

**TEXAS WOMAN’S UNIVERSITY BOARD OF REGENTS
FINANCE AND AUDIT COMMITTEE MINUTES
August 14, 2020**

Videoconference

Roll Call:

Present Committee Members:

Regents Wu (Chair), Hyde, McDavid, Wilson, and Jester (Ex-Officio)

Present Administrators:

Dr. Carine M. Feyten, Chancellor and President; Ms. Katherine Antwi Green, General Counsel, Secretary to the Board, and Associate Vice President of Compliance; Dr. Carolyn Kapinus, Executive Vice President for Academic Affairs and Provost; Dr. Monica Mendez-Grant, Vice President for Student Life; Dr. Kimberly Russell, Vice President for University Advancement; Mr. Jason Tomlinson, Vice President for Finance and Administration

I. Call to Order:

With a quorum being present, Regent **Wu**, Chair of the Finance and Audit Committee, called the meeting to order at **12:14 p.m.**

Regent Wu said that the Board will now take up a presentation recognizing Dr. Woodcock.

III. Presentation Recognizing Dr. Richard W. Woodcock

Regent Wu introduced Dr. Kimberly Russell, Vice President for University Advancement, stating that she would make a presentation recognizing Dr. Richard W. Woodcock. Dr. Russell told the Board it was her distinct pleasure to present a resolution from the Board of Regents to Dr. Richard W. Woodcock for his exceptional investment in TWU and his extraordinary impact on the field of cognitive and achievement assessments. Dr. Russell said that Dr. Woodcock has joined us as well as Dr. Dan Miller and Mr. Jacques Endres, who work in in the Woodcock Institute.

Dr. Russell read from the resolution detail regarding Dr. Woodcock’s extensive educational history, including earning bachelor of science, master of education and doctorate of education degrees from the University of Oregon, as well as completing a post-doctoral fellowship in neuropsychology from Tufts University School of Medicine. Dr. Russell said that Dr. Woodcock published more than 135 books and articles and has held numerous prestigious positions and various academic appointments, including at Texas Woman’s University.

Dr. Russell said that Dr. Woodcock is considered the world’s foremost educational test developer and is renowned for setting the standard for cognitive and achievement assessments. Dr. Russell continued that Dr. Woodcock is a fellow of the American Psychological Association and a diplomat of the American Board of Professional Psychology. She continued that in 1993 received the Senior Scientist and School Psychology Award from Division 16 of the American Psychological Association.

Dr. Russell said that in 2015 Dr. Woodcock became a friend, a scholar, a professor and benefactor to Texas Woman’s University through the establishment of the Woodcock Institute for the Advancement

Neurocognitive Research and Applied Practice and the and Richard W. Woodcock Endowment Fund with an historic investment of nearly \$8.8 million. She added that today through additional personal gifts, income received from royalty earnings and realized gain, the Richard W. Woodcock Endowment Fund exceeds \$17 million.

Dr. Russell said that in June of 2020, Dr. Richard W. Woodcock transferred two thirds of his intellectual property rights for future tests to the TWU Foundation. She said that the subsequent purchase of those future royalties for revised editions of his tests with the publishing company that will add \$5.6m to the Richard W. Woodcock Endowment Fund over the next three years.

Dr. Russell went on to summarize some of the important accomplishments that have been achieved as a result of Dr. Woodcock's generosity and contributions. She said that the Board of Regents expresses its deepest appreciation for the outstanding and historic contributions made by Dr. Richard W. Woodcock and extends its gratitude for the current and future accomplishments of the Woodcock Institute for the Advancement of Neurocognitive Research and Applied Practice at TWU.

She said that a copy of the resolution would be framed and sent to Dr. Woodcock.

Regent Wu thanked Dr. Russell for presenting the resolution which serves to pay tribute to Dr. Woodcock for his major contributions to the fields of psychology, school psychology, and education, as well as to show gratitude for his incredible gift to Texas Woman's University.

Regent Wu indicated the Board is extremely pleased and honored to have two additional presenters, Dr. Daniel Miller, Executive Director of the Woodcock Institute, and Dr. Richard Woodcock, TWU Professor of Research. She invited Dr. Miller to say a few words first.

Dr. Miller said it was an honor for TWU to be chosen to preserve Dr. Woodcock's legacy. Dr. Miller said he has great memories of working with Dr. Woodcock over the years. Dr. Miller thanked Dr. Woodcock and looks forward to continuing to help support research for years to come.

Dr. Woodcock thanked the group and said it was an unexpected honor to be recognized.

Dr. Feyten thanked Dr. Miller and said TWU would not have known about Dr. Woodcock without Dr. Miller's involvement. She thanked Dr. Woodcock for the enduring legacy and wonderful gift.

Regent Wu thanked Dr. Woodcock for taking time to be with the Board during the meeting and for his life's work and contributions to the profession and to Texas Woman's University. Regent Wu then asked if there were any other regents who would like to say a few words.

Regent Coleman thanked Dr. Woodcock for his contributions to TWU. She told Dr. Woodcock that his tests have made a great difference in the lives of many children in the state of Texas and around the world.

Regent Tyson also thanked Dr. Woodcock for his legacy and contributing so much for TWU's students.

Regent Jester said she was fortunate to meet Dr. Woodcock at the unveiling of the naming of the Woodcock Building. She thanked Dr. Woodcock for the devotion he has had to research and producing useful tools, and for making this extraordinarily generous gift to TWU to invest in the future. She indicated that Dr. Woodcock has the Board's heartfelt gratitude. She indicated that TWU will continue to do adventurous things with what Dr. Woodcock has provided.

Dr. Woodcock told the board he was pleased that the funds will go such fine uses as the Board members described. He thanked everyone for their kind remarks.

Regent Wu thanked him for his contributions and his gifts to TWU. Regent Wu then adjourned the Committee meeting at **12:26 pm**.

With a quorum being present, Regent **Wu**, Chair of the Finance and Audit Committee, called the meeting back to order at **1:22 p.m.**

Regent **Wu** reminded everyone that the meeting is being streamed live and asked that everyone speak loudly and clearly as they make comments during the meeting. Additionally, Regent Wu asked the members to state their name before making a comment or asking a question. She instructed that only the members of the Finance and Audit Committee may vote on items during this meeting. She said that members making or seconding a motion should state their name before doing so.

Regent Wu explained that the committee vote will be conducted via roll call rather than a collective voice designation of “Aye” or “No”. Regent instructed the group that they are asked to refrain whenever possible from talking over fellow board members or at the same time as other board members.

Regent Wu then reminded the agenda item presenters to continue to mute their microphones and turn off their cameras when not presenting to the board. She asked that all attendees in the meeting who do not anticipate addressing the board to continue to keep their cameras off and their microphones muted for the duration of the meeting.

Regent Wu performed a roll call for the meeting noting the presence of Regents Wu, Hyde, Wilson and Jester.

Regent Wu asked Dr. Carine Feyten to follow up with some words regarding an earlier presentation.

Dr. Feyten informed the group that Dr. Shrader called in after the presentation and asked her to share a statement – something he forgot to say. Dr. Shrader told Dr. Feyten that August 14 is the same day as his mother’s birthday, and his parents were both 5’3” and 105 pounds. He told her that he was told to be just like his parents when he grew up and he has now accomplished that.

II. Consider Approval of the Minutes of the Finance and Audit Committee Meeting of May 15, 2020

Motion to Approve Minutes: Regent **Hyde**, motioned and Regent **Wilson**, seconded. Regent Wu asked the Board if there was any discussion, changes to or clarification of the minutes. The motion passed with a vote of **3-0-0**.

The minutes of the Finance and Audit Committee Meeting of **May 15, 2020**, were approved as submitted.

IV. Agenda

Motion to Take up Agenda Items as Listed: Regent **Wilson**, motioned and Regent **Hyde**, seconded. The motion passed with a vote of **3-0-0**.

Item A. Report on University Advancement and Philanthropic Progress

Dr. Kimberly Russell introduced the Board to a new special collection housed at the Blagg-Huey Library on the campus of TWU. She said it is called Voices of the Pandemic the Chancellor Carine M. Feyten Collection at TWU. Dr. Russell said that this special collection is a result of a campus-wide grassroots effort to preserve manuscripts, works of art, photos, social media posts, and any other communication employed during this very challenging time. She explained that the inspiration for the establishment of this new collection came from Chancellor Feyten and her leadership and consistent communication with the TWU family throughout the crisis. Dr. Russell informed the Board that from March 13, 2020, when Governor Abbott declared a state disaster and the Texas Department of Health declared a public health disaster until May 8, 2020, when some Texas businesses finally began to reopen, Chancellor Feyten delivered nearly 50 different messages to the campus community.

Dr. Russell shared that at the beginning of the pandemic, Chancellor Feyten sent messages of hope. Dr. Russell said that as TWU became more comfortable with the “new normal”, Dr. Feyten began to share messages of reflection. Finally, as Dr. Feyten continued to champion the mission of TWU and the spirit of our core values, encouraging respect, empathy and dignity, she sent message of action.

Dr. Russell thanked the Committee for the Voices of the Pandemic Collection, Dr. Phyllis Bridges and Regent Jester for helping materialize this idea in a short period of time. Dr. Russell indicated that the Committee will continue to gather materials for the collection, which is anticipated to provide students and scholars of the future a reliable repository for this challenging time in human history. She said a generous grant from the Jane Nelson Institute for Women’s Leadership provides funding to accomplish goals which are consistent with the mission of TWU. Dr. Russell indicated that the collection had been named for Chancellor Carine M. Feyten in recognition of her exemplary and courageous leadership of TWU.

Dr. Russell then began her report summarized the significant accomplishments of University Advancement including fundraising results, growth in infrastructure, and the expansion of alumni/constituent engagement for the TWU Foundation’s final quarter of the 2020 fiscal year.

The report apprised the Board of Regents of how private donations are contributing to the University’s financial position and helping to meet the goals of the strategic plan. Dr. Russell indicated that the amount of charitable gifts, pledges and pledge payments from July 1, 2019 to June 30, 2020 totaled over \$8.5 million from over 2,400 donors. She indicated that these numbers are unaudited at this time.

Dr. Russell showed the Board some historical numbers, noting comparisons between the current period and prior periods. Dr. Russell indicated that due to focusing on alumni engagement, TWU is now seeing new trends and repeat engagement of our alumni. She said that the institution is engaged in a comprehensive public campaign and already seeing early signs of success.

Dr. Russell showed the Board the TWU Foundation Endowment Market Value History over time. She described its trend to the Board, indicating that TWU’s endowment assets have rebounded significantly from March 9, 2020 to June 30, 2020. Dr. Russell a breakdown of foundation’s assets as of June 2020 compared to June 2019. She then compared the liabilities and net assets for the same timeframe.

Dr. Russell noted that she is excited to see the growth and the results of the work of the TWU team, even in the midst of this pandemic. She presented the new TWU Foundation Board of Directors to the Board of Regents, indicating that each Director serves for two years. The new Directors are Patricia “Patti”

McCoy, the Chair, A. John Harper, Vice-Chair, Diane Dillion, Treasurer, and Dianne Randolph, Secretary.

Regent Wu thanked Dr. Russell for her presentation and reminded the members of the Board to state their name before asking a question or making a comment during any of the meeting presentations. She then asked if there is any discussion on the current agenda item.

Item B. Report on the Office of Audit Services

Regent Wu said that the board would now take up Item B. Report on the Office of Audit Services and introduced Ms. Shannon South, Director of Audit Services. She welcomed Ms. South who joined TWU in June. Regent Wu indicated that Ms. South served as the senior director of accounting for the Collin College District and Foundation in McKinney and comes to TWU with more than 20 years of financial services experience.

Due to technical difficulties of Ms. Smith joining the meeting, Regent Wu then indicated that the Board would move on to item C of the Agenda.

Item C. Recommend Approval of Enrollment and Advancement Advisory Services Contracts with Ruffalo Noel Levitz and Delegate Contract Authority to the Chancellor and President of Texas Woman's University

Mr. Jason Tomlinson, Vice President for Finance and Administration, informed the Board that a contract with Ruffalo Noel Levitz is recommended to the Board. He indicated that it is a three year contract not to exceed \$6,210,802.

Mr. Tomlinson informed the Board that even without the COVID-19 pandemic, TWU has been asked by the state to grow through enrollment as have all state public institutions in the 60 by 30 Plan. He then presented a graph of TWU's credit hour production over the last 5 years. He described a 2% increase in enrollment, but indicated that TWU needed to grow at a quicker pace in order to meet TWU's strategic goals and the goals that are in the 60 by 30 Plan. As such, TWU has recommended Ruffalo Noel Levitz to help TWU with growth through enrollment.

Mr. Tomlinson indicated that Dr. Grant had been assessing TWU's current infrastructure, comparing it to the recommended benchmark for schools TWU's size in the categories of recommended financial aid counselors, scholarship coordinators, admissions counselors and advisors. As a result of the assessment, TWU is recommended to add more staff in those areas. He said that customer relationship manager software has been purchased by the school. Mr. Tomlinson further indicated that TWU is also reviewing its financial aid and scholarship strategic plan, as well as evaluating a call center and additional marketing efforts.

Mr. Tomlinson introduced Robert Heil, Chief Business Development Officer of Ruffalo Noel Levitz to the Board. Mr. Heil discussed TWU's approach on transforming enrollment and fundraising outcomes, stating that TWU's approach is very innovative. Mr. Heil explained that demand for personalization at scale is very important for students, alumni and donors today. He said that the recruitment cycle has significantly expanded over time for undergraduate students and that graduate and online recruitment is challenging in different ways.

Mr. Heil discussed a "Digital Engagement Center" which would be placed on TWU campus, and would be more than just a phone channel. He said the center would utilize multiple tools creating a

comprehensive omni-channel digital engagement center. He indicated that a Ruffalo Noel Levitz employee would be present as an extension of TWU staff.

Mr. Heil went on to highlight certain aspects of the proposed engagement plan and its components and delivery methodology, which was a result of collaboration of the TWU executive team and the Ruffalo Noel Levitz personnel.

Ms. Sarah Noonan, Vice President of Ruffalo Noel Levitz, further described the Digital Engagement Center to the Board, including the specific tools which would be utilized, as well as the planned expected contacts which would be made per year. She stressed the need to engage potential students with information relevant to them. Ms. Noonan described the process from potential student lead generation to enrollment. She indicated that the intent was to build out longer term plans and to teach TWU staff to continue the program beyond the next 3 years.

Mr. Heil then continued to describe the proposed program to the Board. Following the presentation by Ruffalo Noel Levitz, Regent Wu asked if the Board had any discussion.

Motion to Move Approval of Item to Consent Agenda: Regent Wilson, motioned and Regent Hyde, seconded. The motion passed with a vote of 3-0-0.

Item D. Recommend Approval of Texas Woman’s University Investment Policy and the Endowment Investment and Distribution Policy

Mr. Jason Tomlinson recommended approval of a resolution regarding the TWU Investment Policy and the Endowment Investment and Distribution Policy. He stated that the State requires the Board to act on the investment policy including endowment funds and strategy annually, but that there is no change at this time because the Board voted and approved the changes last year for September, 2019. He indicated that the Board is asked to reaffirm the policy.

Motion to Move Approval of Item to Consent Agenda: Regent Hyde, motioned and Regent Wilson, seconded. The motion passed with a vote of 3-0-0.

Item E. Recommend Approval of Tuition and Fee Waivers for the Tuition Assistance Program at Texas Woman’s University

Mr. Jason Tomlinson recommended the board approve a resolution for Tuition and Fee Waivers for the Tuition Assistance Program at Texas Woman’s University. He informed the board that the program would expand TWU’s current scholarship program for employees and dependents. He added that a review has been made of schools across the state, and to remain competitive with what many Texas universities offer, it is proposed that the Board of Regents approve the waiver of the following tuition and fees that are within the Board’s purview for full-time employees and their dependents:

- Designated Tuition
- University Services Fee
- Student Services Fee
- Fitness and Recreation Fee
- Medical Services Fee
- Student Center Fee

Mr. Tomlinson explained that the proposed program does not create additional costs to the school, but instead, waiving these fees result a 75% to 85% savings to employees, and would be a great benefit for TWU employees.

Regent Gallardo asked for clarification as to how this program would affect the school's bottom line and Mr. Tomlinson said that since it was merely foregoing revenue, the program would not require any additional funds.

Regent Hyde asked if beneficiaries of the program are required to maintain a certain grade point average. Mr. Tomlinson answered that undergraduate students in the program must maintain a 2.0 and graduate students must maintain a 3.0 to remain eligible.

Regent Hyde asked if the program allowed full time or part time attendance. Mr. Tomlinson explained that due to the difficulty of working full time and taking too many hours, there is a limit of 6 hours per semester for employees but not for dependents.

Dr. Feyten added that TWU does provide a great deal of scholarships to many students, and if the school also adopts this program, our employees and their dependents participating are likely to improve TWU's retention rate.

Regent Wu asked if there was any further discussion.

Motion to Move Approval of Item to Consent Agenda: Regent Wilson, motioned and Regent Hyde, seconded. The motion passed with a vote of 3-0-0.

Item F. Recommend Approval of Budget Increase for the Design and Construction of the New Fieldhouse on the Denton Campus and Delegate Contract Authority to the Chancellor and President of Texas Woman's University

Mr. Jason Tomlinson said original budget approved by the Board in August 2019 was \$11.5 million and there is now a request for an additional \$1 million. He indicated that adding more space to the Fieldhouse allows us more flexibility for our various programs to grow in other building spaces. He added that it is beneficial to take advantage of the current decrease in interest rates offered by the city and decreased construction costs in the market.

Regent Wu indicated that she applauds the vision in maximizing efficiency in how the school uses space.

Motion to Move Approval of Item to Consent Agenda: Regent Hyde, motioned and Regent Wilson, seconded. The motion passed with a vote of 3-0-0.

Item G. Recommend Approval of the Design and Construction of a Campus-Wide Camera and Security System and Delegate Contract Authority to the Chancellor and President of Texas Woman's University

Mr. Jason Tomlinson said that campus safety is a top concern for students. Mr. Tomlinson recommend that the board approve taking \$2.5 million from the school's HEF reserves expenditure for the assessment, design, and construction of a campus-wide camera and security system, along with all necessary equipment and appurtenances, and delegate contract authority to the Chancellor and President of Texas Woman's University to negotiate and execute any design, construction, and installation contracts.

Mr. Tomlinson explained that several of the cameras and servers on campus have reached their lifecycle and require updating. The goal of this project will be to update and install cameras in buildings and parking lots across all three campuses to be monitored from both a central command center.

Regent Gallardo asked for budget numbers for the operating costs of the cameras, explaining how important safety and security is to the school.

Mr. Rob Ramirez, Associate Vice President for Facilities Management and Construction, informed the Board that TWU plans to develop a new security standard. TWU has been consulting with security experts to develop the recommendation to the Board. Mr. Ramirez informed the Board that the need across campus varied with some areas needing little to no work but there are 42 buildings identified which needed upgrades or new cameras with that estimate being \$1.1 million. He further explained that exterior cameras needed for open areas were estimated at \$700,000. He said that upfront network costs were estimated at \$500,000, and then with an additional contingency roughly \$2.5 million is being requested.

Regent Wu told Mr. Tomlinson and Mr. Ramirez that the Board appreciates the prioritization of student safety.

Regent Hyde brought up a possible issue of ongoing repairs, stressing that it can be problematic to keep cameras working. He said it would therefore be important to ensure the cameras are durable. He then asked how a maintenance contract would address that issue.

Mr. Ramirez indicated that the request for funds includes a three-year service agreement with a firm who will maintain and service for the system for the first 3 years. He explained to the Board that within 24 hours any identified issued should be resolved. He added that having the service firm manage the network involved will reduce any continuity issues or delay in the service to the cameras.

Regent Shepard asked Mr. Tomlinson to clarify what the HEF reserves are. Mr. Tomlinson answered that TWU has not spent all of its HEF reserves from last year and have enough from that to pay for this. He elaborated that in Texas there are funds approved for capital projects, and TWU's is \$14.68m each year. He clarified that HEF reserves are an allocation in TWU's state budget that can only be used for capital investments and improvements.

Regent Shepard said this project would be a very good use of that money.

Regent Wu then asked if there any further discussion.

Regent Wilson thank Mr. Tomlinson and Mr. Ramirez for working on the details and presenting the information.

Motion to Move Approval of Item to Consent Agenda: Regent Wilson, motioned and Regent Hyde, seconded. The motion passed with a vote of 3-0-0.

Item H. Recommend Approval of TWU Grants Report Awarded from April 1, 2020 through July 9, 2020

Mr. Jason Tomlinson asked the Board to approve the quarterly grants awarded to TWU from April 1, 2020 through July 9, 2020 as listed in the handout provided to the Board. The total amount of the grants awarded was \$1,420,178. Mr. Tomlinson informed the Board that the numbers for this quarter are on par with the same period last year when they were \$1.3 million.

Regent Wu asked if there was any discussion. Dr. Feyten clarified that the numbers do not reflect the TRIP grants discussed earlier.

Motion to Move Approval of Item to Consent Agenda: Regent Wilson, motioned and Regent Hyde, seconded. The motion passed with a vote of 3-0-0.

Item I. Recommend Approval of the Budget for Fiscal Year 2021

Mr. Jason Tomlinson informed the Board that the proposed budget takes into account the tuition and fee increases approved by the Board of Regents February, 2020, the housing and dining rates approved in May, 2020, the dining land lease that must be paid in the amount of \$1,057,719, and the investment in the infrastructure that recruits supports, and retains our students.

Dr. Monica Mendez-Grant, Vice President for Student Life, thanked the Strategic Enrollment Management Committee members, which she listed for the Board. She informed the Board that this committee is responsible for guiding much of the collaboration across campus and has been diligent about working to impact recruitment and retention. Dr. Grant described some of the ideas that the committee has implemented which were helping students in every way possible.

Dr. Mark Hamner, Vice Provost for Institutional Research and Improvement, described to the Board an one of the initiatives which was undertaken to identify students who had not signed up for full-time enrollment to encourage them to add enrolled hours to help get students to graduation. Dr. Hamner said that various methodologies were utilized and the results studied, which showed success of the initiative.

Dr. Grant then showed the Board enrollment over the summer of 2020 as compared to 2017, 2018 and 2019, showing an increase in student count and enrolled hours. She also showed predictions for 2020 fall enrollment.

Mr. Tomlinson then showed the Board an overview of Non-State Funds, stating that the information was used in creating the budget. He showed that the operating budget is projected to be \$251.3 million and then showed a breakdown between education and general, designated, auxiliary and restricted revenue. He then compared the budget numbers to last year's budget.

Mr. Tomlinson then explained that \$249.8 million was planned for expenditure, broken down by percentages for education and general, designated, restricted, and auxiliary expenses. He then compared the proposed expenditure numbers to last year's budget.

Mr. Tomlinson then showed the proposed operating expenditure budget by type, including the categories of compensation, maintenance and operations, student support, and travel. He further reviewed the divisional expenditure budget numbers for fiscal year 2021, and showed covered debt service by funding source for fiscal year 2021.

Regent Wu asked if there was any discussion.

Regent Shepard thanked Mr. Tomlinson for his effort in putting together a very clear budget report with great explanations and definitions.

Motion to Move Approval of Item to Consent Agenda: Regent Wilson, motioned and Regent Hyde, seconded. The motion passed with a vote of 3-0-0.

Regent Wu then indicated that the Board would return back to **Agenda Item B. Report on the Office of Audit Services**

Ms. Shannon South, Director of Audit Services, told the Board she is excited to join TWU and looks forward to serving the Board and the TWU community.

Regent Jester told Ms. South that it was a pleasure to have you on board as a part of the TWU family now. She said that she looks forward to working with Ms. South.

Ms. South indicated that the department is in the process of hiring staff for the department. She informed the Board that the audit department is currently working with an audit firm to augment staff during the process. Ms. South then described to the Board the audits currently in process, including Advancement & HIPAA Compliance, Benefits Proportionality & TEC 51.9337 Compliance, Construction and Post-Payment Follow-up Audit. She informed the Board that those audit items will be reported in more detail to the Board in the future.

Ms. South then informed the Board about a few other required activities that Audit Department must complete, and which were in process when Ms. South joined TWU. She said that the required activities included the development of the fiscal year 2021 audit plan, certain follow-up audits, and a department self-assessment.

Regent Wu thanked Ms. South and welcomed her aboard TWU. Regent Wu then asked the Board if there were any questions for Shannon. She clarified that the Board will hear more from Ms. South at the next meeting.

V. Adjourn

With no further business coming before the Finance and Audit Committee, Regent **Wu** adjourned the Finance and Audit Committee meeting at **2:57 p.m.**