenured professor in the UNT System College of Pharmacy's Department of Pharmaceutical Sciences, has served as an esteemed faculty member at UNTHSC

for the past 23 years. He has an extensive record of providing outstanding teaching, research and service to UNTHSC and has earned national and international recognition for his exemplary performance and outcomes. Since joining UNTHSC, Dr. Simecka has continuously taught in the Texas College of Osteopathic Medicine (TCOM), Graduate School of Biomedical Sciences (GSBS), School of Health Professions (SHP) and the UNT System College of Pharmacy. He has served as course director for ten different courses within the various schools/colleges and has been instrumental in the design and implementation of teaching materials and ongoing management of these courses. Dr. Simecka has mentored more than 25 graduate students as well as junior faculty members who have all gone on to have successful careers within their profession. Dr. Simecka is one of the most successful researchers in UNTHSC history having procured a significant amount of financial support for his research endeavors. In addition to the extensive list of governmental grants, his world-renowned Pre-clinical Services Group has secured more than \$15 million in research grants over the last ten years based on their outstanding track record of providing contract research and quality data supporting drug discovery and development. With an ongoing commitment to national and international service, Dr. Simecka has served on numerous committees within and outside of UNTHSC. He has served as Chair and Division Advisor for Mycoplasma in the American Society for Microbiology as well as Chair of the Educational Committee for the Association of Medical School Microbiology. He has also been a grant reviewer for several funding agencies including the National Institute for Health (NIH), Department of Homeland Security, American Institute of Biological Sciences and the Oklahoma Center for the Advancement of Science and Technology. Additionally, he is on the editorial boards of two journals, *Infection and Immunity* and *Open Vaccine Journal*. Dr. Simecka exemplifies the characteristics expected in those being nominated for a Regents' Professorship.

#### **Dr. Scott Walters for Regents' Professor**

Dr. Scott T. Walters, a full-time tenured professor, joined the UNTHSC School of Public Health faculty in 2011. He has served as Chair of the Department of Health Behavior and Health Systems since January 2017. Dr. Walters' research focuses on the development, evaluation and dissemination of brief behavioral interventions for substance abuse and other problem behaviors. He has developed novel Internet-based interventions for high-risk drinkers, as well as people at risk of colon cancer, dental patients, and probationers. His publications include 100 peer-reviewed journal articles and five books, including *Treating Substance Abuse: Theory and Technique*. Dr. Walters has been Principal Investigator (PI) or co-PI on research grants totaling \$8,304,400. He was a standing member of the NIH/NIAAA Epidemiology, Prevention and Behavioral Research Review Subcommittee from 2011 to 2015. He also has substantial experience disseminating research into practice. Dr. Walters is nationally recognized as an expert in the application of Motivational Interviewing, a behavior change strategy that has been applied in a wide range of settings, including mental health treatment, primary care, chronic disease management, and criminal justice. Thus, he is frequently invited to conduct trainings for criminal justice workers, counselors, and healthcare professionals. He also is frequently asked to serve as a consultant on projects to develop Internet, mobile and phone-based interventions for a variety of health behaviors. In terms of teaching, Dr. Walters has taught courses at the undergraduate and graduate level for more than 20 years. At the undergraduate level, he has taught courses on introductory psychology, honors psychology, psychology of well-being, and introductory statistics. At the graduate level, he has taught courses on addictive behavior, thesis preparation, practice in health behavior change, motivational interviewing, and theories of behavior change. His courses are highly innovative, involving a mixture of didactic lecture, multimedia, discussion, and experiential class activities. His student evaluations while at UNTHSC have consistently been in the upper 25% of School of Public Health faculty. As a result of his excellent teaching, Dr. Walters has received teaching awards from the University of New Mexico (Outstanding Teaching Associate, 1999), the University of Texas School of Public Health (Dean's Teaching Excellence Award, 2008, 2011), and the UNTHSC School of Public Health (Outstanding Faculty in Teaching, Public Health Student Organization, 2012).

Currently, he teaches Advanced Theories of Individual and Community Health. Dr. Walters is an exceptional faculty member in all respects and highly deserving of the distinction of Regents' Professor.

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### Financial Analysis/History:

The designation of Regents' Professor carries with it a one-time salary adjustment of \$10,000 to base compensation for the term of the appointment.

Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health Science Center, ou=Office of Finance and Operations,  
email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:33:40 -05'00'

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**Gregory R. Anderson**  
Institution Chief Financial Officer

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System, ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:46:35 -05'00'

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**Gary Rahlfs**  
Vice Chancellor for Finance

---

### Legal Review:

This item has been reviewed by General Counsel.

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:02:46 -05'00'

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**Nancy S. Footer**  
Vice Chancellor/General Counsel

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### Schedule:

Effective September 1, 2018.

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### Recommendation:

The President recommends that the Board of Regents approve the awarding of "Regents' Professor" designation to Dr. Jerry Simecka and Dr. Scott Walters.

### Recommended By:

---

**Charles Taylor**

Provost

Digitally signed by Michael R. Williams  
DN: cn=Michael R. Williams, o=UNTHSC, ou=President,  
email=michael.williams@unthsc.edu, c=US  
Date: 2018.07.26 20:21:10 -05'00'

---

**Michael R. Williams**

President

Digitally signed by Rosemary R. Haggett, Ph.D.  
DN: cn=Rosemary R. Haggett, Ph.D., o=UNT System, ou,  
email=rosemary.haggett@untsystem.edu, c=US  
Date: 2018.08.01 09:13:48 -05'00'

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**Rosemary R. Haggett, Ph.D.**

Vice Chancellor

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of the Chancellor,  
email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:49:07 -05'00'

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**Lesa B. Roe**

Chancellor



## Board Order

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**Title:** Approval of UNTHSC Regents' Professor Recommendations

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

**Whereas**, in accordance with Regents Rule 06.304, *Regents' Professors*:

The Board may award the designation of "Regents' Professor" to provide recognition and salary support for individuals at the rank of professor who have performed outstanding teaching, research and service to the profession, and who have achieved a high level of national and international recognition, and

**Whereas**, the eligibility requirements and selection process was followed in accordance with UNT Health Science Center (UNTHSC) Policy 06.102, *Regents' Professor, Emeritus Professor, Emeritus Regents' Professor, and Emeritus Administrator Designations*,

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

1. The awarding of "Regents' Professor" designation effective September 1, 2018 for:
    - Dr. Jerry Simecka
    - Dr. Scott Walters
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



**Title:** Approval of Grant Agreement to Tarrant County

**Background:**

UNTHSC received a grant from the National Library of Medicine (NLM) for approximately \$6.2 million in 2016 to host the Regional Medical Library of the South Central Region of the National Network of Libraries of Medicine (NNLM SCR). The Principal Investigator (PI) on this project is Mr. Daniel Burgard. A portion of this award is reserved for competitive awards. The Board previously approved an award to Tarrant County Public Health (TCPH) for the project period of May 23, 2017 to April 30, 2018. TCPH applied for the award again this year and was awarded a Health Literacy award through NNLM SCR's competitive award process. The agreement presented for Board review is to fund Tarrant County Public Health's Health Literacy project for the project period August 15, 2018 to April 30, 2019 under the NLM grant.

TCPH will conduct voluntary one-on-one waiting room education sessions with clients with a pre- and post-tests regarding the following five general health topics: prevention tips for healthy living, value of medical histories, medication management, client/doctor communication, and navigation of 911 emergency system; using the teach-back method in any three languages: English, Spanish, and Vietnamese. Additionally, training will be provided for health care center staff and the Dallas-Fort Worth, Community Health Workers (DFW-CHW) Association members in topics including the Let's Talk Health – Visual Images for Healthy Living project, Health Literacy, Working with Limited English Proficient (LEP) populations, Cultural Competence and Cultural Humility. The prime award was issued to UNTHSC by the NLM in 2016, and is re-issued annually.

**Financial Analysis/History:**

This agreement will provide an amount not to exceed \$40,000 to TCPH for the Let's Talk Health – Visual Images for Healthy Living project. This work is the result of a proposal submitted to NNLM SCR by TCPH for the project period of August 15, 2018 to April 30, 2019 as a professional services agreement under the NLM grant.

**Gregory R.  
Anderson**

Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health  
Science Center, ou=Office of Finance and  
Operations,  
email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:32:59 -05'00'

**Institution Chief Financial Officer**

**Gary Rahfs**

Digitally signed by Gary Rahfs  
DN: cn=Gary Rahfs, o=UNT System, ou=Vice  
Chancellor for Finance,  
email=gary.rahfs@untssystem.edu, c=US  
Date: 2018.07.31 14:47:24 -05'00'

**Vice Chancellor for Finance**

**Legal Review:**

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untssystem.edu, c=US  
Date: 2018.08.01 11:03:27 -05'00'

Vice Chancellor/General Counsel

**Schedule:**

Project period is August 15, 2018 to April 30, 2019. The agreement is not expected to be renewed.

**Recommendation:**

It is recommended that the Board of Regents approve the execution of a grant agreement to Tarrant County under NLM grant UG4LM012345.

**Recommended By:**

Charles Taylor

Provost

Michael R. Williams Digitally signed by Michael R. Williams  
DN: cn=Michael R. Williams,  
o=UNTHSC, ou=President,  
email=michael.williams@unthsc.edu, c=US  
Date: 2018.07.26 20:21:59  
-05'00'

President

Lesa B. Roe Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System,  
ou=Office of the Chancellor,  
email=chancellor@untssystem.edu, c=US  
Date: 2018.08.01 13:51:28 -05'00'

Chancellor



## Board Order

---

**Title:** Approval of Grant Agreement to Tarrant County

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

Whereas, UNTHSC intends to grant funds under its National Library of Medicine (NLM) grant to Tarrant County Public Health for their project entitled "Let's Talk Health – Visual Images for Healthy Living" which is designed to serve vulnerable populations for low health literacy in Tarrant County. The project will conduct voluntary one-on-one waiting room education sessions with clients regarding the general health topics and training on health literacy for health care staff and the Dallas-Fort Worth, Community Health Workers (DFW-CHW) Association members as one of the competitive funded projects of the NLM grant UG4LM012345, and

Whereas, the parties wish to execute an agreement for the period of August 15, 2018 through April 30, 2019 in accordance with the NLM grant period,

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

1. Delegation of authority to the Chancellor to negotiate, approve, and sign the grant agreement with Tarrant County Public Health for the term of August 15, 2018 through April 30, 2019.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



**Title:** Authorization to Execute an Agreement between UNTHSC and Tarrant County to Provide Physician Services for the Tuberculosis Elimination Program of the Tarrant County Public Health Department

---

**Background:**

The Tarrant County Public Health Department administers a Tuberculosis Elimination Program and contracts for physician professional services — including the screening and evaluation of patients with, suspected to have, or who have been exposed to tuberculosis — in support of the Program. UNTHSC has contracted with TCPH to provide physician services in support of the Program since 2009 and wishes to renew the contract to continue to provide medical coverage for the Program for another year.

---

**Financial Analysis/History:**

Contract revenue paid under contract for these services annually is approximately \$270,400. UNTHSC expects to receive up to \$270,400 for services rendered under the renewal term.

**Gregory R. Anderson**  
Institution Chief Financial Officer

Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health Science Center, ou=Office of Finance and Operations, email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:31:52 -0500

**Gary Rahlfs**  
Vice Chancellor for Finance

Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System, ou=Vice Chancellor for Finance, email=gary.rahlfs@untssystem.edu, c=US  
Date: 2018.07.31 14:48:36 -0500

**Legal Review:**

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Vice Chancellor/General Counsel

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North Texas System, ou=Office of General Counsel, email=nancy.footer@untssystem.edu, c=US  
Date: 2018.08.01 11:04:02 -0500

**Schedule:**

The proposed contract term begins October 1, 2018 and concludes on September 30, 2019.

---

**Recommendation:**

It is recommended that the Board of Regents authorize and approve the execution of the contract for physician services.

**Recommended By:**

Gregory R. Anderson  

---

Institution Chief Financial Officer

Michael R. Williams  

---

Digitally signed by Michael R. Williams  
DN: cn=Michael R. Williams, o=UNTHSC, ou=President, email=michael.williams@unthsc.edu, c=US  
Date: 2018.07.26 20:23:48 -05'00'  
President

Lesa B. Roe  

---

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of the Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:53:46 -05'00'  
Chancellor

**Attachments Filed Electronically:**

- Contract for Services "Tarrant County Public Health Tuberculosis Elimination Program"



## Board Order

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**Title:** Authorization to Execute an Agreement between UNTHSC and Tarrant County to Provide Physician Services for the Tuberculosis Elimination Program of the Tarrant County Public Health Department

---

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

---

Whereas, UNTHSC provides physician services to treat and manage tuberculosis, and

Whereas, the Tarrant County Public Health Department wishes to purchase these services in support of its Tuberculosis Elimination Program.

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

1. Execution of an agreement between UNTHSC and Tarrant County for UNTHSC to provide physician services for the Tuberculosis Elimination Program.
- 

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

### BOARD ACTION:

Attested By:

Approved By:

---

Rosemary R. Haggett, Secretary  
Board of Regents

---

Brint Ryan, Chairman  
Board of Regents



providing services specified in this agreement until COUNTY determines whether or not to continue this agreement.

- 1.4 Furthermore, PROVIDER shall ensure that the COUNTY has been provided full contact information for all physician service providers who have been fully credentialed and privileged by PROVIDER to provide the services as described therein, evidence of which is to be submitted in advance to COUNTY.
- 1.5 COUNTY shall maintain a schedule of the days and hours PROVIDER is to provide services and submit in advance (60 [sixty] days) any permanent changes to PROVIDER. PROVIDER shall ensure physician services providers maintain the agreed upon schedule without interruption or absence. PROVIDER shall notify the COUNTY in advance (60 [sixty] days) if the PROVIDER via their physician service providers is unable to maintain the agreed schedule. COUNTY and PROVIDER further agree to make mutual accommodations for schedule variations that might arise from time to time. COUNTY and PROVIDER further agree that services are not expected on days approved as holidays by the Tarrant County Commissioners Court.

## **2. TERM**

This contract begins on October 1, 2018 and concludes on September 30, 2019.

## **3. COST**

COUNTY agrees to pay PROVIDER at a rate of \$130.00 per hour, not to exceed \$270,400.00. Monthly payments will be issued pending verification of the hours of work performed. PROVIDER via their physician service providers will submit Time and Attendance forms countersigned by the appropriate and applicable Tarrant County Public Health Division Manager on a monthly basis to the Tarrant County Public Health Department, Attention: TB Division Manager, 1101 S. Main Street, Fort Worth, Texas 76104, detailing the hours of services provided to COUNTY:

- 3.1. PROVIDER will bill for services performed in accordance with this contract;
- 3.2. PROVIDER will send a monthly invoice by 15<sup>th</sup> of each month to Tarrant County Public Health, 1101 South Main, Suite 2421, Fort Worth, Texas 76104;
- 3.3. PROVIDER's invoice will detail the services provided;

## **4. FINANCIAL RESPONSIBILITY**

PROVIDER is responsible for its incurred expenses in performing this contract unless otherwise noted. To the extent permitted by the Constitution and the laws of the State of Texas, PROVIDER indemnifies and holds harmless the COUNTY against any and all claims, lawsuits, settlements, judgments, costs, penalties and expenses, including attorney's fees, with respect to PROVIDER's performance of this contract.

**5. AGENCY-INDEPENDENT CONTRACTOR**

PROVIDER is an independent contractor. COUNTY will not direct the PROVIDER in the details of performing its duties. PROVIDER and its employees are not agents of the COUNTY. COUNTY and its employees are not agents of PROVIDER. This contract does not entitle PROVIDER to any benefit, privilege or other amenities of employment with the COUNTY. This contract does not entitle COUNTY to any benefit, privilege or other amenities of employment with the PROVIDER.

**6. ASSIGNMENT**

Neither party may assign this contract without the prior written consent of the other party.

**7. THIRD PARTY BENEFICIARY EXCLUDED**

This contract does not protect any specific third party. The intent of this contract excludes the idea of a suit by a third party beneficiary. The parties to this contract do not consent to the waiver of sovereign immunity under Texas law to the extent either party may have that immunity under Texas law.

**8. MISCELLANEOUS**

This contract supersedes all prior representations. The parties may amend this contract by subsequent written amendments. The parties will not amend this contract orally. The laws of the State of Texas govern this contract. Venue for any action regarding this contract must be in the district courts of Tarrant County, Texas.

**9. TERMINATION**

Either party may terminate this contract without cause by:

- 9.1. Providing written notice to the other party at least 30 days prior to the date of termination;
- 9.2. Providing, in the written notice, the date of termination;
- 9.3. Sending the written notice by certified mail, return receipt requested to the party at its address.

**9. 1295**

PROVIDER acknowledges that it is a “governmental entity” and not a “business entity” as those terms are defined in Texas Gov’t Code § 2252.908, and therefore, no disclosure of interested parties pursuant to Texas Gov’t Code § 2252.908 is required

**10. PARTIES' ADDRESSES**

COUNTY:

COUNTY  
Tarrant County Public Health  
1101 South Main, Suite 2421  
Fort Worth, TX 76104

PROVIDER:

PROVIDER  
University of North Texas Health  
Sciences Center at Fort Worth (UNTHSC)  
3500 Camp Bowie Blvd.  
Fort Worth, TX 76107

COUNTY OF TARRANT  
STATE OF TEXAS

PROVIDER

\_\_\_\_\_  
B. Glen Whitley  
County Judge

\_\_\_\_\_  
Jeff Beeson, DO, RN, EMT-P  
Chief Medical Officer  
UNTHSC Clinical Practice  
HSC Contract # 2018-1065

**APPROVED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by Commissioners Court.

Court Order No. \_\_\_\_\_

APPROVED AS TO FORM:

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Criminal District Attorney's Office\*

\*By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.

CERTIFICATION OF AVAILABLE FUNDS: \$ \_\_\_\_\_

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Tarrant County Auditor

DRAFT

## Board Briefing

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Committee: Consent

Date Filed: July 9, 2018

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**Title:** Authorization to Enter into Agreement with Tarrant County Public Health Office for Joint Providership of Continuing Medical Education

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### Background:

UNTHSC INCEDO, the institution's nationally recognized continuing medical education program, seeks to enter into an agreement to provide management and accreditation of programs developed by Tarrant County Public Health to provide continuing education to their staff nurses on the most up-to-date topics affecting the healthcare of the citizens of Fort Worth. Responsibilities of INCEDO will be to perform content overview, program management, and record retention. INCEDO will provide continuing education credit for the program.

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### Financial Analysis/History:

The proposed agreement is for a total of \$2,200 for up to 6 staff programs, 1.5 hours each, over a 12 month period.

**Gregory R. Anderson**  
Digitally signed by Gregory R. Anderson  
DN: cn=Gregory R. Anderson, o=UNT Health  
Science Center, ou=Office of Finance and  
Operations,  
email=gregory.anderson@unthsc.edu, c=US  
Date: 2018.07.26 16:31:04 -05'00'

Institution Chief Financial Officer

**Gary Rahlfs**  
Digitally signed by Gary Rahlfs  
DN: cn=Gary Rahlfs, o=UNT System,  
ou=Vice Chancellor for Finance,  
email=gary.rahlfs@untsystem.edu, c=US  
Date: 2018.07.31 14:50:19 -05'00'

Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer**  
Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=University of North  
Texas System, ou=Office of General Counsel,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2018.08.01 11:04:42 -05'00'

Vice Chancellor/General Counsel

### Schedule:

\$2,200 payment is due upon execution of the agreement.

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**Recommendation:**

It is recommended that the Board of Regents authorize and approve the execution of the agreement for UNTHSC INCEDO services between Tarrant County Public Health and UNTHSC.

**Recommended By:**

Michael Hicks

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Executive Vice President for Health  
System Partnerships and Clinical Affairs

**Michael R.  
Williams**

Digitally signed by Michael R. Williams  
DN: cn=Michael R. Williams, o=UNTHSC, ou=President, email=michael.williams@unthsc.edu, c=US  
Date: 2018.07.26 20:24:39 -05'00'

---

President

**Lesa B. Roe**

Digitally signed by Lesa B. Roe  
DN: cn=Lesa B. Roe, o=UNT System, ou=Office of the Chancellor, email=chancellor@untsystem.edu, c=US  
Date: 2018.08.01 13:55:28 -05'00'

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Chancellor



## Board Order

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**Title:** Authorization to Enter into Agreement with Tarrant County Public Health Office for Joint Providership of Continuing Medical Education

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 9-10, 2018, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, Tarrant County Public Health determined that providing continuing medical education (CME) to their staff and the public is an important employment and community benefit, and

**Whereas**, UNTHSC INCEDO is a nationally recognized CME provider and wishes to provide continuing education credit to the Tarrant County Public Health 2018-2019 Staff Programs,

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

1. Authorization to enter into an agreement with Tarrant County Public Health for joint providership of continuing medical education.
- 

VOTE: \_\_\_\_ ayes      \_\_\_\_ nays      \_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents

**STATE OF TEXAS**

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§  
§

**CONTRACT FOR SERVICES**

**COUNTY OF TARRANT**

## **BACKGROUND**

This Contract for Services is between Tarrant County, Texas (“COUNTY”) and UNT Health Science Center - INCEDO (“PROVIDER”) for the provision of Continuing Educational Units to the staff of Tarrant County Public Health. The Commissioners Court finds that this contract serves a public purpose in improving the ability of the staff to provide improved care to the citizens of Tarrant County, Texas.

## **CONTRACT FOR SERVICES**

### **1. SCOPE OF SERVICES**

Provider will perform content overview and Continuing Education (“CE’s”) for each participant attending any or all of up to 6 staff programs, 1.5 hours each, over a 12 month period, as well as, CE management, all appropriate forms, certificates and maintenance of records. This will include:

Scope of Services:

1. Provider will provide the Tarrant County Public Health (TCPH) designated liaison with a schedule for delivery of data items required to perform content overview and credit claim form creation;
2. Provider will review the purpose/goal statement and learning objectives for each program at least 30 days prior to ensure all accreditation guidelines are met;
3. Provider will develop and send TCPH a claim credit form for each program. Each individual participant will be responsible for claiming his or her own credit within the timeframe indicated on the form;
4. Provider will provide a link to the online disclosure form, then review the presenter’s conflict of interest statement prior to the program to ensure compliance;
5. Provider will maintain all registrants continuing education transcripts in their learning management system for up to six (6) years;
6. Provider will provide CE’s in the following area: Nursing. Said CE’s are for RN’s and LVN’s in accordance with the standards and guidelines specified by the following accrediting agency, Texas Nurses Association.

Regularly Scheduled Series (RSS) Requirements:

1. The County will complete an RSS application annually for each RSS series (not each individual session).
2. The County will formulate the needs assessment, define the educational gaps and produce objectives linked to the gaps.

3. An in-depth outcomes assessment of at least one activity will be completed by the County for each RSS series in addition to an evaluation.
4. The County is responsible for proposing the objectives and the content of the program which may be modified by UNTHSC INCEDO.
5. The program chair and coordinator must meet with UNTHSC INCEDO staff at least annually to review the RSS.
6. The County is responsible for proposing an annual revenue and expense budget for each RSS.
7. The County will reconcile the RSS within **30 days** of its end and, if necessary, provide UNTHSC INCEDO copies of all required reconciliation documents and budget figures for commercial supporters.
8. The County will not seek funds for the activity from sources not approved by UNTHSC INCEDO.
9. The County will notify UNTHSC INCEDO of its desire to seek funds from a source prior to seeking funds.
10. The County will make all arrangements for the facility where the educational activity will be held. UNTHSC INCEDO reserves the right to reject proposed facilities based on its interpretation of CME guidelines, best judgment and internal policies.
11. The County will obtain the necessary insurance coverage for the educational activity, as required by the facility where the activity will be held.
12. The County will plan all breaks, food and beverages.
13. The County will coordinate all audio/visual requirements for the activity, including staffing.
14. The County will pay all activity expenses, including the presenter honoraria when authorized by UNTHSC INCEDO.
15. The County will register the participants, collect the registration fees and send confirmations of registration, as well as provide on-site registration options, if needed.
16. The County will liaise with approved presenters, including provision of confirmation.
17. The County will collect disclosure declarations via the link to the UNTHSC INCEDO online disclosure from all individuals in a position to influence the content of the activity and provide to UNTHSC INCEDO at least **30 days** prior to activity involvement.
18. The County will provide UNTHSC INCEDO with the presenters' presentation materials no less than **10 days** before the educational activity for review and modification.
19. The County will provide to UNTHSC INCEDO all RSS schedules at least **30 days** in advance of the activities.

20. Schedule changes or event cancellations will be communicated promptly by the County to UNTHSC INCEDO.
21. UNTHSC INCEDO must receive the topic, objectives, and presenter information at least 30 days in advance of the activity.
22. The County will ensure announcements, flyers, and invitations for each session contain the information prescribed by UNTHSC INCEDO. (1)
23. The County will provide all announcements, flyers, and invitations for each session to UNTHSC INCEDO for approval at least 30 days before the activity and prior to distribution.
24. The County will display the announcement outside the meeting space at each RSS session to ensure all participants have received advance notice of the subject matter, faculty, faculty disclosures, and course objectives.
25. The County will print all approved meeting materials, including claim credit forms, informational pages and nametags upon approval from UNTHSC INCEDO
26. The County will ensure participants claim credit for RSS participation through the UNTHSC INCEDO learning management system prior to the deadline specified on the "Claim Credit" form provided.
27. The County will verify attendance at each RSS event and submit completed sign-in sheets of verification to UNTHSC INCEDO within 30 days after each event.

(1) Required elements for announcements, flyers, etc.:

- Title
- Speaker with credentials
- Location with address
- Date
- Times
- Learning objectives
- Target audience
- Accreditation statements
- How to register/RSVP

## 2. TERM AND TERMINATION

This contract begins on October 1, 2018 and concludes on September 30, 2019.

**2.1 Termination without Cause** - Either party upon 30 days written notice may terminate this agreement without cause.

**2.2 Annual Fiscal Condition Precedent** - The parties acknowledge and agree that the Tarrant County is a governmental entity subject to an annual budgetary

process and restrictions on spending in conformity with that process and its approved budget. The parties further agree that, notwithstanding any other language or provision herein to the contrary, if for any reason funds are not budgeted expressly for this agreement for the County's fiscal years subsequent to that in which funds for this Agreement are first allocated, the County may immediately and without penalty terminate this Agreement; provided, however, that in no event shall such a termination be effective earlier than the expiration of the last date for which funds have already been so allocated under an existing, finally approved budget.

### **3. COST**

The COUNTY will pay no more than \$2,200.00 pursuant to this contract. COUNTY will pay PROVIDER within 30 days of invoice receipt upon approval and execution of this contract.

**3.1** PROVIDER will bill for future services performed in accord with this contract;

**3.2** PROVIDER will send an invoice upon receipt of the signed contract to Tarrant County Public Health, Administration Office, 1101 S. Main, Attn: Enny Munoz, Fort Worth, Texas 76104;

### **4. FINANCIAL RESPONSIBILITY**

PROVIDER is responsible for its incurred expenses in performing this contract. To the extent permitted by the Constitution and the laws of the State of Texas, PROVIDER indemnifies and holds harmless the COUNTY against any and all claims, lawsuits, settlements, judgments, costs, penalties and expenses, including attorney's fees, with respect to PROVIDER'S performance of this contract.

### **5. AGENCY-INDEPENDENT CONTRACTOR**

PROVIDER is an independent contractor. COUNTY will not direct the PROVIDER in the details of performing its duties. PROVIDER and its employees are not agents of the COUNTY. COUNTY and its employees are not agents of PROVIDER. This contract does not entitle PROVIDER to any benefit, privilege or other amenities of employment with the COUNTY. This contract does not entitle COUNTY to any benefit, privilege or other amenities of employment with the PROVIDER.

### **6. ASSIGNMENT**

Neither party may assign this contract without prior written consent of the other party.

**7. THIRD PARTY BENEFICIARY EXCLUDED**

This contract does not protect any specific third party. The intent of this contract excludes the idea of a suit by a third party beneficiary. The parties to this contract do not consent to the waiver of sovereign immunity under Texas law to the extent either party may have that immunity under Texas law.

**8. MISCELLANEOUS**

This contract supersedes all prior representations. The parties may amend this contract by subsequent written amendments. The parties will not amend this contract orally. The law of the State of Texas governs this contract. Venue for any action regarding this contract must be in the district courts of Tarrant County, Texas.

**9. NOTICE**

Notices of termination or of important communications to be given under this Agreement shall be given to the respective parties in writing either by personal delivery, overnight delivery service, registered or certified mail, or postage prepaid. Such notices or communication shall be deemed to have been provided three (3) days after depositing in the United States mail if sent by regular, registered or certified mail, postage prepaid, or one (1) day after delivery to an overnight delivery service.

**10. PARTIES ADDRESSES**

COUNTY  
TARRANT COUNTY PUBLIC HEALTH  
1101 S. Main, Attn: Enny Munoz  
Fort Worth, Texas 76104

PROVIDER  
UNTHSC INCEDO OFFICE  
3500 Camp Bowie BLVD  
Fort Worth, Texas 76107

**11. 1295**

Provider acknowledges that it is a “governmental entity” and not a “business entity” as those terms are defined in Tex. Gov’t Code § 2252.908, and therefore, no disclosure of interested parties pursuant to Tex. Gov’t Code Section 2252.908 is required.

Approved on this the \_\_\_\_\_ day of \_\_\_\_\_, 2018, by Commissioners Court Order No. \_\_\_\_\_.

**TARRANT COUNTY  
STATE OF TEXAS**

**PROVIDER**

\_\_\_\_\_  
County Judge

\_\_\_\_\_  
Executive Vice President  
Finance & Administration

**APPROVED AS TO FORM:**

By law, the District Attorney's Office approves this contract on behalf of its County clients. This Office does not approve a contract nor provide legal advice to other parties to this contract. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney.

\_\_\_\_\_  
District Attorney's Office

CERTIFICATION OF FUNDS AVAILABLE FOR THE AMOUNT OF: \$2,200.

\_\_\_\_\_  
Auditor's Office



**Debarment/suspension certification indicating that you are in compliance with the below Federal Executive Order.**

**Debarment:**

**Federal Executive Order (E.O.) 12549 “Debarment and Suspension“ requires that all contractors receiving individual awards, using federal funds, and all sub-recipients certify that the organization and its principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government.**

Your signature certifies that neither you nor your principal is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

\_\_\_\_\_(Name)  
\_\_\_\_\_(Company)  
\_\_\_\_\_(Address)  
\_\_\_\_\_(Address)  
PHONE \_\_\_\_\_ -- FAX \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ EMAIL \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Signature \_\_\_\_\_ Date