**TEXAS WOMAN’S UNIVERSITY BOARD OF REGENTS**

**FINANCE AND AUDIT COMMITTEE MINUTES**

**August 8, 2019**

**Board of Regents Conference Room**

**ACT, 16th Floor**

**304 Administration Dr.**

**Denton, Texas 76201**

**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; Mr. Jason Tomlinson, Vice President of Finance and Administration, Dr. Monica Mendez-Grant, Vice President for Student Life; Dr. Carolyn Kapinus, Interim Provost and Vice President for Academic Affairs; Dr. Randall Langston, Vice President for Enrollment Services; Dr. Kimberly Russell, Vice President of University Advancement

1. **Call to Order:**

With a quorum being present, Regent **Wu**, Chair of the Finance and Audit Committee, called the meeting to order at **3:00 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.

1. **Consider Approval of the Minutes of the Finance and Audit Committee Meeting of May 16, 2019**

**Motion to Approve Minutes**: Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

The minutes of the Finance and Audit Committee Meeting of **May 16, 2019**, were approved as submitted.

1. **Recess Finance and Audit Committee Meeting into Executive Closed Session**

Regent **Wu** announced that the Committee would recess into Executive Closed Session for the purposes of consulting with TWU counsel regarding legal matters and/or contemplated litigation or settlement offers pursuant to section 551.071 of the Texas Government Code at **3:01** **p.m.**

Regent **Wu** noted that Dr. Carolyn Kapinus, Mr. Jason Tomlinson, and Mr. Ali Subhani would remain in the room to provide necessary information and consultation to the Board regarding the items to be discussed.

Regent **Wu** directed all other members of the public and staff to leave the meeting room for the Executive Closed Session discussion.

1. **Reconvene to Open Session and Take Any Possible Action Regarding Matters Discussed in Executive Closed Session**

At the conclusion of the Executive Closed Session, Regent **Wu** reconvened the meeting of the Finance and Audit Committee into open session, a quorum being present, at **3:40** **p.m.**

No action was taken on the items discussed during the Executive Closed Session for the Finance and Audit Committee Meeting.

1. **Agenda**

**Motion to Take up Agenda Items:** Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

**Item A.** University Advancement Philanthropic Progress Report

Dr. Russell opened her presentation by introducing Ms. Dianne Baker, for whom the new TWU Softball Field was recently named in response to her generous donation to the University, to the Board of Regents.

Student Regent D’Abrosca congratulated Ms. Baker on her recent induction to the Lone Star Conference Hall of Honor.

Dr. Russell provided the Board with information related to the Charitable Gifts and Pledges, and sponsorships and gifts in kind received by the University from 4,434 donors. Additionally, she noted that TWU giving is on an upward trend in comparison to 2018 and showed the Board a chart illustrating the annual fiscal-year-to-date giving comparison. Furthermore, University Advancement has implemented an initiative called Phone-a-thon, which they hope to use to increase giving among alumnae specifically.

Additionally, Dr. Russell showed the Board a chart outlining the TWU Foundation total assets for fiscal year 2019, which is just over $80 million. Dr. Russell also noted the Alumni Associations assets specifically.

Finally, Dr. Russell provided the Board with a Comprehensive Campaign Update based on the efforts and contributions of MPK&D, and outlined some of TWU’s outreach efforts.

**Item B.** Summer and Fall 2019 Enrollment Report

Dr. Randall Langston presented the current enrollment numbers for TWU’s summer and fall enrollment for 2019, including the enrollment status for first-time-in-college students, transfer, and graduate populations.

Dr. Langston noted that TWU is up 27% in new student enrollment from 2017-2019, and provided a breakdown of the enrollment numbers for graduate and transfer students.

In the future, the Enrollment Office will be transitioning from print to digital viewbooks, implementing a virtual campus tour for students who cannot visit the campus personally for a tour, and introducing a new CRM in fall 2020. Financial Aid has implemented digital scanning of documents to expedite processing and Undergraduate Admissions is transitioning into a “territory management” approach in recruitment of students. This will include a much more business focused approach with special attention to goals, benchmarking, and outcomes in each recruitment zone.

**Item C.** Capital Construction Project Report

Mr. Rob Ramirez provided the Board with an update on current construction projects at the University including the Science and Technology Learning Center, the P3 Project, including Student Housing and the Dining Facility, the Renovation of Old Main Building, updates to the theatrical lighting for the Margo Jones building, and east campus parking, all of which are being completed on time or ahead of schedule and within budget.

Additionally, Mr. Ramirez noted that the University is about to being working on renovations for Jones Hall.

**Item D.** Quarterly Status Report of the Office of Audit Services and Recommended Approval of Fiscal Year 2020 Audit Plan

Mr. Ali Subhani, Director of the Office of Audit Services, provided a briefing to the Board of Regents on the activity of the Office of Audit Services for the 4th quarter of fiscal year 2019, giving a high overview of two recently completed Audits, one over Executive Travel and Entertainment expenditures and the other related to the Center for Research and Design Analysis. Both audits revealed the need to strengthen some policies and procedures related to each of the subject areas.

Additionally, Mr. Subhani requested that the Board approve the 2020 Audit Plan, and outlined for the Board how areas for audit are selected for the Audit Plan. The Audit Plan proposes ten planned audits of risk based activities at the University.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Wilson** motioned and Regent **Hyde** seconded. The motion passed with a vote of **4-0-0.**

**Item E.** Recommended Approval of Funds for the Design and Construction of the Bookstore Expansion and Delegation of Contract Authority for the Bookstore Renovations on the Denton Campus

Mr. Jason Tomlinson requested that the Board approve the use of $1.5 million for the expansion and renovation of the bookstore in Brackenridge Hall on the TWU Denton Campus as well as the delegation of contract authority to the Chancellor to negotiate and execute the upcoming design and construction contracts to expand and renovate the bookstore.

Mr. Tomlinson noted that the TWU Denton campus has a need to expand and renovate the existing bookstore, which is currently on two levels in Brackenridge Hall. The existing Bookstore has not changed its footprint in at least 25 years. Since that time, TWU enrollment has doubled and there has been an increase in the number of employees who work at the university. The proposed project will program and design the remodel which includes the exiting Bookstore and the Center for Student Development (both located in Brackenridge Hall). In addition, the renovation will allow for greater access to those who have mobility concerns as the renovation will combine textbooks with merchandise sales onto one floor.

Finally, Mr. Tomlinson noted Follett, the company running the Bookstore, would pay $355,000.00 of the $1.5 million cost.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

**Item F.** Recommended Approval of Funds for the Design and Construction of a New Sports Building on the Denton Campus

Mr. Jason Tomlinson requested that the Board approve the use of $11.5 million for the design and construction of the New Sports Building on Texas Woman’s University (TWU) Denton Campus as well as the delegation of contract authority to the Chancellor to negotiate and execute the upcoming design and construction contracts for the New Sports Building.

He noted that the TWU Denton campus has been expanding its footprint east with a new athletics complex district. An essential element to this concept which was previously identified in the master plan, was the need for a new sports facility that could support the needs of the athletic teams that are utilizing the outdoor fields, potential competitive sports programs in development, and the needs of Pioneer Hall and the relocated intramural field.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

**Item G.** Recommended Approval of the Delegation of Contract Authority to the Vice President of Finance and Administration to Negotiate and Execute an Amendment for the Natural Gas Purchase on the Denton Campus

Mr. Jason Tomlinson and Mr. Rob Ramirez, Associate Vice President for Facilities Management and Construction recommended the Board delegate contract authority to the Vice President for Finance and Administration to negotiate and execute an amendment with the Texas General Land Office for a natural gas purchase on the Denton Campus.

He noted that the current natural gas contract expires on August 31, 2019 for the Denton campus, and it is critical that an amendment extending our agreement for an additional two years be executed. The new expiration date will be August 31, 2021.

Finally, Mr. Tomlinson noted that the total natural gas expenses over the term of the agreement are expected to increase by an average of $0.53 per MMBtu over the term of the amendment. TWU’s current rate, excluding utility transmission charges and other fees, is $3.40. The anticipated rate being negotiated is currently $3.93, which may fluctuate slightly prior to contract execution. The total cost increase is expected to range from $145,278 - $199,468. Despite this price increase, TWU’s agreement with the General Land Office provides an overall savings of 26.5% from the general large customer rate estimated from TWU’s local provider, currently at $5.35 per MMBtu.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

**Item H.** Recommended Approval of the Name Change of Mary Eleanor Brackenridge Hall Student Center to Mary Eleanor Brackenridge Hall Student Center Annex

Mr. Tomlinson and Dr. Monica Mendez-Grant recommended that the Board approve a name change of Mary Eleanor Brackenridge Hall Student Center to Mary Eleanor Brackenridge Hall Student Center Annex.

Dr. Mendez-Grant explained that the advantage of an annex would allow the University to assist in supporting potential renovations and existing operations of the building.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Wilson** motioned and Regent **Hyde** seconded. The motion passed with a vote of **4-0-0.**

**Item I.** Recommended Approval of the TWU Investment Policy, Endowment Investment Policy, and Distribution Policy

Mr. Jason Tomlinson recommended the approval of a resolution regarding the TWU Investment Policy and Endowment Investment and Distribution Policy.

He explained that the Public Investment Act of the State of Texas (Texas Gov’t Code 2256) requires the governing body of TWU to annually review and adopt a written investment (to include endowed funds) policy outlining the investment strategy, appoint an Investment Officer, and adopt internal controls to safeguard the University’s funds.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Wilson** motioned and Regent **Hyde** seconded. The motion passed with a vote of **4-0-0.**

**Item J.** Recommended Approval of a New Fee and Waiver of Other Fees for Online Students Recruited by Keypath Education

Mr. Jason Tomlinson recommended the approval of a new online fee and the waiver of certain fees for online students recruited by Keypath Education.

The proposed fee adjustments were:

* a new online fee of $43 per credit hour that will be assessed to students recruited by Keypath Education, LLC into the Master of Science Nursing Family Nurse Practitioner and the Post-Master’s FNP Certificate (the “Program”) beginning Spring 2020.
* the waiver of the following fees for those students recruited by Keypath Education, LLC into the Program beginning Spring 2020:
  + Technology fee
  + Fitness & Recreation Fee
  + ID Fee
  + International Education Fee
  + Medical Service Fee
  + Publication Fee
  + Student Center Fee
  + Student Service Fee
  + Instructional Enhancement Fee
  + Library Access Fee
  + Lab Fee
  + Program Fee

Mr. Tomlinson explained that TWU is partnering with Keypath Education, LLC, an online program management provider, to launch a pilot program for the Program beginning Spring 2020, and that, in the increasingly competitive distance education market, the University needs a partner to assist in the marketing and delivery of the Program. One such service is the evaluation of a competitive rate for the total degree costs. This rate requires certain modifications in the graduate tuition and fee model at TWU.

The graduate statutory, designated and differential rates would remain the same. However, the fees assessed need to be modified in order to remain competitive. Sections 54.218 and 54.5035 of the Texas Education Code allow the governing board of an institution to waive fees it has authorized.

A new online fee of $43 per credit hour would be assessed to the Program. This fee would fund operational support expenses associated with delivering the program.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

**Item K.** Recommended Approval of TWU Grants Awarded April 2019 – July 2019

Mr. Tomlinson recommended the Board approve TWU Grants awarded from April 19, 2019 through July 1, 2019. The grants recommended for approval were:

**Research Grants**

|  |  |  |
| --- | --- | --- |
| **A.** | Grant from the Texas Society for Microscopy - Private - entitled  "Determining the Receptor Anatomy and Interaction Underlying Sexual | 1,500 |
|  | Dimorphism in Trigeminal Pain Processing" for period 4/23/19 until |  |
|  | expended. Dr. Dayna Averitt and Ms. Sukhbir Kaur Lulla are the project |  |
|  | directors. |  |
| **B** | Grant from the Welch Foundation - Private - entitled "Basic Chemical Research at Texas Woman's University" for period 6/1/19 to 5/31/20. | 45,000 |
|  | Dr. Richard Sheardy is the project director. |  |
| **C.** | Grant from HHS - National Institutes of Health - Federal - entitled "Chromatin Condensation as a DNA Protective Response to UV Radiation | 65,837 |
|  | in Human Melanocytes and Aging C. elegans" for period 6/1/19 to 5/31/20. |  |
|  | Drs. Tina Gumienny and Michael Bergel are the project directors. |  |
| **D.** | Grant from Del Sol Food Company, Inc. - Private - entitled "Briannas Salad Dressing Consumer Test" for period 5/15/19 to 10/31/19. Dr. Xiaofen Du is | 11,139 |
|  | the project director. |  |
| **E.** | Grant from the National Strength and Conditioning Association - Private - entitled "The Influence of a Supplemental Preload Prior to Carbohydrate | 2,500 |
|  | Consumption of Cycling Performance" for period 5/16/19 to 12/31/19. |  |
|  | Dr. Vic Ben-Era and Mr. Christopher Irvine are the project directors. |  |
| **F.** | Grant from the National Watermelon Promotion Board - Private - entitled "Efficacy of Watermelon Consumption on Range of Motion, Pain, and | 44,940 |
|  | Cartilage/Inflammatory Biomarkers in Older Adults with Symptomatic |  |
|  | Knee Osteoarthritis" for period 9/1/18 to 8/31/19. Drs. Shanil Juma & |  |
|  | Parakat Vijayagopal are the project directors. |  |
| **G.** | Grant from Ingredion Incorporated - Private - entitled "The Effect of Pea Protein on Muscle Hypertrophy Parameters in Young Males Following an | 180,862 |
|  | 8-week Resistance Training Program" for period 4/1/19 to 3/30/20. |  |
|  | Drs. Mindy Maziarz Patterson and Wayne Brewer are the project directors. |  |
| **H.** | Grant from the National Council of Teachers of English - Private - entitled "Biliteracy Development through Social Justice Inquiry" for period 6/22/19 | 5,000 |
|  | until expended. Drs. Mary Amanda (Mandy) Stewart & Aimee Myers are |  |
|  | the project directors. |  |
| **I** | Grant from tec5USA - Private - entitled "tec5USA Bacon Crude and Volatile Analysis" for period 6/22/19 until expended. Dr. Xiaofen Du is the | 3,219 |
|  | project director. |  |

**Total Research Grants** $359,997

**Other Grants**

|  |  |  |
| --- | --- | --- |
| **A.** | Grant from HHS - Health Resources & Service Administration -  Federal - entitled "Scholarships for Disadvantaged Students (SDS) | 650,000 |
|  | for period 7/1/19 to 6/30/20. Drs. Jo-Ann Stankus and Peggy |  |
|  | Mancuso are the project directors. |  |
| **B.** | Subcontract from the Texas Department of Family & Protective Services on a grant from HHS - Administration for Children and | 248,807 |
|  | Families - Federal - entitled "Social Work Program's IV-E Child |  |
|  | Welfare Training Project at TWU: Partnership between TWU and |  |
|  | State of Texas for Child Welfare Training of BSW Students" for |  |
|  | period 7/1/19 to 6/30/20. Dr. Nila Ricks is the project director. |  |
| **C.** | Grant from Medical City Healthcare - Private - entitled "Perioperative Nursing Externship" for period 4/1/19 until | 36,000 |
|  | expended. Ms. Kristine Morris is the project director. |  |
| **D.** | Grant from the U.S. Department of Education - Federal - entitled "TWU Work Study Job Location and Development Program (JLD)" | 58,000 |
|  | for period 7/1/19 to 6/30/20. Ms. Laura Shackelford is the project |  |
|  | director. |  |

**Total Other Grants** $992,807

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| --- | --- |
| **SUMMARY** | **AUG-FY18 AUG-FY19** |
| **Research Grants** | 131,993 359,997 |
| **Other Grants** | 1,725,879 992,807 |
| **All Grants** | 1,857,872 1,352,804 |

**Motion to Move Approval of Item to Consent Agenda:** Regent **Hyde** motioned and Regent **Wilson** seconded. The motion passed with a vote of **4-0-0.**

**Item L.** Recommended Approval of the Budget for Fiscal Year 2020

Mr. Tomlinson recommended that the Board approve the proposed Fiscal Year 2020 Budget with its allocation and expenditure of:

* 2020-21 State Appropriated Funds
* Tuition and fee increases approved by the Board of Regents February 2018
* Housing and Dining rates approved by the Board of Regents in conjunction with the P3 project
* 5% budget reallocation of fees and differential tuition

Mr. Tomlinson noted that the Board of Regents is responsible for the approval of the annual operating budget within the limits of the available revenue by September 1st of each year. (General Appropriations Act)

Budget Increases:

1) State Appropriated Funds – Increases to the operating budget from any state appropriated funding source requires advance approval of the Board.

2) Tuition and Fees – Tuition and Fee increases are presented to the Board off-cycle of the Legislative Session.

3) Grant Funds – Grant funds are received by the University and presented to the Board for approval at its regular board meeting.

4) Income in excess of budget estimates.

5) University Fund Balances – When it is in the best interest of the University and sustainable in the future, the Chancellor may approve the expenditure of University Fund Balances (up to 5%) with subsequent reporting to the Board at its next regular board meeting.

Finally, Mr. Tomlinson noted that the University would have an annual operating expenditure budget of $239.8 million.

**Motion to Move Approval of Item to Consent Agenda:** Regent **Wilson** motioned and Regent **Hyde** seconded. The motion passed with a vote of **4-0-0.**

1. **Adjourn**

Regent Wu made an announcement regarding the Regent Dinner, and two tours to be taken by the Regents, one after the conclusion of the Finance and Audit Committee Meeting and the second before the commencement of the Full Board Meeting tomorrow.

With no further business coming before the Finance and Audit Committee, Regent **Wu** adjourned the Finance and Audit Committee meeting at **4:59 p.m.**